City of Pekin
AGENDA

SPECIAL COUNCIL MEETING OF MONDAY, APRIL 3, 2006
CITY HALL COUNCIL CHAMBERS
5:30 P.M.

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. NEW BUSINESS

1. **Ordinance No. 2469 – Authorizing the Issuance and Sale of Mortgage Revenue Refunding Bonds – United Auto Workers Senior Citizens' Center, Inc Project** **(CR)**

   DESCRIPTION: *Request to issue up to $5,550,000 of tax-exempt revenue bonds to refinance existing bonds for UAW Hi Rise at 444Parkway Drive, Pekin, Illinois. City acts as issuer to obtain tax-exempt issue. This is not a general obligation bond of the City. The bonds are to be paid solely from the revenues of the project*

   ACTION: *Motion to adopt ordinance*

   VOTE REQUIRED

2. **Agreement with United Auto Workers Senior Citizens Center, Inc.** **(CR)**

   DESCRIPTION: *to induce the City to issue the bonds, the UAW is willing to agree to extend the term of the agreement to the year 2034 not to take action to assert that the UAW premises are exempt from real estate taxes*

   ACTION: *Motion to approve the agreement*

   VOTE REQUIRED

3. **Street Maintenance Bids** **(DP)**

DESCRIPTION: *Bids received and filed by Council at the meeting of March 27, 2006. After review of the bids received, it is the recommendation of the Street Superintendent to reject all bids.*

ACTION: *Motion to reject two bids received and authorization to re-bid the project*

VOTE REQUIRED

V. RECESS TO 6:00 P.M.
Conceptual Planning

VI. ADJOURNMENT

City of Pekin
City Clerk

MARCH 30, 2006

N O T I C E

NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING OF THE CITY COUNCIL OF PEKIN, ILLINOIS WILL BE HELD ON MONDAY, APRIL 3, 2006 AT 5:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS 111 SOUTH CAPITAL STREET PEKIN, ILLINOIS 61554

THE PURPOSE OF THE MEETING IS TO CONSIDER THE FOLLOWING:

- **ORDINANCE NO. 2469 AUTHORIZING THE ISSUANCE MORTGAGE REVENUE REFUNDING BONDS**
- **AGREEMENT WITH UNITED AUTO WORKERS SENIOR CITIZENS CENTER, INC.**
- **STREET MAINTENANCE BIDS**
- **CONCEPTUAL PLANNING FOR THE CITY.**

SUE E. MCMILLAN
CITY CLERK

CITY OF PEKIN,
TAZEWELL COUNTY, ILLINOIS

DATE OF PASSAGE: April 3, 2006

ORDINANCE NUMBER: _________

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF ITS (i) $4,990,000 THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS MORTGAGE REVENUE REFUNDING BONDS (GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT), SERIES 2006A, AND (ii) $350,000 THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS TAXABLE MORTGAGE REVENUE REFUNDING BONDS (GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT), SERIES 2006B, AND CONFIRMING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND RELATED DOCUMENTS; AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT, AND RELATED MATTERS.

WHEREAS, the Issuer is authorized by the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois, as amended (the "Act"), to issue its bonds or notes for the purpose of carrying out any of its powers under the Act, including, without limitation, the issuance of revenue bonds for the purpose of providing financing or refinancing for costs of economic development projects within the jurisdiction of the Issuer;

WHEREAS, United Auto Workers Senior Citizens' Center, Inc., an Illinois not-for-profit corporation (the "Borrower"), has requested that the Issuer issue and sell revenue refunding bonds for the purpose of refunding the Issuer's outstanding amount of the City's Multifamily Housing Refunding Revenue Bonds, Series 1992A (FHA-Insured Mortgage Loan – Section 8 Assisted Project) (the "Prior Bonds");

WHEREAS, the Issuer has determined to issue its Mortgage Revenue Refunding Bonds (GNMA Collateralized - United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A in the aggregate principal amount of $4,990,000 (the "Series A Bonds") and its Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B in the aggregate principal amount of $350,000 (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") with the Bonds providing funds, in connection with the Project, to purchase a fully modified mortgage-backed security to be issued by Capstone Realty Advisors, LLC (the "Mortgage Lender"), which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (the “GNMA Security”) under the provision of Section 221(d)(3), pursuant to Section 223(a)(7) of the National Housing Act and the Regulations thereunder now in effect;

WHEREAS, the GNMA Security is to be issued with respect to a mortgage loan insured by the Federal Housing Administration of the United States Department of Housing and Urban Development (“HUD”) to be made by the Mortgage Lender to finance, in part, the refinancing of the Project;

WHEREAS, the Issuer has determined that assisting in the refinancing of the Project with the proceeds of the Bonds will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the Act ;

WHEREAS, it is now necessary, desirable and in the best interests of the Issuer to authorize the execution and delivery of an Indenture of Trust (the “Indenture”) dated as of April 1, 2006, by and between the Issuer and J.P. Morgan Trust Company, National Association, a national banking association organized under the laws of the United States of America, as trustee (the “Trustee”); and

WHEREAS, it is now necessary, desirable and in the best interests of the Issuer to approve the delivery of a Bond Purchase Agreement dated as of April 1, 2006 (the “Bond Purchase Agreement”), by and among the Borrower, Bernardi Securities, Inc., as remarketing agent (the “Underwriter”), and the Issuer; and

WHEREAS, it is now necessary, desirable and in the best interests of the Issuer to authorize the preparation and distribution of an Official Statement (the “OFFICIAL STATEMENT") in connection with the issuance of the Bonds; and

WHEREAS, the Issuer has caused to be prepared for and presented before the Mayor and City Council of the Issuer forms of the following documents which the Issuer proposes to approve the terms of or enter into:

1. the Financing Agreement;
2. the Indenture of Trust;
3. the Bond Purchase Agreement;
4. the Bonds; and
5. this Ordinance.

WHEREAS, the Mayor and City Council of the Issuer hereby finds and determines that the issuance of the Bonds for the stated purposes is necessary for the welfare of the government and affairs of the Issuer, is a proper public purpose and is in the public interest; and

WHEREAS, the Mayor of the Issuer has caused a notice of public hearing with respect to the plan of finance of the costs of the Project through the issuance of the Bonds to be published in the *Pekin Daily Times*, a newspaper of general circulation in the City of Pekin, Illinois, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), on February 24, 2006, and the Mayor of the Issuer conducted said public hearing on March 13, 2006;

NOW, THEREFORE, Be It Ordained by the Mayor and City Council of the City of Pekin, Tazewell County, Illinois, a home rule municipality, in the exercise of its home rule powers, as follows:

Section 1. That the Mayor and City Council of the Issuer hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct, and do incorporate them into this Ordinance by this reference.

Section 2. That, pursuant to the Act, the Issuer does hereby authorize and approve the refunding of the Prior Bonds through the issuance of the Bonds in one or more series in accordance with the terms of the Financing Agreement and the Indenture, and that the Issuer hereby approves the plan of finance through the issuance of the Bonds, as described in the aforesaid notice of public hearing which is hereby incorporated by reference, and authorizes the Mayor to approve such issuance of Bonds, which approval shall be considered the public approval required by Section 147(f) of the Code.

Section 3. That the Issuer is hereby authorized to enter into the Financing Agreement with the Borrower in substantially the same form now before the Mayor and City Council of the Issuer; that the form, terms and provisions of the Financing Agreement be, and they hereby are, in all respects approved; that the Mayor of the Issuer be, and hereby is, authorized, empowered and directed to execute, and the City Clerk of the Issuer by, and hereby is, authorized, empowered and directed to attest and to affix the official seal of the Issuer to, the Financing Agreement in the name, for and on behalf of the Issuer, and thereupon to cause the Financing Agreement to be delivered to the Borrower, such Financing Agreement (as executed) to provide for the terms and conditions of the financing, including the use of such proceeds for the refunding of the Prior Bonds and the payment of costs of issuance related thereto. The proceeds of the Bonds will finance a mortgage loan to the Borrower in the original principal amount of $5,340,000 (the "Mortgage Loan"), which will be insured by the Federal Housing Administration ("FHA") of the U.S. Department of Housing and Urban Development ("HUD"). The Financing Agreement is to be in substantially the same form now before the Mayor and City Council of the Issuer or with such changes and revisions therein as the officer executing the Financing Agreement on behalf of the Issuer shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of the Financing Agreement now before the Mayor and City Council of the Issuer; that from and after the execution and delivery of the Financing Agreement, the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Financing Agreement as executed; and that the Financing Agreement shall constitute, and hereby is made, a part of this Ordinance, and a copy of the Financing Agreement shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the City Clerk of the Issuer.

Section 4. That the Issuer is hereby authorized to enter into the Indenture with the Trustee in substantially the same form now before the Mayor and City Council of the Issuer; and the form, terms and provisions of the Indenture be, and they hereby are, in all respects approved; that the Mayor of the Issuer be, and hereby is, authorized, empowered and directed to execute, and the City Clerk of the Issuer be, and hereby is, authorized, empowered and directed to attest and to affix the official seal of the Issuer to, the Indenture in the name, for and on behalf of the Issuer, and thereupon to cause the Indenture to be delivered to the Trustee, and the Indenture shall constitute an assignment and pledge for the security of the Bonds issued thereunder of the revenues and receipts to be received by the Issuer pursuant to the Financing Agreement and the promissory note of the Borrower delivered thereunder (the "Note") and an assignment and pledge of the other right, title and interest of the Issuer in and to the Financing Agreement, the Financing Documents and the GNMA Security, as described in the Indenture (with the exception of certain rights to receive certain payments, to indemnity and other rights as specified in the Indenture), such Indenture to be in substantially the form now before the Mayor and City Council of the Issuer or with such changes and revisions therein as the officer executing the Indenture on behalf of the Issuer shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of Indenture now before the Mayor and City Council of the Issuer; that from and after the execution and delivery of the Indenture, the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Indenture as executed; and that the Indenture shall constitute, and hereby is made, a part of this Ordinance, and a copy of the Indenture shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the City Clerk of the Issuer.

Section 5. That J.P. Morgan Trust Company, National Association, Chicago, Illinois, is hereby designated as Trustee, Paying Agent and registrar with respect to the Bonds.

Section 6. That the Issuer is hereby authorized to enter into the Bond Purchase Agreement with the Borrower and the Underwriter in substantially the same form now before the Mayor and City Council of the Issuer and any supplement thereto that is necessary to sell the Bonds; that the form, terms and provisions of the Bond Purchase Agreement in the name, for and on behalf of the Issuer, and thereupon to cause the Bond Purchase Agreement to be delivered to the Borrower and the Underwriter, such Bond Purchase Agreement to provide for the issuance of the Bonds in the aggregate principal amount of $5,340,000, such Bond Purchase Agreement to be in substantially the same form now before the Mayor and City Council of the Issuer or with such changes or revisions therein as the officer executing the Bond Purchase Agreement on behalf of the Issuer shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of Bond Purchase Agreement now before the Mayor and City Council of the Issuer; that from and after the execution and delivery of the Bond Purchase Agreement, the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed; and that the Bond Purchase Agreement shall constitute, and hereby is made, a part of this Ordinance, and a copy of the Bond Purchase Agreement shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the City Clerk of the Issuer.

Section 7. That the form of the Bonds now before the Mayor and City Council of the Issuer, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture (as executed and delivered) be, and the same hereby are, approved; that the Bonds shall be executed in the name, for and on behalf of the Issuer with the manual or facsimile signature of its Mayor and attested with the manual or facsimile signature of its City Clerk and the official seal of the Issuer shall be impressed or imprinted thereon; that the Mayor of the Issuer or the City Clerk of the Issuer shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication; and that when the Bonds shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this Ordinance in the aggregate principal amount of $5,340,000 with respect to the Bonds, they shall represent the approved forms of Bonds of the Issuer.

Section 8. That the sale of the Bonds in the aggregate principal amount of $5,340,000 at a purchase price of 100% of the principal amount thereof and accrued interest, if any, to the date of delivery, is hereby approved and confirmed, it being hereby found and determined that the Bond Purchase Agreement and any supplement thereto that is necessary to sell the Bonds is in the best interests of the Issuer; and that no member of the Mayor and City Council for the Issuer or any officer of the Issuer is in any manner interested, either directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the Financing Agreement, the Indenture, the Bond Purchase Agreement or the Bonds.

Section 9. That the preparation and distribution of the OFFICIAL STATEMENT by the Underwriter is hereby approved, and the preparation and distribution of the OFFICIAL STATEMENT by the Underwriter is hereby approved; and that the Mayor of the Issuer be, and hereby is, authorized, empowered and directed to execute the OFFICIAL STATEMENT in the name, for and on behalf of the Issuer, and thereupon to deliver the OFFICIAL STATEMENT to the Underwriter, in substantially the same form now before the Mayor and City Council of the Issuer or with such changes or revisions therein as the officer of the Issuer executing the OFFICIAL STATEMENT shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of the PRELIMINARY OFFICIAL STATEMENT before the Mayor and City Council of the Issuer.

Section 10. That the Mayor, the City Clerk and any other officer, employee or agent of the Issuer be, and each of them hereby is authorized and directed to execute, attest, seal and deliver any and all documents and certificates, to do any and all things deemed necessary to effect the issuance and sale of the Bonds and the execution and delivery of the Financing Agreement, the Indenture, the Bond Purchase Agreement and such other instruments (including financing statements), and to perform the obligations and duties of the Issuer hereunder and thereunder, all as shall be necessary and desirable to carry out the intent and purposes of this Ordinance, including the preambles hereto.

Section 11. That all acts of the Mayor and City Council of the Issuer and the members, officers, agents and employees of the Issuer that are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, be, and the same are hereby, in all respects, ratified, confirmed and approved.

Section 12. That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Ordinance.

Section 13. That all ordinances, resolutions, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict; and that this Ordinance shall be in full force and effect immediately and forthwith upon its passage and approval by the Mayor.

PASSED by the Mayor and City Council of the City of Pekin, Tazewell County, Illinois, on April 3, 2006.

AYES ____________ NAYES _____________

APPROVED AND SIGNED by the Mayor of the City of Pekin, Tazewell County, Illinois, on April 3, 2006.

____

Frank Mackaman, Mayor, City of Pekin, Tazewell County, Illinois

ATTEST:

____

Sue McMillan, City Clerk

STATE OF ILLINOIS)
)SS
COUNTY OF TAZEWELL)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Pekin, Tazewell County, Illinois (the "Issuer"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Issuer and of the Mayor and City Council thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of said Mayor and City Council held on the 3rd day of April, 2006, insofar as the same relates to the adoption of Ordinance Number ______ entitled:

> AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF ITS (i) $4,990,000 THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS MORTGAGE REVENUE REFUNDING BONDS (GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT), SERIES 2006A, AND (ii) $350,000 THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS TAXABLE MORTGAGE REVENUE REFUNDING BONDS (GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT), SERIES 2006B, AND CONFIRMING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND RELATED DOCUMENTS; AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT, AND RELATED MATTERS,

a true, correct and complete copy of which said Ordinance as passed at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of said Mayor and City Council on the adoption of said Ordinance were taken openly, that the vote on the adoption of said Ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and that said Mayor and City Council has complied with all of the provisions of said Act and with all of the procedural rules of said Mayor and City Council in the adoption of said Ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City, this 3rd day of April, 2006.

Sue McMillan, City Clerk, City of Pekin, Tazewell County, Illinois

(SEAL)

$4,990,000
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED - UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT), SERIES 2006A

AND

$350,000
THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
TAXABLE MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED -- UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT), SERIES 2006B

BOND PURCHASE AGREEMENT

April ______, 2006

City of Pekin, Tazewell County, Illinois
Pekin, Illinois

United Auto Workers Senior Citizens' Center, Inc.
Pekin, Illinois

Ladies and Gentlemen:

The undersigned (the *"Underwriter"*) offers to enter into the following agreement (the *"Agreement"*) with you, City of Pekin, Tazewell County, Illinois, an Illinois municipal corporation and home rule unit of government duly organized and existing under the laws and Constitution of the State of Illinois (the *"Issuer"*), and United Auto Workers Senior Citizens' Center, Inc., an Illinois not-for-profit corporation (the *"Borrower"*), which, upon acceptance of this offer by the Issuer and the Borrower, will be binding upon the Issuer, the Borrower and Underwriter. This offer is made subject to the acceptance of this Agreement by the Issuer and the Borrower on or before 12:00 p.m., Chicago time, on the date indicated above and, if not so accepted, may be withdrawn by the Underwriter upon notice to the Issuer and the Borrower by the Underwriter at any time before its acceptance.

Section 1. Underwriting of Bonds. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer agrees to sell to the Underwriter, on April ____, 2006, all (but not less than all) of the Issuer's (i) $4,990,000 Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A (the *"Series A Bonds"*), and (ii) $350,000 Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B (the *"Series B Bonds"*, and together with the Series A Bonds, the *"Bonds"*) to be issued in the aggregate principal amount of $5,340,000, at a purchase price equal to 100% of the principal amount of the Bonds. The Underwriter agrees that it will make a bona fide offering of all of the Bonds to institutional investors which customarily purchase municipal obligations in large denominations. The payment for and delivery of the Bonds pursuant to Section 5 on the date referenced above is called the *"Closing"* and such date is hereinafter referred to as the *"Closing Date."* Upon the occurrence of the Closing on the Closing Date, the Borrower shall pay a fee to the Underwriter in the amount of $______________ in immediately available funds in consideration for its underwriting of the Bonds on the Closing Date.

The Bonds will be issued pursuant to an Indenture of Trust dated as of April 1, 2006 (the *"Indenture"*), between the Issuer and J. P. Morgan Trust Company, National Association, as trustee (the *"Trustee"*) to provide all or a portion of funds to be used for refunding the outstanding amount of the City's Multifamily Housing Refunding Revenue Bonds, Series 1992A (FHA–Insured Mortgage Loan – Section 8 Assisted Project) (the "Prior Bonds") previously issued by the City and thereby make a mortgage loan (the "Mortgage Loan") insured by the Federal Housing Administration ("FHA") to the Borrower to refinance the acquisition and construction of a 215-unit multifamily rental apartment project (the *"Project"*) located at 444 Parkway Drive, Pekin, Illinois 61554. The Issuer has determined to issue the Bonds providing funds, in connection with the Project, to purchase a fully modified mortgage-backed security to be issued by Capstone Realty Advisors, LLC (the "Mortgage Lender"), which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (the "GNMA Security") under the provision of Section 221(d)(3), pursuant to Section 223(a)(7) of the National Housing Act and the Regulations thereunder now in effect. The GNMA Security is to be issued with respect to the Mortgage Loan insured by the Federal Housing Administration of the United States Department of Housing and Urban Development ("HUD") to be made by the Mortgage Lender to finance, in part, the refinancing of the Project. The Bonds will be payable out of repayments made by the Borrower to the Issuer under the Financing Agreement (the *"Financing Agreement"*) dated as of April 1, 2006, by and among the Issuer, the Borrower, the Mortgage Lender and the Trustee. The Issuer, the Trustee and the Borrower will enter into a Tax Agreement dated the date of issuance of the Series A Bonds (the *"Tax Agreement"*) to provide for certain covenants pertaining to the tax exemption of the Bonds.

The Bonds will bear interest from the Closing Date, payable semiannually on each May 20 and November 20, commencing on November 20, 2006, and will mature, subject to prior redemption, as set forth in the Official Statement (defined below).

Section 2. Official Statement. The Official Statement dated April ____, 2006, relating to the Bonds, which, together with all appendices thereto and any information incorporated by reference therein (the *"Official Statement"*), has been prepared on behalf of the Borrower and the Issuer with the assistance of the Underwriter. The Underwriter and the Borrower acknowledge and agree that the Issuer has not participated in the preparation of the Official Statement, except with respect to the information related to it under the headings "THE ISSUER" and "ABSENCE OF LITIGATION" (but only to the extent related to the Issuer). The Issuer and the Borrower authorize the Indenture, the Financing Agreement, the Official Statement and any amendments or supplements thereto to be used by the Underwriter in connection with the purchase and sale of the Bonds.

The Issuer (at the expense of the Borrower) agrees to provide to the Underwriter, on or prior to the Closing, sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

After the date of this Agreement and prior to the 25th day following the Closing Date, if any event occurs as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements in it not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in it, in the light of the circumstances under which they are made, not misleading, the Borrower, with the Issuer's approval, will prepare and furnish to the Underwriter, at the expense of the Borrower, either amendments or supplements to the Official Statement so that the statements in the Official Statement, as so amended or supplemented, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in it, in the light of the circumstances existing at the time the Official Statement is so amended or supplemented, not misleading. The Issuer will only be required to prepare and furnish amendments or supplements relating to information with respect to it under "THE ISSUER" and "ABSENCE OF LITIGATION" in the Official Statement. The Borrower and the Issuer will, before the Official Statement is amended or supplemented, furnish a copy of each proposed amendment or supplement to the Underwriter who will have the right to approve it in its reasonable discretion.

Section 3. Representations, Warranties and Agreements of the Issuer. The Issuer represents, warrants and agrees as follows:

(a) The Issuer is an Illinois home rule unit of government duly organized and existing under the laws and Constitution of the State of Illinois (the *"State"*), and has full legal right, power and authority (1) to adopt the bond ordinance of the Issuer adopted April 3, 2006 authorizing the issuance of the Bonds and the Issuer's execution and delivery of this Agreement, the Financing Agreement and the Indenture, (2) to issue and deliver the Bonds pursuant to this Agreement and to the Indenture for the purpose for which they are to be issued, (3) to execute and deliver this Agreement, the Financing Agreement and the Indenture, and (4) to consummate the transactions contemplated by, and perform its obligations under, each such document.

(b) The Issuer has taken all necessary action required to make this Agreement, the Financing Agreement, the Indenture and the Bonds the valid obligations of the Issuer which they purport to be; when executed and delivered by the parties thereto, this Agreement, the Financing Agreement, the Indenture and the Bonds will constitute valid and binding agreements of the Issuer and will be enforceable against the Issuer in accordance with their respective terms, except as enforceability may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by the availability of equitable remedies; and the Issuer has duly authorized all necessary action to be taken by it for the approval of the Official Statement.

(c) The Issuer, to the extent that it exercises control thereof, will not take or omit to take any action which action or omission might result in the loss of the exclusion of interest on the Series A Bonds from the gross income of the owners thereof for Federal income tax purposes referred to under the caption "TAX MATTERS" in the Official Statement.

(d) The execution, delivery and due performance by the Issuer of this Agreement, the Indenture, the Financing Agreement and the Bonds will not conflict with or result in a violation or breach of, or constitute a default under any indenture, agreement or instrument to which the Issuer is a party or by which it is bound, or any order or decree to which the Issuer is subject, or result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer. The Issuer has obtained all consents of any governmental authority of the State or the United States of America required in connection with the issuance and sale of the Bonds and the performance of the Issuer's obligations under the Bonds, the Indenture, this Agreement and the Financing Agreement; *provided, however,* that no representation is made concerning compliance with the Federal securities laws or the securities or blue sky laws of the various states.

(e) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending, or, to the best knowledge of the Issuer, threatened against or affecting the Issuer, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or by the Indenture, the Financing Agreement or the Official Statement, or which, in any way, would adversely affect the validity of the Bonds, the Indenture, the Financing Agreement, this Agreement or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement or the exclusion of interest on the Bonds from the gross income of the owners thereof for Federal income tax purposes.

(f) The information relating to the Issuer under "THE ISSUER" and "ABSENCE OF LITIGATION" as of its date did not, and such information in the Official Statement does not and on the Closing Date will not, contain any untrue or misleading statements of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) The Issuer will cooperate with the Underwriter and its counsel in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request, but the Issuer will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction. The Borrower will pay the expenses of any action taken under this paragraph.

(h) So long as any of the Bonds remain outstanding and except as may be authorized by the Indenture, the Issuer will not issue or sell any bonds or obligations, other than the Bonds, the principal of or premium, if any, or interest on which will be payable from the property described in the granting clause of the Indenture. The payments due under the Financing Agreement from the Borrower to the Issuer and pledged by the Issuer pursuant to the Indenture are not subject to any prior pledge by the Issuer.

(i) The Issuer agrees to cooperate with the Underwriter and its counsel in applying for and securing ratings on the Bonds by such rating agencies as the Borrower and the Underwriter shall specify, and the Issuer agrees that this obligation shall continue until such ratings on the Bonds are secured. The Borrower will pay the expenses of any action taken under this paragraph.

Any certificate signed by a representative of the Issuer and delivered to the Underwriter and Wildman Harrold Allen & Dixon LLP (*"Bond Counsel"*) shall be deemed a representation and warranty by the Issuer to the Underwriter as to statements made therein.

Section 4. Representations, Warranties and Agreements of the Borrower. The Borrower represents, warrants and agrees as follows:

(a) The Borrower has been duly organized and is validly existing as an Illinois not-for-profit corporation in good standing under the laws of that State, with power and authority to own its properties and conduct its business; and no proceeding of which the Borrower has knowledge has been instituted in any such jurisdiction, revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification.

(b) At the date of execution by the Borrower of this Agreement, the information in the Official Statement relating to the Borrower and the Project is, and at the Closing Date will be, true and correct in all material respects for the purposes for which its use was authorized; and such information does not and at the Closing Date will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(c) Since the respective dates as of which information is given in the Official Statement, there has been no material adverse change in the business, properties, condition (financial or otherwise) or operations of the Borrower, from that set forth in the Official Statement.

(d) Except as may be disclosed in the Official Statement or in any documents incorporated by reference therein, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending, or to the knowledge of the Borrower, threatened, which involves the Borrower which might materially adversely affect the operation, condition or feasibility of the Project or the financial position or results of operation of the Borrower or wherein an adverse decision, ruling or finding might materially adversely affect the transactions contemplated by this Agreement or adversely affect the validity or enforceability of the Financing Agreement, the Bonds, the Indenture, the Tax Agreement, the Mortgage Loan or this Agreement.

(e) This Agreement, the Financing Agreement and the Tax Agreement have been duly authorized, executed and delivered by, and will constitute legal, valid and binding obligations of, the Borrower enforceable in accordance with its respective terms, except as enforceability may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by the availability of equitable remedies and except with respect to those provisions relating to indemnities for liabilities under the Securities Act of 1933, as amended (the *"Securities Act"*).

(f) No event of default by the Borrower or event which, with notice or lapse of time or both, would constitute an event of default or a default by the Borrower under any agreement or instrument to which the Borrower is a party or by which the Borrower is bound or to which any of the property or assets of the Borrower is subject has occurred and is continuing, which would have a material adverse effect upon the financial condition of the Borrower; neither the execution nor delivery of the Financing Agreement, the Tax Agreement or this Agreement, nor the consummation of any other of the transactions contemplated thereby or by this Agreement or the Official Statement nor the fulfillment of the terms hereof or thereof, will conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any corporate restriction or any indenture, agreement or instrument to which the Borrower is bound, any order, rule or regulation applicable to the Borrower of any court, Federal or state regulatory body, administrative agency or other governmental body having jurisdiction over the Borrower or any of its properties or operations, or (except as contemplated thereby) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower under the terms of any such restriction, agreement, instrument, order, rule or regulation; *provided* that no representation is made with respect to any "Blue Sky" law, order, rule or regulation.

(g) The Borrower will not take or omit to take any action which action or omission will in any way cause the proceeds of the Bonds to be applied in a manner contrary to that provided in the Financing Agreement or the Indenture, as in force from time to time.

(h) The Borrower has obtained or will obtain in due course all approvals required in connection with the execution and delivery of, and performance by the Borrower of its obligations under, this Agreement, the Financing Agreement and the Tax Agreement.

Section 5. Closing. On the Closing Date, the Issuer, at the request and expense of the Borrower, and subject to the terms and conditions of the Indenture and Financing Agreement, hereby agrees to cause the Bonds to be authenticated, issued and delivered to the purchasers thereof upon payment of the full purchase price therefor by wire transfer in immediately available funds, payable to the order of the Trustee but for the account of the Issuer. The delivery of the Bonds shall be made to the Trustee, as agent for The Depository Trust Company, New York, New York (*"DTC"*) or otherwise in accordance with the procedures of DTC. One Bond in the aggregate principal amount of each maturity of the Bonds shall be delivered, registered in the name of CEDE & Co. and bear a proper CUSIP number (*provided* that neither the printing of a wrong number on the Bond nor the failure to print a number thereon shall constitute cause to refuse delivery of the Bond). The Bond shall be available for examination by the Underwriter prior to delivery to DTC.

Section 6. Conditions to Closing. The obligations of the Underwriter hereunder are and shall be subject to the representations and warranties of the Issuer and the Borrower herein being true and correct at the Closing Date and to the performance by the Issuer and the Borrower of their respective obligations hereunder and, in the Underwriter's discretion, to the following additional conditions:

(a) at the Closing Date, the Indenture, the Financing Agreement, the Tax Agreement and the Mortgage Loan shall have been duly authorized, executed and delivered in accordance with their terms and shall be in full force and effect in accordance with their terms and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, and the Official Statement and any amendments or supplements thereto shall have been duly authorized and executed;

(b) between the date hereof and the Closing Date, the marketability of the Bonds, the market price of the Bonds or the practicability of determining the market price of the Bonds has not been, in the reasonable judgment of the Underwriter, materially adversely affected by the occurrence of any of the following:

(i) an actual or tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing Federal income taxation, or any other event shall have occurred which results in the imposition of Federal income taxation, upon revenues or other income of the general character to be derived by the Issuer or by any similar body or upon interest received on obligations of the general character of the Bonds, or on the Bonds;

(ii) any legislation impacting the Bonds shall be favorably reported by a committee of the legislature of, or any resolution, rule or regulation impacting the Bonds shall be enacted by any governmental body, department or agency in, the State, or a decision by any court of competent jurisdiction within the State shall be rendered;

(iii) a stop order, ruling, regulation or official written statement by, or on behalf of, the Securities and Exchange Commission (the "*Commission*") or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or remarketing of obligations of the general character of the Bonds, or the issuance, offering, sale or remarketing of the Bonds, including all the underlying obligations (*e.g.*, the Financing Agreement or the Mortgage Loan), as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the Federal securities laws, as amended and as then in effect;

(iv) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under, or other requirements of, the Securities Act, or are not exempt from the registration requirements of the Exchange Act, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect;

(v) any event shall have occurred, or information become known, as a result of which, in the judgment of the Underwriter, the Official Statement as originally circulated shall contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(vii) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(viii) a general banking moratorium shall have been established by Federal, New York or State authorities;

(ix) any rating of any class of securities of the Mortgage Lender (or any affiliated entity) shall have been suspended, downgraded or withdrawn by a national rating service;

(x) the Mortgage Lender (or any affiliated entity) shall have been placed on Standard & Poor's Corporation Credit Watch or Moody's Investors Service, Inc. Corporate Credit Reports Watch List (or some other similar status) due to the possibility of such a suspension, downgrading or withdrawal of any rating of any class of securities of the Mortgage Lender (or any affiliated entity) or been the subject of an adverse credit report by a national rating service;

(xi) any proceeding relating to the Bonds, the Mortgage Loan, the Financing Agreement or the Indenture shall be pending or threatened by the Commission against the Borrower, the Mortgage Lender or the Issuer; or

(xii) a war involving the United States shall have been declared, or any conflict involving the armed forces of the United States shall have occurred or escalated, or any other national or local emergency relating to the effective operation of government or the financial community shall have occurred, and the occurrence of such event shall materially adversely affect the ability of the Underwriter to underwrite the Bonds;

(c) at or prior to the Closing, the Underwriter shall receive the following documents:

(i) (A) the opinion of Wildman Harrold Allen & Dixon LLP, Bond Counsel, in a form to the reasonable satisfaction of the Underwriter, substantially in the forms attached as Appendix C to the Official Statement; (B) the opinion of Elliff, Keyser, Oberle & Dancey, P.C., Counsel to the Issuer, in the form attached as Exhibit A hereto; and (C) the opinion of Katz, Friedman, Eagle, Eisenstein, Johnson & Bareck, PC, Counsel to the Borrower, in the form attached as Exhibit B hereto; (D) the opinion of Talbott and Associates, Counsel to the Mortgage Lender; and (E) the opinion of The Lakin Law Firm, P.C., Counsel to the Underwriter, in a form to the reasonable satisfaction of the Underwriter;

(ii) certificate of the Borrower, executed by duly an authorized officer of the Borrower, dated the Closing Date, to the effect that the representations and warranties of the Borrower herein are true and correct as of such date, and that the Borrower has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date;

(iii) the certificate of the Mayor of the Issuer, dated the Closing Date, to the effect that the representations and warranties of the Issuer herein are true and correct in all material respects and that the Issuer has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date;

(iv) executed counterparts of the Financing Agreement, this Agreement, the Tax Agreement, the Indenture and a copy of the executed Mortgage Loan;

(v) a certified copy of the resolutions of the governing body of the Borrower authorizing the execution and delivery of the agreements referred to herein to be executed by the Borrower and evidence of approval of the Borrower entering into this transaction;

(vi) copies of the bond ordinance of the Mayor and City Council of the Issuer certified by its City Clerk authorizing the issuance of the Bonds and the execution and delivery of the agreements referred to herein to be executed by the Issuer;

(vii) copies of the Official Statement, as amended and supplemented to the Closing Date, in such quantities as the Underwriter may reasonably request;

(viii) a duly executed copy of the Letter of Representations with The Depository Trust Company;

(ix) evidence that Form 8038 has been executed and filed with the Internal Revenue Service;

(x) evidence of the rating of the Bonds "AAA" by Standard & Poor's; and

(xi) such additional certificates and other documents as the Underwriter may reasonably request to evidence performance of or compliance with the provisions of this Agreement and the transactions contemplated hereby, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.

If on the Closing Date the conditions set forth in this Section shall not have been satisfied or waived or if the Underwriter's obligations shall be terminated for any reason permitted by this Agreement, this Agreement may be canceled by the Underwriter and, upon such cancellation, neither the Underwriter, the Issuer nor the Borrower shall have any further obligation hereunder, except as provided in Sections 8 and 9 hereof.

Section 7. Expenses. The Underwriter shall not be obligated to pay, and the Borrower agrees to pay all expenses and fees incident to the performance of the Issuer's and the Underwriter's obligations under this Agreement, including but not limited to (a) all expenses in connection with the preparation of the Official Statement and any amendment or supplement thereto, (b) the fees, costs, and expenses charged by the Issuer and any financial advisor to the Issuer and to be paid by the Borrower pursuant to the Agreement and the Indenture, (c) all expenses of preparing, printing, issuing and delivering the Bonds, (d) all expenses of preparing, printing, issuing and delivering the Indenture, the Financing Agreement, the Tax Agreement, the Mortgage Loan and this Agreement and any related notice, publication, filing or recording, (e) the fees and expenses of Bond Counsel and counsel to the Underwriter, (f) the fees and expenses of the counsel for the Issuer, (g) the fees and expenses of the counsel for the Borrower and the Mortgage Lender, (h) the out-of-pocket expenses of the Underwriter, (i) the fees and expenses of the Trustee and its counsel, if any, and (j) all other expenses and costs of the Issuer or the Borrower incident to the performance of their respective obligations in connection with the authorization, issuance, sale and distribution of the Bonds.

If the Issuer does not sell the Bonds for any reason other than a default by the Underwriter, the Borrower agrees to pay on demand all expenses described in the preceding paragraph and will reimburse the Underwriter on demand for all reasonable out-of-pocket expenses incurred by it in connection with the proposed sale of the Bonds. The Borrower's obligation to pay all fees, costs, and expenses of Issuer as set forth above, shall remain valid and enforceable notwithstanding whether the Issuer sells the Bonds.

Section 8. Indemnification and Contribution. (a) The Borrower agrees to indemnify and hold harmless the Underwriter, the Issuer, its respective members, directors, elected and appointed officers, officials, agents, attorneys and employees and each person who controls the Issuer or the Underwriter within the meaning of Section 15 of the Securities Act (any such person being herein sometimes called an "*Indemnified Party*"), against all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such Indemnified Party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (1) an allegation or determination that the Bonds or the obligations of the Borrower under the Financing Agreement or the obligations of the Mortgage Lender under the Mortgage Loan should have been registered under the Securities Act or the Indenture should have been qualified under the Trust Indenture Act; or (2) any untrue statement, or alleged untrue statement, of a material fact contained in the Official Statement or any amendment or supplement thereto or the omission or alleged omission to state in them a material fact necessary to make the statements in them not misleading, except a statement or omission under "UNDERWRITING." The Borrower shall not be liable to the Underwriter under this paragraph if the person asserting any such loss, claim, damage or liability purchased Bonds after solicitation by the Underwriter, if delivery to such person of the Official Statement or any amendment of or supplement to the Official Statement would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the Official Statement, amendment or supplement was not delivered to such person by or on behalf of the Underwriter. This indemnity agreement will not limit any other liability the Borrower may otherwise have to any Indemnified Party.

(b) An Indemnified Party will, promptly after receiving actual notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Borrower, notify the Borrower in writing of the commencement of the action. Failure of the Indemnified Party to give such notice will not relieve the Borrower from any liability which it may have to any Indemnified Party except to the extent that the Borrower was prejudiced by such failure to notify. If such action is brought against an Indemnified Party and such Indemnified Party notifies the Borrower of its commencement, the Borrower may, or if so requested by the Indemnified Party shall, participate in it or assume its defense, with counsel reasonably satisfactory to the Indemnified Party, and, except as provided below, after notice from the Borrower to the Indemnified Party of an election to assume the defense, the Borrower will not be liable to the Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense other than reasonable costs of investigation. Until the Borrower assumes the defense of any such action at the request of the Indemnified Party as provided above, the Borrower may participate at its own expense in the defense of the action. If the Borrower does not employ counsel to have charge of the defense or if any Indemnified Party reasonably concludes that there may be defenses available to it or them which are different from or in addition to those available to the Borrower or if the Indemnified Parties and the Borrower have conflicting interests which would make it inappropriate for the same counsel to represent both of them (in which case the Borrower will not have the right to direct the defense of such action on behalf of such Indemnified Party), legal and other expenses incurred by such Indemnified Party will be paid by the Borrower (it being understood, however, that the Borrower shall not be liable for the expenses of more than one separate counsel (in addition to local counsel), approved by the Underwriter representing all Indemnified Parties not having different or additional defenses or potential conflicting interests among themselves who are parties to such action). Any obligation under this Section of the Borrower to reimburse an Indemnified Party for expenses includes the obligation to make advances to the Indemnified Party to cover such expenses in amounts and at periodic intervals not more often than monthly as requested by the Indemnified Party.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section is due in accordance with its terms but is for any reason held by a court to be unavailable from the Borrower on grounds of policy or otherwise, the Borrower and the Underwriter, shall contribute to the total losses, claims, damages and liabilities (including legal or other expenses of investigation or defense) to which they may be subject in such proportion as is appropriate to reflect the relative benefits received by each party from the offering of the Bonds. If, however, the allocation provided by the preceding sentence is not permitted by applicable law, the Borrower and the Underwriter shall contribute as aforesaid in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Borrower on the one hand and the Underwriter on the other in connection with the failure to register or qualify certain instruments as described in Section 8(a)(1) or in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Borrower on one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Bonds (before deducting expenses) received by the Borrower bear to the total fees received by the Underwriter hereunder. The relative fault of the Borrower on the one hand and of the Underwriter on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Borrower or by the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

(d) The Borrower and the Underwriter agree that it would not be just and equitable if contribution pursuant to this Section were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 8, the Underwriter shall not be required to contribute any amount in excess of the fee paid to it hereunder. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

(e) The indemnification and contribution agreements of all parties to this Agreement contained in this Section shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, by or on behalf of any person controlling the Underwriter, by or on behalf of the Borrower, (ii) any termination of this Agreement, or (iii) the purchase and sale of the Bonds.

(f) For purposes of this Section, each person who controls the Underwriter within the meaning of Section 15 of the Securities Act shall have the same rights as the Underwriter. Any party entitled to contribution shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under paragraph (c), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have hereunder (except to the extent such party was prejudiced by the failure to notify) or otherwise than under paragraph (c).

(g) The indemnification provisions of this Section 8 shall be in addition to, and not in substitution of the indemnification provisions set forth in the Financing Agreement.

Section 9. Notices. Any notice or other communication to be given to the Issuer or the Borrower under this Agreement may be given by delivering the same in writing at such party's address set forth above.

Section 10. Parties in Interest; Survival of Representations and Warranties. This Agreement is made solely for the benefit of Issuer, the Borrower and the Underwriter (including the successors and assigns of the Underwriter), and no other person will have any right under this Agreement, except as provided in Section 8 hereof. All the representations, warranties and agreements of the Issuer and the Borrower in this Agreement will remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, delivery of and payment for the Bonds under this Agreement and any termination of this Agreement.

Section 11. Headings. The headings of the sections of this Agreement are inserted for convenience and are not a part of it.

Section 12. Payment of Expenses by Issuer. Anything herein to the contrary notwithstanding, the Issuer shall not be required to pay any expense or be liable for the payment of any sum by reason of the terms of this Agreement unless the necessary funds for such payment shall have been made available to it out of the proceeds of the Bonds or by the Borrower, and every undertaking of the Issuer under the Agreement shall be subject to this condition.

Section 13. Severability. If any provision of this Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Agreement.

Section 14. Counterparts. This Agreement may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

Section 15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

If the Borrower and the Issuer agree with the foregoing, please sign the enclosed counterpart of this letter and return it to the Underwriter. This letter will become a binding agreement among the Issuer, the Borrower and the Underwriter when at least one counterpart of this letter has been signed on behalf of each of the parties.

Very truly yours,

BERNARDI SECURITIES, INC., as Underwriter

By:_______________________________________
Its: Authorized Representative

We agree to the foregoing:

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

By:__________________________________
Mayor

UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC., an Illinois not-for-profit corporation

By:__________________________________
Its:__________________________________

EXHIBIT A

FORM OF OPINION OF COUNSEL TO THE ISSUER

April ______, 2006

Bernardi Securities, Inc.
Fairview Heights, IL

Wildman Harrold Allen & Dixon LLP
Chicago, IL

J. P. Morgan Trust Company, National Association
Chicago, IL

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
$4,990,000
MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006A

AND

$350,000
TAXABLE MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006B

Ladies and Gentlemen:

We are counsel to the City of Pekin, Tazewell County, Illinois (the *"Issuer"*), a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, in connection with the issuance by the Issuer of its (i) $4,990,000 aggregate principal amount of Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A (the *"Series A Bonds"*), and (ii) $350,000 aggregate principal amount of Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B (the *"Series B Bonds,"* and together with the Series A Bonds, the *"Bonds"*), which are being issued pursuant to an Indenture of Trust (the *"Indenture"*) dated as of April 1, 2006 between the Issuer and J. P. Morgan Trust Company, National Association, as trustee (the *"Trustee"*), we have examined:

(i) a certified copy of the ordinance adopted by the Mayor and the City Council of the Issuer on April 3, 2006 (the *"Bond Ordinance"*), authorizing, among other things, the following:

(a) the execution and delivery of a Financing Agreement (the *"Financing Agreement"*) dated as of April 1, 2006, among the Issuer, the Trustee, Capstone Realty

Advisors, LLC, as the mortgage lender (the *"Mortgage Lender"*) and United Auto Workers Senior Citizens' Center, Inc. (the *"Borrower"*);

(b) the execution and delivery of the Indenture;

(c) the execution and delivery of a Bond Purchase Agreement dated April ____, 2006 (the *"Bond Purchase Agreement"*) among the Issuer, the Borrower and Bernardi Securities, Inc.;

(d) the execution and delivery of a Tax Agreement dated the date hereof (the *"Tax Agreement"*), among the Issuer, the Borrower and the Trustee; and

(e) the issuance, sale and delivery of the Bonds;

(ii) executed counterparts of the Financing Agreement, the Indenture, the Tax Agreement and the Bond Purchase Agreement;

(iii) a specimen Bond;

(iv) the Official Statement dated April ____, 2006, relating to the Bonds (the *"Official Statement"*); and

(v) such other matters and documents as we have deemed necessary for purpose of this opinion.

Based on the foregoing and upon review of such other information and matters of law as we have deemed necessary to render this opinion, we are of the opinion that:

1. The Issuer is a home rule unit, municipal corporation and political subdivision duly organized and existing under the Constitution and laws of the State of Illinois. The Issuer has the power and authority to issue, sell and deliver the Bonds and to execute and deliver, and perform its obligations under, the Financing Agreement, the Bond Purchase Agreement, the Tax Agreement and the Indenture.

2. The Bond Ordinance has been duly adopted by the Issuer, has not been amended, repealed or withdrawn and in full force and effect. The Bond Ordinance was duly introduced, read and adopted at a meeting held after the giving of the required public notice and at which a quorum was present, which meeting was held and which Bond Ordinance was adopted in accordance with the procedural rules of the Issuer and applicable laws of the State of Illinois.

3. The members and officers of the Issuer identified in the Issuer's general certificate delivered at the closing of the Bonds held on this date have been duly appointed or elected and are qualified to serve as such.

4. The Financing Agreement, the Indenture, the Bond Purchase Agreement, the Tax Agreement and the Bonds have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and legally binding, special and limited obligations and agreements of the Issuer and are enforceable in accordance with their respective terms except as enforceability may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by the availability of equitable remedies. The Issuer has duly authorized all necessary action to be taken by it for the approval of the Official Statement.

5. The adoption of the Bond Ordinance and the execution, delivery and due performance by the Issuer of the Financing Agreement, the Indenture, the Bond Purchase Agreement, the Tax Agreement and the Bonds, and compliance with the provisions thereof, do not and will not violate any provision of applicable law, any applicable order, resolution or ordinance of the Issuer or any applicable judgment, order, regulation or decree of any court or any public or governmental agency or authority to which the Issuer or its property is subject and will not conflict with, or result in a violation or breach, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the Issuer is a party or by which it or its properties is or may be bound, or result in the creation or imposition of any lien upon any of the property of the Issuer except for the lien of the Indenture.

6. There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency or public board or body, pending or threatened against or affecting the Issuer or, to the best of our knowledge, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the organization or existence of the Issuer, the transactions contemplated by the Bond Purchase Agreement, the Official Statement and the Indenture or which in any way would adversely affect the validity or enforceability of the Bonds, the Indenture, the Financing Agreement, the Tax Agreement or the Bond Purchase Agreement. Neither the existence nor the titles of the members of the Issuer to their respective offices are being contested.

7. No additional or further approval, consent or authorization of any governmental or public agency or authority not already obtained is required by law or by the Issuer in connection with the transactions contemplated by the Bond Ordinance, the Bonds, the Financing Agreement, the Indenture, the Official Statement, the Tax Agreement and the Bond Purchase Agreement; *provided*, that no opinion is expressed relating to state or federal securities laws.

8. All right, title and interest to the payments due under the Financing Agreement from the Borrower to the Issuer (except for certain payments to the Issuer with respect to expenses, indemnification and attorneys fees) have been duly and legally assigned by the Issuer to the Trustee for the payment of the principal of and interest on the Bonds pursuant to the Indenture.

9. The information relating to the Issuer contained in the Official Statement under the headings "THE ISSUER" and "ABSENCE OF LITIGATION" (with respect to the Issuer) is true, correct and complete in all material respects and does not omit any material fact which, in our opinion, should be included or referred to therein so as to make the information or statements made therein, in light of the circumstances under which they were made, not misleading.

EXHIBIT B

FORM OF OPINION OF COUNSEL TO THE BORROWER

April ____, 2006

City of Pekin, Tazewell County, Illinois
Pekin, IL

Bernardi Securities, Inc.
Fairview Heights, IL

J. P. Morgan Trust Company, National Association
Chicago, IL

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
$4,990,000
MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006A

AND

$350,000
TAXABLE MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006B

Ladies and Gentlemen:

We are counsel to United Auto Workers Senior Citizens' Center, Inc., an Illinois not-for-profit corporation (the "*Borrower*"). In connection with the issuance and sale by the City of Pekin, Tazewell County, Illinois (the "*Issuer*") of its (i) $4,990,000 aggregate principal amount of Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A (the "*Series A Bonds*"), and (ii) $350,000 aggregate principal amount of Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B (the "*Series B Bonds,*" and together with the Series A Bonds, the "*Bonds*"), which are being issued pursuant to an Indenture of Trust (the "*Indenture*") dated as of April 1, 2006 between the Issuer and J. P. Morgan Trust Company, National Association, as trustee (the "*Trustee*"), we have examined:

1. The Financing Agreement (the "*Financing Agreement*") dated as of April 1, 2006, among the Issuer, the Borrower, the Trustee and Capstone Realty Advisors, LLC, as the mortgage lender (the "*Mortgage Lender*");

2. The Tax Agreement (the "*Tax Agreement*") dated the date hereof, among the Issuer, the Trustee and the Borrower;

3. the Bond Purchase Agreement (the *"Bond Purchase Agreement"*) dated April ____, 2006, among the Borrower, the Issuer and Bernardi Securities, Inc. (the *"Underwriter"*);

4. the Indenture;

5. the Official Statement dated April ____, 2006 relating to the Bonds (the *"Official Statement"*);

6. the Mortgage and Security Agreement dated as of April 1, 2006 (the *"Mortgage"*) from the Borrower to Capstone Realty Advisors, LLC, the Mortgage Lender (the *"Mortgage Lender"*);

7. the Mortgage Note dated the date hereof (the *"Mortgage Note"*) of Borrower;

8. such other documents as we have deemed necessary or appropriate as a basis for the opinions expressed.

The Financing Agreement, the Tax Agreement, the Bond Purchase Agreement, the Mortgage and the Mortgage Note are hereinafter collectively referred to as the *"Borrower Agreements."* Based upon the foregoing we are of the opinion that:

1. The Borrower is an Illinois not-for-profit corporation duly organized and existing under the laws of that State and has the power to own its properties and to carry on its businesses as now being conducted in all jurisdictions in which it owns properties or carries on business.

2. The Borrower has been determined by the Internal Revenue Service to be (i) an organization described in Section 501(c)(3) of the Code, and (ii) exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986, as amended (the *"Code"*), except for unrelated business income subject to taxation under Section 511 of the Code, by virtue of being an organization described in Section 501(c)(3) of the Code, and is not a "private foundation" as defined in Section 509(a) of the Code and, to the best of our knowledge, (a) the Borrower's determination letter from the Internal Revenue Service (the *"Determination Letter"*) has not been modified, limited or revoked, and (b) the Borrower is in compliance with the terms, conditions and limitations in such Determination Letter;

3. The Borrower has all necessary legal right, power and authority to conduct its businesses, develop and own and operate the Project, and enter into and perform its obligations under the Borrower Agreements and to approve the use and distribution of the Official Statement.

4. The Borrower Agreements have each been duly authorized, executed and delivered by the Borrower and are each in full force and effect and each constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, other similar laws affecting creditors' rights generally or general equitable principles.

5. No additional authorization, consent, approval, registration, exemption or license with, from or of any governmental body, agency or authority not already obtained is necessary or required in connection with the execution and delivery by the Borrower of any of the Borrower Agreements or in connection with the performance the Borrower of its obligations thereunder.

6. The execution and delivery of the Borrower Agreements by the Borrowers and the performance by the Borrower of its obligations thereunder will not violate or conflict with any provisions of applicable law or any applicable statute, regulation, judgment, rule or order of any court or governmental body, do not and will not conflict with any instruments under which the

Borrower is organized and do not and will not conflict with, or result in the breach of any of the provisions of, or constitute a default or require any consent under any indenture, mortgage, deed of trust, contract or other agreement or instrument to which the Borrower is a party or by which it or any of its properties are bound or, which will result in the imposition in any lien on the property or assets of the Borrower, except in favor of the Mortgage Lender as provided therein.

7. No action, suit, proceeding, inquiry or investigation at law or in equity or before any court or arbitrator or before or by any governmental authority or public board or body is pending or threatened, against or affecting the Borrower, nor to the best of our knowledge, is there any basis therefor, to restrain or enjoin the issuance of the Bonds or the execution or delivery by the Borrower of the Borrower Agreements or wherein an adverse decision, ruling or finding in any one case or in the aggregate would adversely affect the transactions contemplated by the Official Statement or the validity or enforceability of the Bonds or the Borrower Agreements or be of a character required to be disclosed in the Official Statement and which is not adequately disclosed therein.

We have conferred with representatives of the Borrower who have worked with the Underwriter in connection with the preparation of the Official Statement. Based upon such participation, we do not believe that the information in the Official Statement, as of its date, or as of the date hereof, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were or are made, not misleading; it being understood, however, that we express no opinion with respect to information contained under the captions "THE ISSUER," "THE BONDS," "BOOK-ENTRY ONLY SYSTEM," "ABSENCE OF LITIGATION" (with respect to the Issuer), "UNDERWRITING".

FINANCING AGREEMENT

by and among

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS,
as Issuer

CAPSTONE REALTY ADVISORS, LLC,
as Mortgage Lender

UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC.,
an Illinois not-for-profit corporation,
as Borrower

and

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of April 1, 2006

$4,990,000
The City of Pekin, Tazewell County, Illinois
Mortgage Revenue Refunding Bonds
(GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project)
Series 2006A

and

$350,000
The City of Pekin, Tazewell County, Illinois
Taxable Mortgage Revenue Refunding Bonds
(GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project)
Series 2006B

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FINANCING AGREEMENT

THIS FINANCING AGREEMENT (the "**Agreement**"), dated as of April 1, 2006, is by and among **THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS**, (together with any successor to its rights, powers, duties and obligations hereunder, the "Issuer"), a political subdivision of the State of Illinois existing as a home-rule unit of government under the Constitution and laws of the State of Illinois, as amended; **CAPSTONE REALTY ADVISORS, LLC** (the "Mortgage Lender"); **UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC.**, an Illinois not-for-profit corporation (the "Borrower"); and **J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized by the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois, as amended (the "Act"), to issue its bonds or notes for the purpose of carrying out any of its powers under the Act, including (without limitation), the issuance of revenue bonds for the purpose of providing financing or refinancing for costs of economic development projects within the jurisdiction of the Issuer;

WHEREAS, the Borrower is an Illinois not-for-profit corporation which has requested that the Issuer issue and sell revenue refunding bonds for the purpose of refunding the Issuer's outstanding amount of the its Multifamily Housing Refunding Revenue Bonds, Series 1992A (FHA-Insured Mortgage Loan – Section 8 Assisted Project) (the "Prior Bonds") which previously financed and refinanced the acquisition and construction of a 215-unit multifamily rental apartment project located at 444 Parkway Drive, Pekin, Illinois 61554 (the "Project");

WHEREAS, the Issuer has determined to issue its Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A in the aggregate principal amount of $4,990,000* (the "Series A Bonds") and its Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B in the aggregate principal amount of $350,000* (the "Series B Bonds," and, together with the Series A Bonds, the "Bonds") to provide funds, in connection with to purchase a fully modified mortgage-backed security with proceeds of the Series A Bonds to be issued by the Mortgage Lender, which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (the "GNMA Security");

WHEREAS, the GNMA Security is to be issued with respect to a mortgage loan insured by the Federal Housing Administration of the United States Department of Housing and Urban Development ("HUD") to be made by the Mortgage Lender to finance, in part, the rehabilitation of the Project;

WHEREAS, the Issuer has determined that assisting in the financing of the Project with the proceeds of the Bonds will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the Act and the rules of the Issuer;

* Preliminary, subject to change.

WHEREAS, the Mortgage Lender has secured the consent of GNMA to issue the GNMA Security to be delivered to the Trustee as security for the Bonds under the terms of the Indenture of Trust dated as of this date between the Trustee and the Issuer (the "Indenture");

WHEREAS, the Issuer, the Borrower, the Trustee and the Mortgage Lender desire to set forth the terms and conditions with respect to such financing;

WHEREAS, to secure the payment of all of the principal of, premium, if any, and interest on the Bonds, the Issuer has assigned (with certain exceptions described herein) its rights, title and interests in, and delegated its duties under, this Agreement, without recourse, to the Trustee; and

WHEREAS, the Mortgage Lender proposes to originate the Mortgage Loan to the Borrower, and the Borrower desires to borrow funds to finance the Project and certain incidental costs upon the terms and conditions herein below set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and undertakings set forth herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. The following words and terms as used in this Agreement shall have the following meanings unless the context or use otherwise requires:

"**Account**" means one or more of the special trust accounts established under the Indenture, and shall include any subaccount or subaccounts included in such account.

"**Accountant**" means a firm of independent certified public accountants that is a member of the American Institute of Certified Public Accountants (or its successor organization) and is licensed to practice in the State of Illinois.

"**Act**" means the Issuer's powers as a home rule unit of government pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois, as amended.

"**Act of Bankruptcy**" means notice to the Trustee that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Borrower.

"**Affiliate**" means a corporation, limited liability company, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or any state thereof which is directly or indirectly controlled by the Borrower, by any other Affiliate or by any Person which controls the Borrower, or which controls any other Affiliate. For purposes of this definition, control means the power to direct the management and policies of a Person through the ownership of not less than a majority of its voting securities, the right to designate or elect not less than a majority of the members of its board of directors or other governing body, by contract or otherwise.

"**Agreement**" means this Financing Agreement, dated as of April 1, 2006, by and among the Issuer, the Mortgage Lender, the Borrower and the Trustee, as amended and supplemented from time to time.

"**Authorized Denomination**" means with respect to the Bonds, $5,000 or any integral multiple thereof.

"**Authorized Representative**" means, with respect to the Trustee, any officer or administrator thereof responsible for trust administration; with respect to the Issuer, the President or Vice-President of the Issuer or any other person(s) designated by a certificate of the Issuer as the authorized representative of the Issuer; and with respect to the Borrower, the President or any Vice President of the sole member of the Borrower or any other Person or Persons designated to act on behalf of the Borrower by a certificate of the Borrower filed with the Issuer and the Trustee.

"**Available Money**" means proceeds of the Bonds, payments made under the GNMA Security, any payments made by the Borrower or an Affiliate of the Borrower and held by the Trustee (or held by the Mortgage Lender for payments on the Mortgage Note) for a period of 123 days, provided that no Act of Bankruptcy with respect to the Borrower has occurred during such period, or any money with respect to which the Trustee has received an opinion of nationally recognized bankruptcy counsel to the effect that the use by the Trustee of such money in accordance with this Indenture would not constitute an avoidable preference or be subject to the automatic stay provisions of Sections 547 and 362(a), respectively, of the United States Bankruptcy Code or similar laws of the United States of America or the State of Illinois in the event a petition in bankruptcy is filed by or against the Issuer or Borrower depositing such money.

"**Balloon Long-Term Indebtedness**" means Long-Term Indebtedness 25% or more of the principal of which is due in a single year, which portion of the principal is not required by the documents pursuant to which such Indebtedness is incurred to be paid or redeemed prior to such date,

"**Bond**" or "**Bonds**" means any one or more of the Issuer's Series A Bonds and Series B Bonds, authenticated and delivered under the Indenture.

"**Bond Closing**" means the date upon which the Issuer delivers the Bonds to the initial purchasers thereof in exchange for the moneys representing proceeds of the Bonds.

"**Bond Counsel**" means an attorney at law or a firm of attorneys, of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, who is or are acceptable to the Issuer and is or are duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“**Bondowner**” means the Registered Owner.

“**Borrower**” means United Auto Workers Senior Citizens’ Center, Inc., an Illinois not-for-profit corporation, as the owner of the Project, and its respective successors and assigns as such owner.

“**Business Day**” means any day other than (i) a Saturday or a Sunday, or (ii) a day on which commercial banks in the city or cities in which the Principal Office of the Trustee and Bond Registrar are located are authorized or required by law or executive order to close.

“**Code**” means the Internal Revenue Code of 1986, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or Internal Revenue Service, to the extent applicable to the Bonds. All references herein to sections, paragraphs or other subdivisions of the Code or the regulations promulgated thereunder shall be deemed to be references to correlative provisions of any predecessor or successor code or regulations promulgated thereunder.

“**Commencement of Amortization**” means the date on which the Borrower begins to repay principal of the Mortgage Loan.

“**Commitment**” means that Firm Commitment to Insure pursuant to Sections 223(a)(7) and 221(d)(3) of the National Housing Act dated February 2, 2006 and any amendments thereto, from HUD to Draper and Kramer.

“**Continuing Disclosure Fee**” means an amount not greater than $500 payable on each Interest Payment Date, payable in accordance with any agreement between the Borrower and the Trustee; provided, however that the portion of such fee payable from Revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 hereof.

“**Cost of Issuance Fund**” means the fund so designated and established by Section 3.02 of the Indenture.

“**Debt Service**” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation.

“**Distribution**” has the same meaning as that term in the HUD Regulatory Agreement.

“**Event of Default**” means any of the events described as an event of default in Section 7.01 hereof.

“**Fair Market Value**” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “**Fair Market Value**” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Issuer and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"**FHA**" means the Federal Housing Administration, an organizational unit within HUD or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD, the Federal Housing Commissioner and their representatives or agents.

"**FHA Insurance**" means the insurance of the Mortgage Note by FHA under Section 221(d)(3) and pursuant to Section 223(a)(7) of the National Housing Act.

"**Financial Statements**" means the financial statements of the Borrower for a Fiscal Year prepared in accordance with generally accepted accounting principles consistently applied and including such statements as are necessary for a fair presentation of financial position, activities and changes in net assets and cash flows as of the end of such Fiscal Year, which have been audited and reported upon by an Accountant.

"**Financing Documents**" means this Agreement, the Indenture, the Mortgage Note and the Mortgage.

"**Fiscal Year**" means the fiscal year of the Borrower, which period commences on January 1 of each year and ends on December 31 of the coinciding year, unless the Issuer and the Trustee are notified in writing by the Borrower of a change in such period, in which case the Fiscal Year shall be the period set forth in such notice.

"**General Fund**" means the fund so designated and established by Section 3.02 of the Indenture.

"**GNMA**" means the Government National Mortgage Association, an organizational unit within HUD, or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD.

"**GNMA Documents**" means the commitments issued by GNMA to the Mortgage Lender to guaranty the GNMA Security and all other documents, certifications and assurances executed and delivered by the Mortgage Lender, GNMA or the Borrower in connection with the GNMA Security.

"**GNMA Security**" means a fully-modified pass-through security with a pass-through rate of **_____**% and a maturity date of May 20, 2034 issued by the Mortgage Lender, purchased by and registered in the name of the Trustee or its designee and guaranteed by GNMA as to timely payment of principal of and interest, pursuant to Section 306(g) of the National Housing, Act of 1934, as amended, and the regulations promulgated thereunder, backed by the Mortgage

Loan made by the Mortgage Lender to finance the Project pursuant to the Commitment, the Mortgage Loan Documents and this Agreement, which Mortgage Loan is insured by the Secretary of Housing and Urban Development by and through the FHA.

"**GNMA Security Delivery Date**" means June 1, 2006, or such later date as may be established pursuant to Section 3.04 of the Indenture.

"**Government Obligations**" means noncallable, direct, general obligations of the United States of America (including the obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or any obligations unconditionally guaranteed as to the full and timely payment of principal and interest by the full faith and credit of the United States of America, but shall not include unit investment trusts or mutual funds invested. U.S. Treasury STRIPS and REFCORP STRIPS (by the Federal Reserve Bank of New York) are Government Obligations only with respect to such interest payments.

"**Guaranty**" means any obligation of the Borrower guaranteeing in any manner, directly or indirectly, any obligation of any other Person which obligation of such other Person would, if such obligation were the obligation of the Borrower, constitute Indebtedness hereunder. For the purposes of this Agreement, a Guaranty shall be valued at twenty-five percent (25%) of the Indebtedness guaranteed at an interest rate borne by such Indebtedness on the date calculated, unless such Guaranty shall have been drawn upon, in which case such Guaranty shall be valued at one hundred percent (100%) of the principal amount of the Indebtedness guaranteed at an interest rate borne by such Indebtedness on the date calculated for a period ending two years after the date that such Guaranty was drawn upon.

"**HUD**" means the United States Department of Housing and Urban Development.

"**HUD Regulatory Agreement**" means the Regulatory Agreement on HUD Form 92466-E dated April 1, 2006, between the Borrower and the Secretary of HUD.

"**Indebtedness**" means all obligations for borrowed money, or installment sale and capital lease obligations, incurred or assumed by the Borrower, including Guaranties, Long-Term Indebtedness, Short-Term Indebtedness or any other obligation for the payment of principal and interest with respect to money borrowed.

"**Indenture**" means the Indenture of Trust, dated as of the date hereof, between the Issuer and the Trustee relating to the issuance of the Bonds, as amended or supplemented from time to time.

"**Indenture Act**" means the Trust Indenture Act of 1939 (Act of August 3, 1939, 53 Stat. 1149, 15 U.S.C., Secs. 77aaa-77bbbb, as amended).

"**Interest Account**" means the account so designated and established in the Revenue Fund by Section 3.02 hereof.

"**Interest Payment Date**" means (a) for the Series A Bonds May 20 and November 20 of each year, commencing November 20, 2006, (b) for the Series B Bonds May 20 and November

20 of each year, commencing November 20, 2006, or (c) any other date upon which interest on the Bonds is due and payable, whether by maturity, acceleration, prior redemption, or otherwise.

"**Interest Period**" means the period from and including the latest of (i) the Bond Closing, or (ii) an Interest Payment Date, to but not including the next succeeding Interest Payment Date.

"**Issuance Costs**" means all costs and expenses of issuance of the Bonds, including, but not limited to:

a. underwriters' discount or fee;

b. counsel fees, including bond counsel, underwriters' counsel, Issuer's counsel, Borrower's counsel and Mortgage Lender's counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds;

c. financial advisor fees and expenses incurred in connection with the issuance of the Bonds;

d. initial fees and expenses of the Trustee, including Trustee counsel fees and expenses in connection with the issuance of the Bonds;

e. costs of printing the preliminary and final Official Statement;

f. publication or copying costs associated with the financing proceedings; and

g. initial fees and expenses, if any, of the Issuer and the Rating

"**Issuer**" means the City of Pekin, Tazewell County, Illinois, a political subdivision of the State of Illinois existing as a home-rule unit of government under the Constitution and laws of the State of Illinois, as amended.

"**Issuer Agreements**" means this Agreement, the Indenture, the Tax Agreement, the Bond Purchase Agreement and the Bonds.

"**Long-Term Debt Service Coverage Ratio**" means for any Fiscal Year the ratio determined by dividing Income Available for Debt Service by the Long-Term Debt Service Requirement.

"**Long-Term Debt Service Requirement**" means, for any Fiscal Year, the aggregate of the payments to be made in respect of principal and interest on Outstanding Long-Term Indebtedness of the Borrower during such Fiscal Year, also taking into account (a) with respect to Balloon Long-Term Indebtedness, the amount of principal which would be payable in such Fiscal Year if such principal were amortized from the date of incurrence thereof over a period of twenty (20) years (or, if the term thereof exceeds 20 years, over a period equal to such term) on a level debt service basis at an interest rate equal to the rate borne by such Indebtedness on the date calculated, except that if the date of calculation is within twelve (12) months of the actual maturity of such Indebtedness, the full amount of Outstanding principal payable at maturity shall be included in such calculation unless the Borrower has received a binding commitment from a bank, insurance company or other financial institution that provides for the payment of such principal at or prior to maturity, and (b) with respect to Variable Rate Indebtedness that is Long-Term Indebtedness, the interest on such Indebtedness shall be calculated at the rate which is equal to the average of the actual interest rates which were in effect (weighted according to the length of the period during which each such interest rate was in effect) during such Fiscal Year (or shorter period if such information is not available for a full Fiscal Year); provided, however, that interest shall be excluded from the determination of Long-Term Debt Service Requirement to the extent the same is provided from the proceeds of the Long-Term Indebtedness or from the proceeds of Related Bonds secured by such Long-Term Indebtedness, and principal and interest on Long-Term Indebtedness shall be excluded from the determination of Long-Term Debt Service Requirement to the extent that such principal or interest is payable from available Qualified Escrow Funds (other than principal or interest so payable solely by reason of the Borrower's failure to make payments from other sources).

"**Long-Term Indebtedness**" means all obligations for borrowed money, or installment sale and capital lease obligations, incurred or assumed by the Borrower, including Guaranties, Short-Term Indebtedness if a commitment by a financial lender exists to provide financing to retire such Short-Term Indebtedness and such commitment provides for the repayment of principal on terms which would, if such commitment were implemented, constitute Long-Term Indebtedness, and the current portion of Long-Term Indebtedness, for any of the following:

a. money borrowed for an original term, or renewable at the option of the Borrower for a period from the date originally incurred, longer than one year;

b. leases which are required to be capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, longer than one year; and

c. installment sale or conditional sale contracts having an original term in excess of one year;

provided, however, that any Guaranty by the Borrower of any obligation of any Person which obligation would, if it were a direct obligation of the Borrower, constitute Short-Term Indebtedness shall be excluded.

"**Mortgage**" means the Mortgage and Security Agreement that is delivered by the Borrower as mortgagor to the Mortgage Lender and secures the repayment of the Mortgage Note.

"**Mortgage Lender**" means Capstone Realty Advisors, LLC or its successors and assigns.

"**Mortgage Loan**" means the mortgage loan originated by the Mortgage Lender to the Borrower pursuant to the Mortgage Loan Documents and this Agreement to provide permanent financing for the Project.

"**Mortgage Loan Documents**" means the Mortgage, the Mortgage Note and all other documents required by the Mortgage Lender and/or HUD in connection with the Mortgage Loan.

"**Mortgage Note**" means the Mortgage Note executed by the Borrower to evidence the obligation to repay the Mortgage Loan.

"**Officer's Certificate**" means a certificate signed by the president or the chief financial officer of the sole member of the Borrower. Each Officer's Certificate presented under this Agreement shall state that it is being delivered pursuant to (and shall identify the section or subsection of) this Agreement and shall incorporate by reference and use in all appropriate instances all terms defined in Section 1.01 in this Agreement. Each Officer's Certificate shall state (a) that the terms thereof are in compliance with the requirements of the section or subsection pursuant to which such Officer's Certificate is delivered, or shall state in reasonable detail the nature of any non-compliance and the steps being taken to remedy such non-compliance, and (b) that it is being delivered together with any opinions, schedules, statements or other documents required in connection therewith.

"**Ordinance**" means the bond ordinance of the Issuer, duly adopted and approved by the Issuer on April 3, 2006, authorizing the issuance and sale of the Bonds and the execution of the indenture.

"**Outstanding**" when used with reference to Indebtedness means, as of any date of determination, all Indebtedness theretofore issued or incurred and not paid and discharged, or deemed paid or discharged pursuant to the terms thereof.

"**Outstanding**" or "**Bonds Outstanding**," in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except:

a. Bonds theretofore cancelled or required to be cancelled under Section 2.09 thereof.,

b. Bonds which are deemed to have been paid in accordance with Article XII thereof; and

c. Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article 11 or Section 10.05 thereof.

In determining whether the owners of a requisite aggregate principal amount of outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are registered in the Bond Register in the name of the Borrower, the Issuer or any other obligor on the Bonds, or any person actually known to the Trustee to be an affiliate of any one of said entities (for the purpose of this definition an "affiliate" of any specified person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person) shall be disregarded and deemed not to be outstanding hereunder for the purpose of any such determination. For purposes of this definition, "**control**" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing. Bonds (in certificated form) so owned, which have been pledged in good faith, may be regarded as outstanding if the pledgee shall establish to the satisfaction of the Trustee the pledgee’s right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Borrower, the Issuer or any other obligor on the Bonds, or any affiliate of any of the foregoing. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

“**Owner**” means the Registered Owner of any Bond.

“**Permitted Investments**” means Government Obligations and, to the extent from time to time permitted by law, (a) the obligations of (1) Fannie Mae, (2) Federal Home Loan Banks, (3) Federal Home Loan Mortgage Corporation, and (4) GNMA, (b) certificates of deposit or time deposits of any state or national bank or trust company (including the Trustee if it meets the qualifications set forth in the Indenture) or any foreign bank with a branch or agency located in the United States, which such bank or trust company has deposits insured by the Federal Deposit Insurance Corporation; provided, however, that such certificates of deposit or time deposits shall be fully and continually secured, to the extent not insured by the Federal Deposit Insurance Corporation, by Government Obligations (accompanied by an opinion of counsel acceptable to the Trustee to the effect that the Trustee or its agent to whom the Government Obligations were delivered has a valid and perfected security interest in and first lien on the Government Obligations and that they would not be included in the estate of the provider of the certificate of deposit in the event of the bankruptcy of such provider); and (c) certificates of deposit or time deposits of any state or national bank or trust company (including the Trustee if it meets the qualifications set forth in the Indenture) or any foreign bank with a branch or agency located in the United States, which such bank or trust company has deposits insured by the Federal Deposit Insurance Corporation and which is a bank (or whose holding company, if such bank is the principal subsidiary bank of a bank holding company) whose unsecured obligations are rated continually in the highest rating category by each Rating Agency then rating the Bonds.

“**Person**” means any natural person, firm, limited liability company, partnership, association, corporation, trust or public body.

“**Principal Office**” means, when used with respect to the Trustee, the corporate trust office of the Trustee located in Chicago, Illinois, at the address shown in Section 13.04 of the Indenture, or such other location designated in writing by the Trustee for any particular purpose, including, but not limited to, for purposes of payments on the Bonds and any exchange, transfer, or surrender of the Bonds.

“**Project**” means the refinance of a 215-unit multifamily rental apartment project located at 444 Parkway Drive, Pekin, Illinois 61554.

“**Project Costs**” means, to the extent authorized by the Code and the Act, any and all costs, including refinancing costs, incurred by the Borrower with respect to the refinancing, of the Project provided, that it is the intent that any costs described above shall be payable solely from the revenues of the Project, and all other costs approved by Bond Counsel, but excluding Issuance Costs.

"**Purchase Contract**" or "**Bond Purchase Contract**" means the Contract of Purchase with respect to the Bonds, between the Issuer, the Borrower and Bernardi Securities, Inc., as underwriter.

"**Qualified Escrow Funds**" means amounts deposited in a segregated escrow fund or other similar fund or account which fund or account is required by the documents establishing such fund or account to be applied toward the Borrower's payment obligations with respect to principal or interest on (a) the Long-Term Indebtedness or Related Bonds secured thereby which are issued under the documents establishing such fund or account or (b) Long-Term Indebtedness or Related Bonds secured thereby which are issued prior to the establishment of such fund or account.

"**Rating Agency**" means Standard & Poor's Ratings Service or any successors and assigns or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized rating agency designated by the Issuer, which maintains a rating on the Bonds.

"**Rebate Amount**" means the amount, if any, determined to be payable with respect to the Bonds by the Issuer to the United States of America pursuant to Section 148 of the Code, calculated in accordance with the Tax Agreement.

"**Rebate Analyst**" means any nationally recognized firm of certified public accountants, any reputable firm which offers to the tax-exempt bond industry rebate calculation services and holds itself out as having expertise in that area, or any other recognized expert approved by the Issuer.

"**Rebate Monitoring Fee**" means an amount not greater than $5,000, payable on November 20 of 2010, 2015, 2020, 2025 and 2030 and on May 20, 2034, in accordance with any agreement between the Borrower and the Rebate Analyst; provided, however, that the portion of such fee payable from Revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 hereof.

"**Registered Owner**," "**Owner**" or "**Bondowner**" means the person or persons in whose name or names a Bond shall be registered in the books of the Trustee kept for that purpose in accordance with the terms of the Indenture.

"**Related Bond Indenture**" means any indenture, bond ordinance or other comparable instrument pursuant to which a series of Related Bonds is issued.

"**Related Bonds**" means revenue bonds or other obligations issued by any state, territory or possession of the United States or any municipal corporation or political subdivision formed under the laws thereof or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to the Borrower in consideration of the execution, authentication and delivery of any evidence of indebtedness or obligation to or for the order of the governmental issuer.

"**Reserved Rights**" means:

a. all rights which the Issuer or its officers, officials, agents or employees may have under the Indenture and this Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, agents or employees;

b. the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals hereunder and under the other Financing Documents;

c. all rights of the Issuer to enforce (other than the declaration of a default under any of the Financing Documents) the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly, to the tax-exempt status of interest on the Bonds set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower relating to the Bonds (which rights are held concurrently with the Trustee);

d. the rights of the Issuer pertaining to the management, operation and maintenance of the Project;

e. all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; and

f. all enforcement remedies with respect to the foregoing.

"**Revenues**" means: (i) all income derived from the investment of money credited to the funds and accounts created under the Indenture except the Cost of Issuance Fund, General Fund and Rebate Fund; and (ii) all payments required to be made to the Trustee under the GNMA Security.

"**Series A Bonds**" means any one or more of the Issuer's Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A, authenticated and delivered under the Indenture.

"**Series B Bonds**" means any one or more of the Issuer's Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B, authenticated and delivered under the Indenture.

"**Short-Term Indebtedness**" means all obligations for borrowed money, or installment sale and capital lease obligations, other than the current portion of Long-Term Indebtedness, incurred or assumed by the Borrower, for any of the following:

a. payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the Borrower for a period from the date originally incurred, of one year or less;

b. payments under leases which are capitalized in accordance with generally accepted accounting principles having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and

c. payments under installment purchase or conditional sale contracts having an original term of one year or less.

"**Special Mandatory Redemption Account**" means the account so designated and established in the Revenue Fund held by the Trustee under the Indenture.

"**State**" means the State of Illinois.

"**Surplus Cash**" has the same meaning as that term in the HUD Regulatory Agreement.

"**Tax Agreement**" means the Tax Certificate and Agreement as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, dated as of the Bond Closing consisting of certificates executed by the Issuer and the Borrower setting forth reasonable expectations of the parties, the methodology for computation of the Rebate Amount and the requirements for compliance with the Code.

"**Transfer**" means the sale, transfer, lease, encumbrance or other conveyance of title to ownership of or an interest in the Project or any portion thereof, including to a "related person" pursuant to the provisions of Section 267 or 707(b) or under Section 1563(a) of the Code.

"**Transferee**" means a person to whom the Borrower transfers the Project or any portion thereof.

"**Trustee**" means J.P. Morgan Trust Company, National Association, as trustee under the Indenture, or any successor trustee or co-trustee appointed in accordance with the terms of the Indenture.

"**Trustee Fee**" means prior to any Event of Default under Section 8.01(a) or (b) of the Indenture an amount equal to $1,855 payable on each Interest Payment Date in accordance with any agreement between the Trustee and the Borrower; provided, however, that the portion of such fee payable from revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 hereof.

"**Underwriter**" means Bernardi Securities, Inc.

"**Variable Rate Indebtedness**" means any portion of Indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate.

Capitalized terms that are not defined herein shall have the meanings assigned to them in the Indenture.

Section 1.02. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 1.03. Recitals. **Titles and Headings.** The terms and phrases used in the recitals of this Agreement have been included for convenience of reference only, and the meaning, construction and interpretation of all such terms and phrases for purposes of this Agreement shall be determined by references to Section 1.01 hereof. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of the Issuer. The Issuer represents and warrants as follows:

(a) The Issuer is a political subdivision of the State of Illinois existing as a home-rule unit of government under the Constitution and laws of the State of Illinois, is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and by proper action of its governing body has been duly authorized to execute and deliver the Issuer Agreements. The Issuer Agreements have been duly executed and delivered by the Issuer and are valid and binding obligations of the Issuer enforceable in accordance with their terms.

(b) Under the provisions of the Act, the Issuer is duly authorized to enter into and to execute and deliver this Agreement and the Indenture, to undertake the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder.

(c) By duly adopted ordinance, the Issuer has duly authorized the execution and delivery of this Agreement and the Indenture and the issuance, sale, execution and delivery of the Bonds.

(d) The Issuer shall use, or cause the use of, the proceeds of the Bonds to acquire the GNMA Security subject to the provisions of this Agreement. Nothing in this Agreement shall be construed as requiring the Issuer to provide sufficient moneys for all the construction and permanent financing needs of the Project.

Section 2.02. Representations; Warranties and Covenants of the Borrower. The Borrower represents, as of the date hereof, and warrants and covenants that:

(a) The Borrower is a not-for-profit corporation validly existing and in good standing under the laws of the State of Illinois and is authorized by its organizational documents to acquire and own the Project. No part of Borrower's net earnings inure to the benefit of any private shareholder or individual, and the Borrower is not a private foundation and is an organization described in Section 501(c)(3) of the Code.

(b) The representations and warranties relating to tax matters set forth in the Tax Agreement are true and correct on the date hereof and are hereby incorporated by reference in their entirety.

(c) The Borrower has full legal right, power and authority under its organizational documents and the laws of the State (1) to enter into the Mortgage Loan Documents and the Financing Documents, (2) to be bound by the terms of the Indenture to the extent that they apply to the Mortgage Loan, (3) to perform its obligations under the Mortgage Loan Documents and the Financing Documents, and (4) to consummate the transactions contemplated by the Mortgage Loan Documents and the Financing Documents.

(d) The Borrower has duly authorized (1) the execution and delivery of the Mortgage Loan Documents and the Financing Documents, (2) the performance by the Borrower of its obligations hereunder and thereunder, and (3) the consummation of the transactions contemplated by the Mortgage Loan Documents and the Financing Documents.

(e) This Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability, is considered in a proceeding in equity or at 1aw). Upon the execution and delivery thereof, each of the Mortgage Loan Documents and Financing Documents will constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(f) To the best knowledge of the Borrower, the execution and delivery of the Mortgage Loan Documents and the Financing Documents, the performance by the Borrower of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby to be performed by the Borrower do not and will not violate any law, regulation, rule or ordinance or any order, judgment or decree of any federal, state or local court, and do not and will not conflict with or constitute a material breach of, or a material default under, the Borrower's organizational documents or any document, instrument or commitment to which the Borrower is a party or by which the Borrower or any of its property is bound.

(g) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending against the Borrower or, to the best knowledge of the Borrower, threatened against the Borrower which (1) affects or seeks to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the loaning of a portion of the proceeds of the Bonds to the Borrower, or the execution and delivery of the Indenture, the Mortgage Loan Documents or the Financing Documents, (2) affects or questions the validity or enforceability of the Bonds, the Indenture, the Financing Documents or the Mortgage Loan Documents, (3) questions the tax status of interest on the Bonds, or (4) questions the power or authority of the Borrower to carry out the transactions contemplated by, or to perform its obligations contemplated by, or to perform its obligations under the Mortgage Loan Documents or the Financing Documents, or the powers of the Borrower to acquire, equip, own, operate or lease the Project.

(h) The Borrower is not in default under any document, instrument or commitment to which the Borrower is a party or to which it or any of its property is subject which default would or could materially affect the ability of the Borrower to carry out its obligations under the Mortgage Loan Documents and the Financing Documents.

(i) Any certificate signed by an Authorized Representative of the Borrower and delivered pursuant to the Mortgage Loan Documents and the Financing Documents shall be deemed a representation and warranty by the Borrower as to the statements made therein.

(j) The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Agreement, that it will be bound by the terms thereof to the extent applicable to the Borrower.

(k) None of the portions of the Official Statement dated April ____, 2006, and relating to the Bonds, with respect to the Borrower or the Project, or any other document, certificate or statement (including but not limited to information and estimates with respect to the Project or the financing or acquisition thereof) furnished to the Mortgage lender, the Bond Purchaser, the Issuer or Bond Counsel by or on behalf of the Borrower, contains to the best knowledge of the Borrower any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading or incomplete as of the date hereof and as of Bond Closing. It is specifically understood by the Borrower that all such statements, representations and warranties and the statements, representations and warranties in the Mortgage Loan Documents and the Financing Documents shall be deemed to have been relied upon by the Issuer as an inducement to acquire the GNMA Security and issue the Bonds, by the Mortgage Lender as an inducement to originate the Mortgage Loan and by the Trustee as an inducement to accept the trusts under the Indenture, and that if any such statements, representations and warranties were materially incorrect at the time they were made or as of Bond Closing, the Issuer, the Mortgage Lender and the Trustee may consider any such misrepresentation or breach an Event of Default hereunder.

(l) The Borrower acknowledges that the obligation of the Issuer hereunder to issue Bonds to finance the Project does not in any way constitute a representation, warranty, guaranty, advice or suggestion by the Issuer as to the feasibility or viability of the Project, and may not be relied on as such by any investor, tenant, lender, or other person, for any reason.

(m) The Borrower has no present intention to sell, transfer or lease any part of the Project (other than to residents) to any entity.

(n) Notwithstanding any provision to the contrary contained in its organizational documents, the Borrower shall admit individuals to the Project without regard to race, sex, national origin or religious belief and shall respect, permit and not interfere with the religious beliefs of persons using the Project. Except to the extent permitted by the constitution, statutes and laws of the United States and the State, the Borrower further agrees that it will not use or permit the use of any part of the Project as a place of religious worship or sectarian instruction.

(o) The Borrower agrees it will not draw amounts from the Mortgage Lender on the Mortgage Loan after the date of issuance of the Bonds without the prior approval from the Issuer as to the costs of the Project to be paid for with the proceeds of such draw. The Borrower will provide the Issuer evidence as to the use of amounts drawn from the Mortgage Lender.

Section 2.03. Representations and Warranties of the Trustee. The Trustee makes the following representations and warranties:

(a) The Trustee is a banking association duly organized and validly existing under the laws of the United States of America and qualified to act as a trustee. The Trustee is duly authorized to act as a fiduciary and to execute the trust created by the Indenture and meets the qualifications to act as Trustee under the Indenture.

(b) The Trustee has all the corporate power and authority necessary (I) to execute and deliver this Agreement and the Indenture, (2) to perform its obligations under this Agreement, the Bonds and the Indenture, and (3) to consummate the transactions contemplated by this Agreement, the Bonds and the Indenture.

(c) The Trustee has taken all actions necessary to authorize (1) the execution and delivery of this Agreement and the Indenture, (2) the performance by the Trustee of its obligations under this Agreement, the Bonds and the Indenture and (3) the actions of the Trustee contemplated by this Agreement, the Bonds and the Indenture.

(d) This Agreement and the Indenture have been duly executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Trustee, enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and by general principals of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) No approval, permit, consent, authorization or order of any court, governmental agency or public board or body not already obtained is required to be obtained by the Trustee as a prerequisite to (1) the execution and delivery of this Agreement or the Indenture, (2) the authentication or delivery of the Bonds, (3) the performance by the Trustee of its obligations under this Agreement and the Indenture, or (4) the consummation of the transactions contemplated by this Agreement, the Indenture and the Bonds. The Trustee makes no representation or warranty relating to compliance with any federal or state securities law.

Section 2.04. Representations and Covenants by Mortgage Lender. Mortgage Lender makes the following representations and covenants:

(a) The Mortgage Lender (1) is a duly and lawfully organized Ohio limited liability company, (2) is organized and operated for the purposes, among others, of making mortgage loans to provide financing for the acquisition, construction and equipping of residential rental developments and of issuing mortgage-backed securities guaranteed by GNMA to obtain funds to make such mortgage loans, (3) has full lawful power and authority under its organizational documents and applicable laws to execute and deliver this Agreement, to issue and deliver the GNMA Security and to perform its obligations hereunder and thereunder, and (4) by proper action has duly authorized the execution and delivery of this Agreement and will take all actions within its power necessary to effect the issuance and delivery of the GNMA Security.

(b) The Mortgage Lender is (1) approved by FHA to originate and service mortgage loans insured by FHA under Section 221(d)(3) pursuant to Section 223(a)(7) of the National Housing Act and applicable regulations thereunder, (2) meets all the issuer eligibility requirements (including net worth requirements) of and is approved by GNMA to issue mortgage-backed securities guaranteed by GNMA pursuant to Section 306(g) and 223(f) of the National Housing Act and applicable regulations thereunder.

(c) The Project, including the Mortgage Loan, meets the eligibility requirements set forth in the GNMA Mortgage-Backed Securities Guide (the “Guide”) as of the Closing Date. The Mortgage Lender warrants and represents that at all times until the GNMA Security Delivery Date, it will reserve commitment authority of GNMA to guaranty mortgage-backed securities for the benefit of the trustee and the Issuer sufficient to fully fund at any time the total amount of the Mortgage Loan and has paid or will pay to GNMA the fees for such commitment.

(d) This Agreement constitutes, and the GNMA Security, upon the issuance, execution and delivery thereof, will constitute, the legal, valid and binding obligations of the Mortgage Lender enforceable in accordance with their terms, subject to all applicable FHA and GNMA statutes, regulations and administrative guidelines, bankruptcy, insolvency or other laws affecting creditors’ rights generally, and with respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose. The foregoing statement is expressly limited, however, by the fact that the GNMA Security does not constitute a liability of, or evidence any recourse against, the Mortgage Lender, because they are based on, and backed by, the Mortgage Loan and recourse may only be sought and available against GNMA in the event of a failure to make a timely payment, as provided in the GNMA Guaranty contained on the face of the GNMA Security.

(e) To the best of the Mortgage Lender's knowledge, the execution and delivery of this Agreement and the issuance, execution and delivery of the GNMA Security, and the consummation of the transactions contemplated hereby and thereby, do not conflict in any material respect with or constitute a material breach of or a material default under the terms and conditions of any agreement or commitment to which the Mortgage Lender is a party or by which it is bound.

(f) There is no action, suit, proceeding or to the Mortgage Lender's knowledge, inquiry or investigation by or before any court, governmental agency, public board or body pending or, to the knowledge of the Mortgage Lender, threatened against the Mortgage Lender, which materially impairs power or authority of the Mortgage Lender, to carry out the transactions contemplated by, or to be performed under, this Agreement or the GNMA Security.

(g) The Indenture has been submitted to the Mortgage Lender for examination, and the Mortgage Lender acknowledges; by execution of this Agreement, that it has reviewed and understands the Indenture with respect to the payment to the Mortgage Lender for the acquisition of the GNMA Security and it hereby approves the Indenture as it relates to the purchase and delivery of the GNMA Security.

ARTICLE III
ISSUANCE OF THE BONDS

Section 3.01. General Terms of the Financing.

(a) In order to provide funds for the funding of the Mortgage Loan and the acquisition of the Project, (1) the Issuer will issue and deliver the Bonds upon the terms and subject to the conditions contained in this Agreement and the Indenture, (2) the Trustee will deposit the proceeds of the Bonds in accordance with the Indenture for the purpose, among other things, of acquiring the GNMA Security backed by the Mortgage Loan, and (3) the Mortgage Lender will originate the Mortgage Loan and deliver the GNMA Security to the Trustee. The Mortgage Lender hereby consents to the execution of the Mortgage and agrees that its existence does not constitute the basis for default on the Mortgage Note.

(b) The Borrower promises:

(i) to repay the principal of the Mortgage Loan with interest thereon as provided in the Mortgage Note and the Mortgage Loan Documents, and

(ii) to comply with the provisions of this Agreement, subject to the provisions of Sections 8.14 and 8.15.

Section 3.02. Delivery of the GNMA Security. The Borrower and the Mortgage Lender agree to use their respective best efforts to deliver for purchase by the Trustee the GNMA Security. The Borrower and the Mortgage Lender expect to deliver the GNMA Security to the Trustee on or before June 1, 2006. Neither the Borrower nor the Mortgage Lender has actual knowledge of a material fact that causes it to believe that the GNMA Security will not be delivered to the Trustee on or before such date.

Section 3.03. Sufficiency of Funds. Neither the Trustee, the Issuer nor the Mortgage Lender makes any warranty, either express or implied, that the moneys deposited in the Mortgage Loan Fund under the Indenture and available for payment of the costs of acquiring the GNMA Security will be sufficient to pay all the costs thereof. The Borrower agrees that if the Borrower should pay any costs relating to the acquisition of the GNMA Security, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Mortgage Lender, the Trustee or the Bondholders.

Section 3.04. The Mortgage Loan. The Mortgage Loan:

(a) shall be insured by HUD under Section 221(d)(3), pursuant to Section 223(a)(7) of the National Housing Act and applicable regulations thereunder, as evidenced by the endorsement by HUD of the Mortgage Note;

(b) shall have a maximum principal amount equal to $5,340,000;

(c) shall bear interest at the rate of ____% per annum;

(d) shall have a final maturity of May 1, 2034, shall have principal payments commencing on June 1, 2006, and shall thereafter have scheduled level payments of principal and interest taken together;

(e) shall be secured on a nonrecourse basis pursuant to the Mortgage Loan Documents; and

(f) shall not be subject to prepayment prior to June 1, 2016, except that

(i) the Mortgage Note shall be subject to mandatory prepayment as a whole or in part at any time upon 30 days' prior written notice to Mortgage Lender, without premium or penalty, from the proceeds of any casualty insurance or condemnation awards received following a partial or total destruction or condemnation of the Project (or transfer of title under threat of condemnation) in the event and to the extent that such casualty proceeds or condemnation awards are not applied to the repair or restoration of the Project in accordance with the Mortgage Loan Documents;

(ii) the Mortgage Note shall be subject to prepayment in whole or in part, at the option of the Borrower, on June 30, 2016, or on the last day of any month thereafter, upon at least 30 days' advance written notice to the Mortgage Lender, and upon payment of the principal amount of the Mortgage Note to be prepaid together with the applicable prepayment premium plus all other sums then due and owing under the Mortgage Note or the Mortgage plus interest to the end of the month in which the prepayment is made;

(iii) notwithstanding any prepayment prohibition imposed and/or penalty required by the Mortgage Note, the indebtedness may be prepaid in part or in full without the consent of the Mortgage Lender and without prepayment penalty if HUD determines that prepayment will avoid an FHA insurance claim and is therefore in the best interest of the United States Government;

(iv) The Mortgage Note shall be subject to prepayment in whole or in part to the extent, if any, required by applicable rules, regulations, policies and procedures of HUD and GNMA; and

(v) the Mortgage Note shall be subject to prepayment in whole or in part if required by a trustee in a bankruptcy proceeding with respect to the Borrower pursuant to a final, nonappealable order of a bankruptcy court.

Section 3.05. Investment of Moneys. Any moneys held as part of any fund created under the Indenture shall be invested or reinvested, from time to time by the Trustee in Permitted Investments as provided in the Indenture. The Borrower has reviewed those provisions of the Indenture relating to investment of funds held under the Indenture and the use of such investment earnings, and has reviewed the proposed initial investment of funds deposited under the Indenture, and hereby approves the same.

Section 3.06. Failure to Deliver the GNMA Security by Date Required Under the Indenture. Any provisions in any other documents to the contrary notwithstanding, in the event that the GNMA is not delivered to the Trustee by the GNMA Security Delivery Date, the remaining amounts held in the Mortgage Loan Fund and reserved for the Mortgage Loan and any related amounts in the Revenue Fund, shall be transferred to the Special Mandatory Redemption Account in the Revenue Fund all in accordance with Section 3.04(c) of the Indenture. The Borrower shall not be entitled to any use of such amounts.

Section 3.07. Payments by Borrower. Subject to the provisions of Section 8.15 hereof, the Borrower agrees that it shall pay or cause to be paid all fees and expenses of the Mortgage Lender, and all expenses incurred by the Borrower in connection with the issuance of the Bonds and the origination of the Mortgage Loan and GNMA Security.

Section 3.08. Acquisition of the GNMA Security. The Trustee shall acquire the GNMA Security from the Mortgage Lender, as provided in the Indenture, on behalf of the Issuer; provided, however, that the Trustee's obligation in such respect shall be limited to the moneys available for such purpose in the Mortgage Loan Fund and, with respect to accrued interest on the GNMA Security, the Revenue Fund. The Mortgage Lender shall notify the Trustee at least two business days prior to the date on which the Trustee is expected to acquire the GNMA

Security. Prior to paying the purchase price for the GNMA Security, the Trustee shall review the GNMA Security to confirm that:

(a) the amount of the GNMA Security delivered does not exceed $5,340,000,

(b) the pass-through rate for the GNMA Security is ______ percent (____%) per annum,

(c) the GNMA Security is in a principal amount equal to the full principal amount of the Mortgage Loan and matures not later than May 1, 2034,

(d) the amount of any accrued interest on the bonds shall be paid,

(e) Commencement of Amortization of the Mortgage Loan occurs no later than June 1, 2006, and

(f) the Mortgage Loan is thereafter fully amortized on the basis of scheduled level payments of principal and interest taken together.

Remaining balances in the Mortgage Loan Fund shall be transferred to the Special Mandatory Redemption Account and used to redeem Bonds on the dates, to the extent and otherwise as provided in Section 3.04 of the Indenture.

Section 3.09. Limitation of Liability of Issuer. The Issuer shall not be obligated to pay the principal of premium, if any, or interest on the Bonds, except from Revenues, as defined in the Indenture.

Any obligation or liability of the Issuer created by or arising out of this Agreement (including without limitation any liability created by or arising out of the representations, warranties or covenants set forth herein or otherwise) shall not impose a debt or pecuniary liability upon the Issuer or a charge upon its general credit, but shall be payable solely out of the Revenues. Neither the issuance of the Bonds nor the delivery of this Agreement shall, directly or indirectly or contingently, obligate the Issuer to make any appropriation for their payment. Nothing in the Bonds or in the Indenture or this Agreement or the proceedings of the Issuer authorizing the Bonds or in the Act or in any other related document shall be construed to authorize the Issuer to create a debt of the Issuer within the meaning of any constitutional or statutory provision of the State of Illinois. No breach of any pledge, obligation or agreement of the Issuer hereunder may impose any pecuniary liability upon the Issuer or any charge upon its general credit.

THE BONDS DO NOT CONSTITUTE AN OBLIGATION, GENERAL OR SPECIAL, DEBT OR LIABILITY OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF ILLINOIS OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY

FROM THE SOURCES PROVIDED IN THE INDENTURE. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY OR THE FEDERAL HOUSING ADMINISTRATION AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

Section 3.10. The Trustee. The Trustee shall act as specifically provided herein and in the Indenture, and may, but shall not be obligated to, exercise such additional powers as are reasonably incidental hereto and thereto, all subject to its right to compensation, indemnification and reimbursement under this Agreement and the Indenture. Any act required to be performed by the Issuer as herein provided shall be deemed taken if such act is performed by the Trustee, provided that the Trustee shall have no duty to perform such act unless such duty is expressly set forth as a duty of the Trustee in this Agreement or the Indenture. The Trustee shall not be liable for any action taken or omitted to be taken by it hereunder or in connection herewith or in connection with the Indenture, except for its negligence or willful misconduct. The Trustee may consult with legal counsel selected by it (the reasonable fees of which counsel shall be paid by the Borrower) and any action taken or suffered by the Trustee in good faith in accordance with the opinion of such counsel shall be full justification and protection to it.

ARTICLE IV
THE MORTGAGE LOAN

Section 4.01. Amounts Payable.

(a) The Borrower covenants to make each and every payment required by the Mortgage Note, as and when the same become due.

(b) The Borrower shall pay or cause to be paid all taxes and assessments, general or special, including, without limitation, all ad valorem taxes, concerning or in any way related to the Project, or any part thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments; provided, however, that the Borrower reserves the right to contest in good faith the legality of any tax or governmental charge concerning or in any way related to the Project.

(c) The Borrower shall pay each of the following when due, but only to the extent Revenues received by the Trustee under the Indenture are insufficient therefor: (1) to the Trustee, the Trustee Fee and the out-of-pocket expenses of the Trustee (at cost), (2) to the Trustee, the Rebate Amount, if any, required to be paid to the United States of America, (3) to the Rebate Analyst, the amount of the Rebate Monitoring Fee, (4) to the Trustee, the Continuing Disclosure Fee, and (5) to the Rating Agency, the amount of any Rating Agency fees for any required confirmation of the rating on the Bonds.

(d) The Borrower shall pay to the Trustee or the Issuer, as applicable, forthwith upon written notice from the Trustee or the Issuer, as applicable, the Issuer Annual Fee and any and all costs and expenses reasonably incurred by the Trustee or the

Issuer, as applicable, in connection with the enforcement of this Agreement or the Indenture, in relation to such Borrower, including, without limitation, legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to such Project or the Bonds.

Section 4.02. Obligations of Borrower.

(a) The obligation of the Borrower to make payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee, the Mortgage Lender or any other person. Subject to prepayment of the Mortgage Note in full and termination of this Agreement as provided herein, the Borrower shall not suspend or discontinue any such payment hereunder or on the Mortgage Note or fail to perform and observe any of its other agreements and covenants contained herein or terminate this Agreement for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may deprive the Borrower of the use and enjoyment of the Project, failure of consideration or commercial frustration of purpose, any damage to or destruction of the Project or any part thereof the taking by eminent domain of title to or the right to temporary use of all or any part of the Project, any change in the tax or other laws of the United States of America, the State or any political or taxing subdivision of either thereof, or any failure by the Issuer to perform and observe any agreement or covenant whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

(b) Notwithstanding any provisions in this Agreement or any of the other Financing Documents to the contrary, enforcement of the provisions of this Agreement or any of the other Financing Documents shall not result in any claim against any Project, Mortgage Loan proceeds, any reserve or deposit required by HUD or the Mortgage Lender in connection with the Mortgage Loan, or the rents or other income from the Project (other than available Surplus Cash which have been approved for distribution by HUD), and the liability of the Borrower for any breach or default by or obligation of the Borrower under this Agreement or any of the other Financing Documents shall be limited to the undistributed Surplus Cash which have been approved for distribution by HUD and to the collateral given now or in the future by the Borrower pursuant to the Indenture or otherwise for the Borrower's obligations hereunder. By execution hereof, each of the Issuer and Trustee affirms that no pledge has been made and that it has no claim, and will not later assert any claim, against the Project, the Mortgage Loan proceeds, any reserve or deposit made with the Mortgage Lender or required by HUD in connection with the Mortgage Loan transaction or against the income from the Project for payment of any obligation contained herein or in any of the other Financing Documents other than the Mortgage Note; provided, however, that nothing in this provision or elsewhere in this Agreement or any of the other Financing Documents shall alter, affect or diminish the rights of the Mortgage Lender under the Mortgage Loan Documents.

ARTICLE V
PREPAYMENTS

Section 5.01. Prepayment. The Mortgage Loan is subject to prepayment in accordance with the terms of the Mortgage Note, as described in Section 3.04(f).

ARTICLE VI
FURTHER AGREEMENTS

Section 6.01. Borrower to Maintain its Existence: Conditions Under Which Exceptions Permitted. The Borrower agrees that during the term of this Agreement it will maintain its existence as a not-for-profit corporation, will continue to be duly qualified to do business in the State of Illinois, and will neither dispose of all or substantially all of its assets nor consolidate with or merge into another entity, unless (a) it shall have first filed with the Issuer and the Trustee an opinion of Bond Counsel to the effect that such disposal of assets, consolidation or merger will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (b) the acquiror of its assets or the entity with which it shall consolidate or into which it shall merge shall be a partnership, corporation or limited liability company organized and existing under the laws of the United States of America or one of the states of the United States of America and shall be qualified and admitted to do business in the state; (c) such acquiring or remaining entity shall assume in writing all of the obligations of the Borrower under the Financing Documents, subject to all of the limitations of liability applicable to the Borrower; (d) the Issuer shall have first consented in writing to such action; and (e) the Borrower shall have furnished notice of such action and a copy of the instrument of assumption of liability to the Issuer and the Trustee within 10 days after any such action.

Section 6.02. Special Covenants.

(a) Subject to the terms of this Agreement, the Borrower, at its sole cost and expense, shall keep and maintain, or cause to be kept and maintained, the Project, at all times in a good state of repair and preservation, ordinary wear and tear and obsolescence in spite of repair excepted. The Borrower shall not use or permit the use of the Project, or any part thereof, for any unlawful purpose or permit any nuisance to continue to exist thereon. The Borrower shall provide or cause to be provided, at its own cost and expense, all equipment, inventory, supplies, expendables, stock-in-trade, and other personal property required or convenient for the proper operation, repair and maintenance of the Project in an economical and efficient manner consistent with standards of Project operation and administration generally required for State licensure and for accreditation or certification of facilities comparable to the Project and with fulfilling its financial obligations under this Agreement.

(b) The Borrower shall operate, or cause to be operated, the Project exclusively as a nonprofit housing facility to the general public without discrimination as to race, creed, color, sex or national origin for the public purpose of better providing for the present and prospective health, safety and general welfare of the people of the State. The Borrower shall maintain and operate, or cause to be maintained and operated, the

Project upon a revenue-producing basis in a manner consistent with the Borrower's obligations imposed under this Agreement and its status as an organization described in Section 501(c)(3) of the Code, as determined by the Internal Revenue Service of the United States. Except as otherwise expressly provided herein, the Borrower will preserve its corporate or other legal existence and all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs and be qualified to do business in each jurisdiction where its ownership of property or the conduct of its business requires such qualifications.

(c) The Borrower shall not permit the use of the Project or any part thereof for sectarian instruction, or primarily as a place of religious worship or as a facility used primarily as a part of a program of a school or department of divinity. To the extent permitted by law, the foregoing shall not be deemed to exclude a meditation room or a pastoral care program, both reasonably available to all persons of all religions and reasonably related to the providing of proper facility services. If, at any time, applicable law shall permit the Project to be used for any purpose prohibited by this Section 6.02(c), such prohibition shall be of no further force or effect or shall be limited to the extent permitted by law unless the validity or the exclusion of interest on the Bonds for purposes of federal income taxation would be adversely affected thereby.

(d) So long as the Mortgage Loan is outstanding, the Borrower, at its sole cost and expense, shall comply or cause there to be compliance with all laws, orders, rules, regulations and requirements relating to the use or occupancy of the Project and shall observe and comply with the requirements of all policies of insurance at any time in force with respect to any of the buildings, improvements, machinery or equipment constituting a part of the Project. Nothing contained in this Section shall prevent the Borrower from contesting in good faith the applicability or validity of any law, ordinance, order, rule, regulation or requirement, so long as the Borrower shall have delivered to the Trustee and the Issuer an opinion of counsel acceptable to the Trustee and the Issuer to the effect that such failure to comply during the period of such contest will not materially impair the use of the Project or the interest of the Borrower in the Project.

(e) The Borrower shall take all appropriate measures to maintain a sole member with status as an organization described in Section 501(c)(3) of the Code and the regulations thereunder and its exemption from federal income tax under Section 501(a) of the Code. The Borrower shall not perform any acts or enter into any agreements that shall have the effect of prejudicing its tax-exempt status or that of the Member or the exclusion from gross income of the interest on any Bonds for purposes of federal income taxation or fail to perform any act or fulfill any obligation required to maintain such status or exemption. The Borrower shall take all appropriate measures to maintain its tax-exempt status and that of the Member under State income tax laws and the regulations thereunder.

(f) Other than as provided in the last two sentences of this paragraph, the Issuer reserves no power or authority with respect to the Borrower's operation of the Project and all activities incident or related thereto, and the Borrower shall be the sole operating authority empowered to manage, administer and govern or cause to be managed, administered and governed the Project in all its activities and affairs on a continuing day-to-day basis without interruption or interference by the Issuer or by anyone claiming by or through the Issuer. The provisions of this paragraph shall not limit or inhibit the exercise by the Issuer of supervisory or regulatory powers conferred upon the Issuer from time to time by federal or State law or the right to receive notices or give approvals. The Issuer specifically reserves such powers with respect to the Project, and the Borrower acknowledges the reservation of such powers.

Section 6.03. Tax Exempt Status of Series A Bonds: Arbitrage. It is the intention of the Borrower and the Issuer that interest on the Series A Bonds shall be and remain excluded from gross income for federal income tax purposes, and to that end the covenants and agreements of the Issuer and the Borrower in this Section are for the benefit of each and every Registered Owner and Beneficial Owner of a Bond.

The Borrower and the Issuer covenant and agree that they have not taken or permitted to be taken and will not take or permit to be taken any action that will cause the interest on the Series A Bonds to become included in gross income for federal tax purposes pursuant to the Code or to become "arbitrage bonds" within the meaning of Section 148 of the Code; provided that none of the covenants and agreements herein contained shall require either the Borrower or the Issuer to enter an appearance or intervene in any administrative, legislative or judicial proceeding in connection with any changes in applicable laws, rules or regulations or in connection with any decisions of any court or administrative agency or other governmental body affecting the tax status of interest on the Series A Bonds; and provided further, that each party's responsibility under this paragraph shall be limited to actions within its respective control.

The Borrower covenants that no portion of the proceeds of the Series A Bonds will be used for costs of issuance of the Series A Bonds in excess of an amount equal to two percent (2%) of the principal amount of the Series A Bonds, less original issue discount (if any) on the Series A Bonds, all within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the original purchaser of the Series A Bonds are retained as a discount on the purchase of the Series A Bonds, such retention shall be deemed to be an expenditure of proceeds of the Series A Bonds for said fees.

The Borrower shall not request, authorize, approve or permit to be approved on its behalf, any payment of the proceeds of the Series A Bonds if, as a result of such payment, less than 95% of the proceeds of the Series A Bonds expended at that time would be considered as having been used to provide a facility owned by a 501(c)(3) corporation within the meaning of the Code.

The Issuer and the Borrower covenant that no proceeds of the Series A Bonds shall (within the meaning of the Code) be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

The Borrower agrees to pay, in accordance with Section 4.01(c) hereof, the costs of the calculation of the Rebate Amount and the Rebate Amount, if any, owing to the United States of America relating to the Series A Bonds. The Trustee shall deposit and disburse Rebate Amounts so received in accordance with Section 3.07 of the Indenture and shall deposit payments for the cost of such calculation in accordance with Section 3.08(d) of the Indenture. The Borrower shall notify the Issuer of all rebate calculations made and all Rebate Amounts delivered to the Trustee. Notwithstanding anything contained herein to the contrary, no rebate payment will be made if the Borrower receives and delivers to the Issuer and the Trustee an opinion of Bond Counsel that such payment is not required under the Code to prevent the Series A Bonds from becoming "arbitrage bonds" within the meaning of Section 148 of the Code or to maintain the excludability of interest on the Series A Bonds from gross income for federal income tax purposes.

The Borrower further covenants that it will not take any action, fail to take any action or make any use of the Project or the proceeds of the Series A Bonds, which would cause the interest on any of the Series A Bonds to be or become includable in gross income for federal income tax purposes.

The Borrower represents and agrees that the weighted average maturity of the Series A Bonds does not exceed 120% of the remaining average reasonably expected economic life of the Project, determined pursuant to Section 147(b) of the Code, as set forth in the certificates or letters of representation of the Borrower delivered on the date of the issuance of the Series A Bonds. The Borrower agrees that it will not make any changes in the Project which would, at the time made, cause the average reasonably expected economic life of the Project, determined pursuant to Section 147(b) of the Code, to be less than the average reasonably expected economic life of the Project set forth in such certificates or letters of representation of the Borrower, unless the Borrower shall file with the Trustee an opinion of Bond Counsel that such changes to the Project will not result in loss of the exclusion of interest on the Series A Bonds from gross income for Federal income tax purposes

The Borrower represents that the information contained in the certificates or letters of representation of the Borrower with respect to compliance with the requirements of Section 149(e) of the Code, including the information in Form 8038, is true and correct in all material respects. The Borrower shall not, nor shall it permit any affiliates of the Borrower to, acquire Series A Bonds.

The Borrower represents that the Series A Bonds are not and will not be impermissibly **"Federally guaranteed,"** as such term is used in Section 149(b) of the Code.

Without limiting the generality of the foregoing, the Borrower and the Issuer covenant and agree that they will take such action or actions (including, without limitation, consenting and agreeing to amendments to the Indenture, or this Agreement, as may be necessary in the opinion of Bond Counsel), so that the Borrower, all subsequent owners of the Project and the Project comply fully and continuously with Sections 145 and 148 of the Code and with all applicable legislative enactments or applicable final decisions of courts of competent jurisdiction.

By virtue of the preceding agreement to comply with future laws or regulations, the Borrower, the Trustee and the Issuer do not intend nor shall they be deemed to waive any rights or defenses they may have, individually or collectively, to contest the application of such laws or regulations to the Project on the grounds that such application would constitute a prohibited impairment of contract or on any other applicable grounds. Nevertheless, while contesting the application of any such laws or regulations, the Borrower shall take such actions deemed necessary in the opinion of Bond Counsel to maintain the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes.

Section 6.04. Additional Instruments. The Borrower hereby covenants to execute and deliver such additional instruments and to perform such additional acts as may be necessary, in the reasonable opinion of the Issuer or the Trustee, to carry out the intent of the Mortgage Loan Documents and the Financing Documents when executed and recorded or to perfect or give further assurances of any of the rights granted or provided for in the Mortgage Loan Documents and Financing Documents when executed and recorded.

Section 6.05. Books and Records. The Issuer and the Trustee or their designees shall be permitted, during normal business hours and upon reasonable notice, (a) to examine the books and records (other than confidential donor records, personnel records and records protected by attorney-client privilege or other applicable laws or regulations) of the Borrower, including any accountant's work papers, with respect to compliance with the obligations of the Borrower hereunder and (b) to make copies of those portions of such books and records as the Issuer or the Trustee shall reasonably request.

Section 6.06. Notice of Certain Events: Financial Reports. The Borrower hereby covenants to advise the Issuer, the Mortgage Lender and the Trustee promptly in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto.

The Borrower shall furnish copies of the monthly unaudited financial statements and occupancy statistics of the Borrower to the Issuer upon written request as soon as such statements are available or such written request is received, whichever is later.

In addition, so long as any Bonds are Outstanding, the Borrower covenants that it will file with the Trustee and the Issuer, within ten (10) days following its receipt thereof, a copy of any report and recommendations submitted by any Consultant pursuant to Section 6.16 of this Agreement.

The Borrower further covenants that, not later than the first day prior to each Fiscal Year, it will file with the Issuer and the Trustee, a copy of the operating budget and capital budget of the Borrower for the ensuing Fiscal Year.

Within ten (10) days after each computation thereof, but not later than ten (10) days before a rebate payment is due, the Borrower shall supply to the Issuer the calculations showing how the Rebate Amount was determined.

The Borrower shall promptly furnish the Issuer with a copy of each Internal Revenue Service Form 8038-T filed with respect to the Bonds.

Section 6.07. Indemnification. The Borrower shall and hereby does indemnify and hold harmless the Issuer, the Trustee and all members, officers, directors, agents, and employees thereof against all losses, costs, damages, expenses and liabilities (collectively referred to hereinafter as “Losses”) of whatsoever nature (including but not limited to reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to one or more Claims, as hereinafter defined, excluding any such Loss or Claim that arises out of an act of gross negligence or willful misconduct of any member, officer, director, agent, or employee of the Issuer or the Trustee. The word “Claims” as used herein shall mean all claims, lawsuits, causes of action and other legal actions and proceedings of whatsoever nature, including but not limited to claims, lawsuits, causes of action and other legal actions and proceedings involving bodily or personal injury or death of any person or damage to any property (including but not limited to persons employed by the Issuer, the Trustee, the Borrower and any other person) brought against the Issuer or the Trustee or to which the Issuer or the Trustee is a party, that directly or indirectly result from, arise out of or relate to (a) the transfer, sale, operation, use, occupancy, maintenance or ownership of the Project or any part thereof, (b) the execution, delivery or performance of this Agreement, the Indenture or any related instruments or documents or (c) the filing of Internal Revenue Service Form 8038-T by the Issuer. The obligations of the Borrower under this Section 6.07 shall apply to all Losses or Claims, or both, that result from, arise out of, or are related to any event, occurrence, condition or relationship prior to termination of this Agreement, whether such Losses or Claims, or both, are asserted prior to termination of this Agreement or thereafter. The Issuer or the Trustee, as the case may be, shall reimburse the Borrower for payments made by the Borrower pursuant to this Section 6.07 to the extent of any proceeds, net of all expenses of collection, actually received by the Issuer, or the Trustee from any insurance covering such Claims with respect to the Losses sustained. The Issuer and the Trustee shall have the duty to claim any such insurance proceeds and the Issuer and the Trustee shall assign their respective rights to such proceeds, to the extent of such required reimbursement, to the Borrower.

In case any action shall be brought against the Issuer or the Trustee in respect of which indemnity may be sought against the Borrower, then the Issuer or the Trustee, as the case may be, shall promptly notify the Borrower in writing. Failure to notify the Borrower shall not relieve it from any liability that it may have other than on account of this Agreement. The Borrower shall have the right to assume the investigation and defense thereof, including the employment of counsel, which counsel shall be satisfactory to the indemnified parties, and the payment of all expenses. The Issuer shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, and the reasonable fees and expenses of such counsel shall be paid by the Borrower. The Trustee shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by the Trustee unless the employment of such counsel has been authorized by the Borrower or the Trustee has reasonably objected to a joint defense by the Borrower on the ground that there may be legal defenses available to it that are different from or in addition to those available to the Borrower, in which case the Trustee shall have the right to designate and retain separate counsel in such action and the reasonable fees and expenses of such counsel shall be paid by the Borrower. If no reasonable objection is made and the Borrower assumes the defense of such action, the Borrower shall not be liable for the fees and expenses of any counsel for the Trustee incurred thereafter in connection with such action. In no event shall the Borrower be liable for the fees and expenses of more than one counsel for the Trustee in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, unless the retaining of additional counsel has been specifically authorized by the Borrower.

Notwithstanding anything in this Section 6.07 to the contrary, the Borrower shall not be liable for any Losses or Claims of the Trustee resulting from the negligent act of, or negligent failure to take action by, the Trustee.

The Borrower shall pay, and shall indemnify the Issuer and the Trustee against, all costs and charges, including reasonable counsel fees, lawfully and reasonably incurred in enforcing any covenant or agreement of the Borrower contained in this Agreement.

Section 6.08. Consent to Assignment. The Issuer has made an assignment to the Trustee under the Indenture for the benefit of the Bondowners of all rights and interest of the Issuer in and to this Agreement (except for Reserved Rights); and the Borrower hereby consents to such assignment.

Section 6.09. Compliance with Usury Laws. Notwithstanding any other provision of this Agreement, it is agreed and understood that in no event shall this Agreement, with respect to the Mortgage Note or other instrument of indebtedness, be construed as requiring the Borrower or any other Person to pay interest and other costs or considerations that constitute interest under any applicable law which are contracted for, charged or received pursuant to this Agreement in an amount in excess of the maximum amount of interest allowed under any applicable law.

The provisions of this Section shall prevail over any other provision of this Agreement other than Sections 8.14 and 8.15.

Section 6.10. Design of Project. To the best of the Borrower's knowledge, the refinancing and operation of the Project as described herein do not and will not conflict with any zoning, water, environmental or air pollution or other ordinance, order, law or regulation applicable thereto; the Borrower will maintain the Project's compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety, and environmental quality; and the Borrower has not failed to obtain (or will obtain or will cause to be obtained when required) and maintain (or cause to be maintained) in effect any material licenses, permits, franchises or other governmental authorizations necessary for the operation and conduct of the Project.

Section 6.11. Payment of Taxes. The Borrower has filed or caused to be filed all federal, state and local tax returns or information returns which are required to be filed with respect to the Project and of which Borrower has knowledge, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by the Borrower, to the extent that such taxes have become due and payable other than those payable without penalty or interest.

Section 6.12. No Untrue Statements. Neither this Agreement, the other Financing Documents nor any other document, certificate or statement furnished to the Trustee, the Mortgage Lender, the underwriters of the Bonds, the Issuer or Bond Counsel by the Borrower, contains to the best of the Borrower's knowledge any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein regarding the Borrower not misleading or incomplete under the circumstances in which made as of the date hereof and as of Bond Closing, and the facts and statements set forth in said documents with respect to the Project are, to the best of the Borrower's actual knowledge, accurate in all material respects. It is specifically understood by the Borrower that all such statements, representations and warranties shall be deemed to have been relied upon by the issuer as an inducement to issue the Bonds, and that if any such statements, representations and warranties were materially incorrect at the time they were made or as of Bond Closing, the Issuer may consider any such misrepresentation or breach an Event of Default.

Section 6.13. Insurance: Maintenance and Repair. The Borrower agrees to insure the Project or cause the Project to be insured during the term of this Agreement for such amounts and for such occurrences as are required under the Mortgage Loan Documents, as such requirements may be amended from time to time. The Trustee shall have no responsibility for monitoring, reviewing or receiving insurance policies related to the Project or for the sufficiency of such insurance. The Borrower further agrees to maintain the Project, or cause the Project to be maintained, during the term of this Agreement (a) in a reasonably safe condition and (b) in good repair and in good operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs thereto and renewals and replacements thereof.

Section 6.14. Transfer of Project; Applicable Obligations. Notwithstanding any Transfer of the Project to another owner in accordance with the provisions of this Agreement, the Borrower shall remain obligated hereunder for its obligations hereunder unless the Issuer and the Mortgage Lender consent to such Transfer and to the assignment of the rights and delegation of the obligations of the Borrower to that extent hereunder.

Section 6.15. Secondary Market Disclosure. The Borrower hereby undertakes, for the benefit of the Registered Owners and Beneficial Owners, to provide:

(a) by not later than 120 days after the end of each Fiscal Year of the Borrower, commencing with the Fiscal Year ending _________________, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of Illinois ("SID"), if any, the Financial Statements for such Fiscal Year, if available, or, if such Financial Statements are not available by 120 days after the end of such Fiscal Year, the Unaudited Financial Statements (defined below) for such Fiscal Year to be replaced subsequently by the Financial Statements to be delivered within 15 days after such Financial Statements become available for distribution;

(b) by not later than 120 days after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2006, to each NRMSIR, and to the SID, if any, the average occupancy rates and average monthly occupancy charges for the Project for the prior Fiscal Year, the current Project occupancy rates and average occupancy charges and the current approximate third party payor census mix, to the extent such item is not included in the Financial Statements provided pursuant to clause (a) above;

(c) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and to the SID if any, notice of any of the following events with respect to the Bonds, if material:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on any debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(vii) modifications to the rights of the beneficial owners of the Bonds;

(viii) bond calls;

(ix) defeasances;

(x) release, substitution or sale of any property securing repayment of the Bonds; and

(xi) rating changes; and

(d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Borrower to provide required annual financial information described in (a) or (b) above on or before the date specified.

For the purposes of this Section, "Unaudited Financial Statements" has the same meaning as Financial Statements, except that such financial statements have not been audited and reported upon by an Accountant.

If the Borrower fails to comply with the undertaking described above, any Registered Owner or Beneficial Owner of the Bonds then Outstanding may take action to protect and enforce the rights of Registered Owners and Beneficial Owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an Event of Default under this Agreement and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Registered Owners and Beneficial Owners of the Bonds.

The Borrower reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Borrower, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Borrower

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("Rule 15c2-12") as of the date of the Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the Beneficial Owners, as determined either by parties unaffiliated with the Borrower (such as Bond Counsel), or by approving vote of the Beneficial Owners of not less than a majority in principal amount of the Bonds then Outstanding pursuant to the terms of the Indenture, as it may be amended from time to time.

The Borrower agrees that any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

By not later than one hundred twenty (120) days after the end of each Fiscal Year, the Borrower shall cause to be filed with the Issuer and the Trustee an Officer's Certificate stating that the Corporation is in compliance with the provisions of this Section.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 6.16. Liens and Transfers. The Borrower may not transfer, dispose of or encumber the Project or create any lien thereon inferior or superior to the lien of the Mortgage without prior written approval of (a) the Secretary of HUD, if FHA Insurance with respect to the Mortgage Note is in effect, or (b) the Issuer if such FHA Insurance is not in effect and Bonds are outstanding.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. Subject to the terms of Section 7.02, each of the following shall be an "Event of Default":

(a) the Borrower shall fail to pay or cause to be paid amounts required to pay principal of, premium, if any, or interest on the Mortgage Note on the dates required under Section 4.01; or

(b) the Borrower shall fail to pay amounts required to be paid to the Trustee under Section 4.01 (other than 4.01(b)) and ten Business Days shall have elapsed after notice of such event has been sent by fax with hard copy immediately following to the Borrower; or

(c) the Borrower shall fail to perform or observe any of its other obligations, covenants or agreements contained in this Agreement, including a failure to repay any amounts which have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings; or

(d) an Event of Default shall occur under the Indenture; or

(e) any representation or warranty of the Borrower shall be determined by the Trustee to have been materially false when made, and the Trustee has received written notice from the Issuer of such determination.

Notwithstanding anything else herein to the contrary, no violation of Section 6.16 hereof shall constitute an Event of Default so long as GNMA and HUD are in compliance with their obligations with respect to the GNMA Security and the Mortgage Loan.

Section 7.02. Notice of Default: Opportunity to Cure. No default under Section 7.01(c), (d) or (e) hereof shall constitute an Event of Default until:

(a) The Trustee or the Issuer shall give notice to all parties hereto of such default specifying the same and stating that such notice is a "Notice of Default"; and

(b) The Borrower shall have had 60 days after receipt of such notice to correct the default arising under Section 7.01(c) or (d); provided, however, that if the default stated in the notice is of such a nature that it can not be corrected within 60 days, such default shall not constitute an Event of Default hereunder so long as (i) the applicable party institutes corrective action within said 60 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within such 60 days will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 7.03. Remedies. Whenever any Event of Default under Section 7.01 hereof shall have occurred and be continuing, subject to the provisions of Section 7.02 hereof, the Trustee and the Issuer, at the written request or consent of the Trustee, shall take whatever action at law or in equity may appear necessary or desirable to collect the payments required to be made by the Borrower under this Agreement or to enforce performance and observance of any obligation or agreement of the Borrower under the Financing Documents, but in no event shall the Issuer or the Trustee be obligated to take any such action which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until indemnity satisfactory to it as provided in Section 9.01(g) of the Indenture has been furnished.

Section 7.04. Attorneys' Fees and Costs. If an Event of Default occurs and if the Issuer or the Trustee should employ attorneys or incur expenses for the enforcement of any obligation or agreement of the Borrower contained herein, the Borrower, on demand, will pay to the Issuer or the Trustee the reasonable fees of such attorneys and the reasonable costs so incurred, including, without limitation, reasonable fees and costs of court appeals.

Section 7.05. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to either of them in this Article VII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 7.06. No Additional Waiver Implied by One Waiver. In the event any agreement or covenant contained in this Agreement should be breached by the Borrower and thereafter waived by the Issuer or the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Notices. All notices, certificates or other communications shall be in writing and shall be sufficiently given and shall be deemed given (except for notices to the Trustee, which shall be deemed given only when actually received by the Trustee) on the Business Day on which the same have been personally delivered (either by messenger or courier service which guarantees next day delivery) or (if not by such messenger or by courier service), on the second Business Day following the date on which the same has been mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Issuer:	The City of Pekin, Tazewell County, Illinois 111 South Capitol Street Pekin, IL 61554 Telephone: 309-477-2300 Facsimile: 309-346-2095 Attention: Dennis Kief, City Manager
with a copy to:	Elliff, Keyser, Oberle & Dancey, P.C. 109 South Fourth Street P.O. Box 873 Pekin, IL 61554 Telephone: 309-346-4148 Facsimile: 309-346-0633 Attention: Patrick E. Oberle, Esq.

If to the Borrower:	United Auto Workers Senior Citizens' Center, Inc. 444 Parkway Drive Pekin, IL 61554 Telephone: 309-347-7791 Facsimile: 309-347-2619 Attention: Donald Bly
with a copy to:	Katz, Friedman, Eagle, Eisenstein & Johnson, PC 77 West Washington Street, 20th Floor Chicago, IL 60602 Telephone: 312-263-6330 Facsimile: 312-372-5555 Attention: Harold A. Katz, Esq.
If to the Mortgage Lender:	Capstone Realty Advisors, LLC 1120 Chester Avenue, Suite 200 Cleveland, OH 44114 Telephone: 216-902-8532 Facsimile: 216-902-____ Attention: Deborah Rogan
If to the Trustee:	J.P. Morgan Trust Company, National Association 227 West Monroe Street, 26th Floor Chicago, IL 60606 Telephone: 312-267-5124 Facsimile: 312-267-5202 Attention: Joyce Wallington-Jones, Corporate Trust Services

A duplicate copy of each notice, certificate or other communication given hereunder by arty party hereto to another party hereto shall also be given to all of the parties specified above. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

Section 8.02. Assignments. This Agreement may not be assigned by any party without the prior written consent of all parties hereto which consent shall not be unreasonably withheld; provided (a) the Issuer shall assign to the Trustee its rights under this Agreement as provided in Section 6.08; (b) the Borrower may assign to any transferee or any surviving or resulting Person its rights under this Agreement as provided by Section 6.01 hereof; (c) the Trustee shall assign its rights under this Agreement to any successor Trustee designated in accordance with the Indenture; and (d) the Mortgage Lender may assign its rights hereunder without consent at any time more than 90 days after delivery of the GNMA Security if (1) there is no default with respect to the GNMA Security and (2) the assignee is acceptable to GNMA, as evidenced in a writing delivered to the Issuer and the Trustee, GNMA.

Section 8.03. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 8.04. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.05. Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or in the Indenture, subsequent to the issuance of Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the all parties hereto.

Section 8.06. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 8.07. Term of Agreement. This Agreement shall be in full force and effect from the date hereof until such time as the Mortgage Note shall have been fully paid. Time is of the essence in this Agreement.

Section 8.08. Survival of Agreement. All agreements, representations and warranties made herein shall survive the making of the Mortgage Loan.

Section 8.09. Actions on Other Than Business Days. Any payment or act required to be done or made on a day that is not a Business Day shall be done or made on the next succeeding day that is a Business Day with the same force and effect as if it had been done on the date originally scheduled for such payment or act.

Section 8.10. Trustee Acting Solely in Such Capacity. In accepting its obligations hereunder, the Trustee acts solely as trustee for the benefit of the Bondowners and not in its individual capacity, and all Persons, including, without limitation, the Issuer and the Borrower, seeking payment from the Trustee for any liability arising by reason of the transactions contemplated hereby shall look only to the Trust Estate for payment except where such liability arises out of the negligence or willful misconduct of the Trustee. All of the rights, privileges, and limitations on liability granted to the Trustee under the Indenture shall extend to the Trustee's activities and obligations under this Loan Agreement and each of the other Mortgage Loan Documents.

Section 8.11. Parties to Act Reasonably. When the consent, approval, determination or authorization of any party to this Agreement is required, such party will act reasonably in deciding whether to provide such consent, approval, determination or authorization and will not unreasonably withhold or delay such decision or such consent, approval, determination or authorization.

Section 8.12. Conflict of Documents. In the event the provisions of this Agreement conflict with provisions of the Indenture, the provisions of the Indenture shall be deemed to control.

Section 8.13. Transfer of Project: Disposition of Assets. As soon as practicable and not later than fourteen days prior to the intended date of sale, transfer or other disposition of the Project (other than by leasing or renting for individual resident use), or the consolidation, merger or disposition of substantially all the assets of the Borrower of which the Mortgage Lender has notice, the Mortgage Lender shall notify the Issuer and the Trustee of such transaction. Such transaction and its expected date shall be subject to the applicable conditions set forth in Section 6.01 hereof.

Section 8.14. FHA Requirements. The provisions of this Agreement are subject and subordinate to the National Housing Act, all applicable HUD insurance (and Section 8, if applicable) regulations and requirements, the Mortgage Loan Documents, all applicable GNMA regulations and requirements and the GNMA Documents; and in the event of any conflict between the provisions of this Agreement and the provisions of the National Housing Act, any applicable HUD regulations, HUD requirements, the Mortgage Loan Documents, any applicable GNMA regulations, GNMA requirements and/or the GNMA Documents, the said National Housing Act, HUD regulations, HUD requirements, Mortgage Loan Documents, GNMA regulations, GNMA requirements and GNMA Documents shall be controlling in all respects.

Section 8.15. GNMA Requirements to Control: Limited Liability of Borrower: No Recourse Against Project Assets.

(a) To the extent that there is any conflict, inconsistency or ambiguity between or among this Agreement and (i) any applicable FHA mortgage insurance, or other applicable FHA or GNMA statutory, regulatory, administrative requirements, (ii) any of the documents which have been or are required by FHA and/or the Mortgage Lender to be executed by the Borrower, FHA and/or the Mortgage Lender in connection with the subject transaction (each a "**FHA Loan Document,**" or collectively, the "**FHA Loan Documents**" as the context may require) or (iii) any of the documents which have been or are required by GNMA to be executed by the Borrower, FHA, GNMA, the Trustee and/or the Mortgage Lender in connection with the subject transaction (each a "**GNMA Document**" or collectively, the "**GNMA Documents**" as the context may require), said FHA mortgage insurance and other applicable FHA and GNMA statutory, regulatory and administrative requirements and said FHA Loan Documents and GNMA Documents will be deemed to be controlling and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the FHA mortgage insurance, and other applicable FHA and GNMA statutory, regulatory and administrative requirements and the terms of the FHA Loan Documents and GNMA Documents, as applicable. For purposes hereof, the reference to FHA's statutory, regulatory or administrative requirements shall be deemed to include, but shall not limited to, any statutory, regulatory or administrative requirements pertaining to Section 8 of the United States Housing Act of 1937, as may be applicable. The parties hereto agree to amend this instrument as may be necessary or required by FHA, GNMA or the Mortgage Lender to conform this instrument to the above-cited requirements and FHA Loan Documents and GNMA

Documents; provided the Issuer is not obligated to agree to any amendment creating any liability for the Issuer or placing further obligations on the Issuer. In addition, it is understood and agreed that any default under this Agreement shall not constitute a default under the FHA Loan Documents or the GNMA Documents; and further, that nothing herein contained shall be construed to limit or affect the Mortgage Lender's rights under the FHA Loan Documents or the GNMA Documents.

(b) This Agreement shall not be constructed to restrict or adversely affect the duties and obligations of the Mortgage Lender under the Contract of Mortgage Insurance between the Mortgage Lender and HUD with respect to the Mortgage Loan.

(c) Any Project funds held by the Mortgage Lender for or on behalf of the Borrower shall be maintained separate and apart from the funds established and held by the Trustee for the holders of the Bonds and the various escrows and funds, if any, under the Indenture.

(d) Neither the Issuer, the Trustee nor any of the Bondowners has or shall be entitled to asset any claim against the Project, the Mortgage proceeds, any reserve or deposit required by HUD in connection with the Mortgage Loan, or the rents or income of the Project other than Surplus Cash (as defined in the HUD Regulatory Agreement) or as otherwise permitted by HUD; provided, however, the foregoing shall not restrict any rights of the Issuer, the Trustee, the Mortgage Lender or any of the Bondowners against any general partner or guarantor of the obligations of the Borrower, if any, with respect to this Agreement.

(e) The monetary obligations of the Borrower contained in this Agreement (except for indemnification by the Borrower under Section 6.07 of this Agreement and payments required to be made pursuant to Section 4.01(b) through (d) hereof) shall be limited obligations payable solely from the income and assets of the Project, and neither the Borrower or any successor or assignee thereof nor any director, officer or employee of the Borrower or any successor or assignee thereof shall have personal liability for the satisfaction of any obligation of the Borrower or claim arising out of this Agreement against the Borrower other than from revenues of the Project. Notwithstanding anything contained in this Agreement to the contrary, neither the Issuer nor the Trustee may assert any claim arising hereunder against the Borrower's interest in the Project, the proceeds of the Mortgage Loan on the Project, any reserve or deposit made with the Mortgage Lender or in the rents or other income of the Project for the payment of any charge due hereunder except to the extent available from Surplus Cash.

(f) Notwithstanding any provisions in this Agreement to the contrary, enforcement of the provisions of this Agreement shall not result in any claim against the Project, the Mortgage Loan Proceeds, any reserve or deposit required by HUD or the Mortgage Lender in connection with the Mortgage Loan, or the rents or other income from the Project (other than available Surplus Cash or distributions thereof). By execution hereof, each of the undersigned affirms that no pledge has been made and that it has no claim, and will not later assert any claim, against the Project, the Mortgage Loan proceeds, any reserve or deposit made with the Mortgage Lender or any other amount required by HUD or GNMA in connections with the Mortgage Loan, or against the income from the Project for payment of any obligations contained herein (other than available Surplus Cash or distributions thereof); provided, however, that this provision shall not alter, affect or diminish the rights of the Mortgage Lender under the Mortgage Loan Documents.

(g) If this Agreement contains any provision requiring the Borrower or other party to the transaction to take any action necessary to preserve the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes, or prohibiting the Borrower or any other party to the transaction from taking any action that might jeopardize such tax status, such provision is qualified to except any actions required (or prohibited) by FHA, GNMA or the Mortgage Lender pursuant to (1) the National Housing Act, as amended, including, but not limited to, any applicable FHA mortgage insurance or other FHA or GNMA statutory, regulatory or administrative requirements therein contained or promulgated thereunder, (2) Section 8 of the United States Housing Act of 1937 and the administrative regulations and guidelines promulgated thereunder, or (3) any of the FHA Loan Documents and the GNMA Documents, as applicable.

(h) Notwithstanding any provision contained in Section 6.01 hereof, to the contrary, the transfer restrictions contained herein shall in no way be deemed to affect or otherwise impair the rights of FHA or the Mortgage Lender, as applicable, to approve or disapprove the proposed sale or transfer of the Project as required by the HUD Regulatory Agreement. The decision of FHA or the Mortgage Lender, as applicable, with respect to any such proposed sale or transfer of the Project shall (to the extent required under (1) the National Housing Act, as amended, including, but not limited to, any applicable FHA mortgage insurance or other FHA or GNMA statutory, regulatory or administrative requirements therein contained or promulgated thereunder, (2) Section 8 of the United States Housing Act of 1937 and the administrative regulations and guidelines promulgated thereunder, or (3) any of the FHA Loan Documents and the GNMA Documents, as applicable) be binding and determinative on the parties hereto, notwithstanding the approval or disapproval by the Issuer of any such proposed sale or transfer.

(i) Notwithstanding any provision of this Agreement to the contrary, the parties hereto acknowledge and agree that all of their respective rights and powers under this Agreement are subordinate and subject to the lien of the Mortgage created by the Borrower in favor of the Mortgage Lender under the FHA Loan Documents, together with any and all amounts from time to time secured thereby, and interest thereon, and to all of the terms and provisions of the Mortgage, and any and all other FHA Loan Documents and GNMA Documents executed by the Borrower, FHA, GNMA and/or the Mortgage Lender, as required by FHA, GNMA or the Mortgage Lender in connection with the Mortgage Loan and further, this Agreement may not be amended without the written consent of FHA and the Mortgage Lender.

(j) All covenants herein with respect to the Project shall terminate upon foreclosure under the Mortgage or a transfer of title to the Project by a deed in lieu of foreclosure.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all as of the day and year first above mentioned.

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, as Issuer

By: ______________________________
Frank H. Mackaman, Mayor

UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. an Illinois not-for-profit corporation, as Borrower

By: ______________________________
Its: ______________________________

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By: ______________________________
Authorized Officer

CAPSTONE REALTY ADVISORS, LLC, as Mortgage Lender

By: ______________________________
Its: ______________________________

[SIGNATURE PAGE TO SENIOR FINANCING AGREEMENT]

EXHIBIT A

DESCRIPTION OF PROJECT

LEGAL DESCRIPTION
UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC.
PEKIN, ILLINOIS

INDENTURE OF TRUST

by and between

THE CITY OF PEKIN,
TAZEWELL COUNTY, ILLINOIS

and

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of April 1, 2006

$4,990,000
The City of Pekin, Tazewell County, Illinois
Mortgage Revenue Refunding Bonds
(GNMA Collateralized - United Auto Workers Senior Citizens' Center, Inc. Project)
Series 2006A

and

$350,000
The City of Pekin, Tazewell County, Illinois
Taxable Mortgage Revenue Refunding Bonds
(GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project)
Series 2006B

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (the "Indenture"), made and entered into and dated as of April 1, 2006, by and between **THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS** (together with any successor to its rights, powers, duties and obligations hereunder, the "Issuer"), a political subdivision of the State of Illinois existing as a home-rule unit of government under the Constitution and laws of the State of Illinois, and **J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION**, as Trustee, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under, with a corporate trust office in Chicago, Illinois, and being qualified to accept and administer the trusts hereby created (together with any successor trustee and any separate or co-trustee serving as such pursuant to this Indenture, the "Trustee");

WITNESSETH:

WHEREAS, the Issuer is authorized by the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois, as amended (the "Act"), to issue its bonds or notes for the purpose of carrying out any of its powers under the Act, including, without limitation, the issuance of revenue bonds for the purpose of providing financing or refinancing for costs of economic development projects within the jurisdiction of the Issuer;

WHEREAS, United Auto Workers Senior Citizens' Center, Inc., an Illinois not-for-profit corporation (the "Borrower"), has requested that the Issuer issue and sell revenue refunding bonds for the purpose of refunding the Issuer's outstanding amount of the City's Multifamily Housing Refunding Revenue Bonds, Series 1992A (FHA-Insured Mortgage Loan – Section 8 Assisted Project) (the "Prior Bonds");

WHEREAS, the Issuer has determined to issue its Mortgage Revenue Refunding Bonds (GNMA Collateralized - United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A in the aggregate principal amount of $4,990,000 (the "Series A Bonds") and its Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B in the aggregate principal amount of $350,000 (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") with the Bonds providing funds, in connection with the Project, to purchase a fully modified mortgage-backed security to be issued by Capstone Realty Advisors, LLC (the "Mortgage Lender"), which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (the "GNMA Security") under the provision of Section 221(d)(3), pursuant to Section 223(a)(7) of the National Housing Act and the Regulations thereunder now in effect;

WHEREAS, the GNMA Security is to be issued with respect to a mortgage loan insured by the Federal Housing Administration of the United States Department of Housing and Urban Development ("HUD") to be made by the Mortgage Lender to finance, in part, the refinancing of the Project;

WHEREAS, the Issuer has determined that assisting in the refinancing of the Project with the proceeds of the Bonds will promote and serve the intended purposes of and in all respects will conform to the provisions and requirements of the Act ;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal of, premium, if any, and interest on the Bonds, the Issuer has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law to make the Bonds, when executed by the Issuer, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special, limited obligations of the Issuer, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all Bonds outstanding hereunder from time to time, according to their tenor and effect, and to secure the observance and performance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby pledge and assign unto the Trustee, and unto its successors and assigns forever and does hereby grant to it and them all of its right, title and interest in, to and under:

GRANTING CLAUSE FIRST

The Financing Documents (as hereinafter defined), including all extensions and renewals of the terms thereof, if any, except the Reserved Rights, including but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the Revenues (as hereinafter defined), whether payable under the above referenced documents, or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the Issuer or any other person on behalf of the Issuer is or may become entitled to do under the above-referenced documents;

GRANTING CLAUSE SECOND

All right, title and interest of the Issuer in and to the GNMA Security, including all payments with respect thereto and any interest, profits and other income derived from the investment thereof; provided such security is only for payment of the Bonds.

GRANTING CLAUSE THIRD

All Revenues which may from time to time hereafter be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted or delivered to the trustee, or held by the Trustee in any Fund or Account (as hereinafter defined) established pursuant to the terms of this Indenture, together with investment earnings thereon, but excluding (a) moneys held by the Trustee in the Cost of Issuance Fund, the Rebate Fund and the General Fund (each as hereinafter defined) and (b) moneys collected pursuant to reimbursement or indemnification of the Issuer and the Trustee; and

GRANTING CLAUSE FOURTH

Any and all other property of any name and nature from time to time hereafter by delivery or by writing of any kind pledged or assigned as and for additional security hereunder, by the Issuer or by anyone on its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

PROVIDED, HOWEVER, that there shall be excluded from the granting clauses of this Indenture all the Reserved Rights of the Issuer, including all amounts paid or collected by the Issuer in connection therewith;

TO HAVE AND TO HOLD all and singular as the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds, from time to time issued under and secured by this Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as described herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Revenue Fund as required hereunder or shall provide, as permitted by Article XII hereof; for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof; then this Indenture and the rights hereby granted shall cease, determine and be void, otherwise this Indenture is to be and remain in full force and effect; and

Subject to the provisions of this Indenture, the Trustee hereby acknowledges, approves, accepts and agrees to the terms, conditions, appointments and agencies of the Financing Agreement, as hereinafter defined, as they relate to it and its participation in the transactions contemplated thereby; and

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and the Revenues hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Registered Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS; INTERPRETATION; INDENTURE TO CONSTITUTE CONTRACT

Section 1.01. Definitions. (a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) This “Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(2) All references in this Indenture to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words “herein,” “hereof,” “hereto,” “hereby” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

(4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in effect from time to time.

(5) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Issuer shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized officer or agent of the Issuer.

(6) A reference to any gender shall be deemed to include another gender, if appropriate.

(b) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

“**Account**” means any one or more of the separate special trust accounts created by Article III hereof, and shall include any subaccount or subaccounts included in such account.

"**Act**" means the Issuer's powers as a home rule unit of government pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois, as amended.

"**Act of Bankruptcy**" means notice to the Trustee that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Borrower.

"**Affiliate**" means a corporation, limited liability company, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or any state thereof which is directly or indirectly controlled by the Borrower, by any other Affiliate or by any Person which controls the Borrower, or which controls any other Affiliate. For purposes of this definition, control means the power to direct the management and policies of a Person through the ownership of not less than a majority of its voting securities, the right to designate or elect not less than a majority of the members of its board of directors or other governing body, by contract or otherwise.

"**Authorized Denomination**" means with respect to the Bonds, $5,000 or any integral multiple thereof.

"**Authorized Representative**" means, with respect to the Trustee, any officer or administrator thereof responsible for trust administration; with respect to the Issuer, the Mayor, the City Clerk or the City Treasurer of the Issuer or any other person(s) designated by a certificate of the Issuer as the authorized representative of the Issuer; and with respect to the Borrower, the President or any Vice President of the Borrower or any other Person or Persons designated to act on behalf of the Borrower by a certificate of the Borrower filed with the Issuer and the Trustee.

"**Available Money**" means proceeds of the Bonds, payments made under the GNMA Security, any payments made by the Borrower or an Affiliate of the Borrower and held by the Trustee (or held by the Mortgage Lender for payments on the Mortgage Note) for a period of 123 days, provided that no Act of Bankruptcy with respect to the Borrower has occurred during such period, or any money with respect to which the Trustee has received an opinion of nationally recognized bankruptcy counsel to the effect that the use by the Trustee of such money in accordance with this Indenture would not constitute an avoidable preference or be subject to the automatic stay provisions of Sections 547 and 362(a), respectively, of the United States Bankruptcy Code or similar laws of the United States of America or the State of Illinois in the event a petition in bankruptcy is filed by or against the Issuer or Borrower depositing such money.

"**Beneficial Owner**" means a beneficial owner of all or a portion of the Bonds while the Bonds are in fully immobilized form.

"**Bond**" or "**Bonds**" means any one or more of the Issuer's Series A Bonds and Series B Bonds, authenticated and delivered under this Indenture.

"**Bond Closing**" means the date upon which the Issuer delivers the Bonds to the initial purchasers thereof in exchange for the moneys representing proceeds of the Bonds or other consideration.

"**Bond Counsel**" means an attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, who is or are acceptable to the Issuer and is or are duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"**Bond Register**" means the registration books required to be maintained pursuant to Section 2.03 hereof.

"**Bond Registrar**" means the party so appointed pursuant to Section 2.03 hereof.

"**Bondowner**" means the Registered Owner.

"**Bond Year**" means the period commencing on January 1 of each year and ending on the immediately succeeding December 31, provided the first Bond Year shall commence on the Bond Closing and end on December 31, 2006.

"**Borrower**" means United Auto Workers Senior Citizens' Center, Inc., an Illinois not-for-profit corporation, as the owner of the Project, and its respective successors and assigns as such owner.

"**Business Day**" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which commercial banks in the city or cities in which the Principal Office of the Trustee and Bond Registrar are located are authorized or required by law or executive order to close.

"**CEDE & CO**" means Cede & Co. or Cede & Co.'s successor as nominee of DTC.

"**Code**" means the Internal Revenue Code of 1986, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or Internal Revenue Service, to the extent applicable to the Bonds. All references herein to sections, paragraphs or other subdivisions of the Code or the regulations promulgated thereunder shall be deemed to be references to correlative provisions of any predecessor or successor code or regulations promulgated thereunder.

"**Commencement of Amortization**" means the date on which the Borrower begins to repay principal of the Mortgage Loan.

"**Commitment**" means that Firm Commitment to Insure pursuant to Sections 221(d)(3) and 223(a)(7) of the National Housing Act dated February 2, 2006 and any amendments thereto, from HUD to Draper and Kramer.

“**Continuing Disclosure Fee**” means an amount not greater than $500 payable on each Interest Payment Date, payable in accordance with any agreement between the Borrower and the Trustee; provided, however, that the portion of such fee payable from Revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 of the Financing Agreement.

“**Cost of Issuance Fund**” means the fund so designated and established by Section 3.02 hereof.

“**Counsel**” means an attorney at law or a firm of attorneys (who may be an employee of or counsel to the Issuer or the Borrower, or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or of the District of Columbia.

“**Debt Service**” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation.

“**Distribution**” has the same meaning as that term in the HUD Regulatory Agreement.

“**DTC**” means The Depository Trust Company, New York, New York.

“**Event of Default**” means an occurrence or event specified in and defined by Section 8.01 hereof.

“**Fair Market Value**” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Issuer and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“**FHA**” means the Federal Housing Administration, an organizational unit within HUD or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD, the Federal Housing Commissioner and their representatives or agents.

“**FHA Insurance**” means the insurance of the Mortgage Note by FHA under Section 221(d)(3) and pursuant to Section 223(a)(7) of the National Housing Act.

“**Financing Agreement**” means the Financing Agreement, dated as of April 1, 2006, among the Issuer, the Mortgage Lender, the Borrower and the Trustee, as amended and supplemented from time to time.

“**Financing Documents**” means this Indenture, the Financing Agreement, the Mortgage Note and the Mortgage.

“**Fund**” means any one or more of the separate special trust funds created by Article III.

“**General Fund**” means the fund so designated and established by Section 3.02 hereof.

“**GNMA**” means the Government National Mortgage Association, an organizational unit within HUD, or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD.

“**GNMA Documents**” means the commitments issued by GNMA to the Mortgage Lender to guaranty the GNMA Security and all other documents, certifications and assurances executed and delivered by the Mortgage Lender, GNMA or the Borrower in connection with the GNMA Security.

“**GNMA Security**” means a fully-modified pass-through security with a pass-through rate of **____**% and a maturity date of May 20, 2034 issued by the Mortgage Lender, purchased by and registered in the name of the Trustee or its designee and guaranteed by GNMA as to timely payment of principal of and interest, pursuant to Section 306(g) of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder, backed by the Mortgage Loan made by the Mortgage Lender to finance the Project pursuant to the Commitment, the Mortgage Loan Documents and the Financing Agreement, which Mortgage Loan is insured by the Secretary of Housing and Urban Development by and through the FHA.

“**GNMA Security Delivery Date**” means June 1, 2006, or such later date as may be established pursuant to Section 3.04 hereof.

“**Government Obligations**” means noncallable, direct, general obligations of the United States of America (including the obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or any obligations unconditionally guaranteed as to the full and timely payment of principal and interest by the full faith and credit of the United States of America, but shall not include unit investment trusts or mutual funds invested in such obligations. U.S. Treasury STRIPS and REFCORP STRIPS (by the Federal Reserve Bank of New York) are Government Obligations only with respect to such interest payments.

“**HUD**” means the United States Department of Housing and Urban Development.

“**HUD Regulatory Agreement**” means the Regulatory Agreement on HUD Form 92466-E dated April 1, 2006, between the Borrower and the Secretary of HUD.

“**Indenture Act**” means the Trust Indenture Act of 1939 (Act of August 3, 1939, 53 Stat. 1149, 15 U.S.C., Secs. 77aaa-77bbbb, as amended).

"**Interest Payment Date**" means (a) for the Series A Bonds May 20 and November 20 of each year, commencing November 20, 2006, (b) for the Series B Bonds, May 20 and November 20 of each year, commencing November 20, 2006, or (c) any other date upon which interest on the Bonds is due and payable, whether by maturity, acceleration, prior redemption, or otherwise.

"**Interest Period**" means the period from and including the latest of (i) the Bond Closing, or (ii) an Interest Payment Date, to but not including the next succeeding Interest Payment Date.

"**Issuance Costs**" means all costs and expenses of issuance of the Bonds, including, but not limited to:

(a) underwriters' discount or fee;

(b) counsel fees, including bond counsel, underwriters' counsel, Issuer's counsel, Borrower's counsel and Mortgage Lender's counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds;

(c) financial advisor fees and expenses incurred in connection with the issuance of the Bonds;

(d) initial fees and expenses of the Trustee, including Trustee counsel fees and expenses in connection with the issuance of the Bonds;

(e) costs of printing the preliminary and final Official Statement;

(f) publication or copying costs associated with the financing proceedings; and

(g) initial fees and expenses, if any, of the Issuer, and the Rating Agency.

"**Issuer**" means the City of Pekin, Tazewell County, Illinois, a political subdivision of the State of Illinois existing as a home-rule unit of government under the Constitution and laws of the State of Illinois.

"**Letter of Representations**" means the Blanket Issuer Letter of Representations signed by the Issuer and accepted by DTC with respect to the initial immobilization of the Series A Bonds.

"**Mortgage**" means the Mortgage and Security Agreement that is delivered by the Borrower as mortgagor to the Mortgage Lender, and secures the repayment of the Mortgage Note.

"**Mortgage Lender**" means Capstone Realty Advisors, LLC, an Ohio limited liability company or its successors and assigns, with respect to the Mortgage Loan.

"**Mortgage Loan**" means the Mortgage Loan assigned to the Mortgage Lender for the benefit of the Borrower pursuant to the Mortgage Loan Documents and the Financing Agreement to provide refinancing for the Project.

“**Mortgage Loan Documents**” means the Mortgage, the Mortgage Note and all other documents required by the Mortgage Lender and/or HUD in connection with the Mortgage Loan.

“**Mortgage Loan Fund**” means the fund so designated and established by Section 3.02 hereof.

“**Mortgage Note**” means the Mortgage Note executed by the Borrower to evidence the obligation to repay the Mortgage Loan.

“**National Housing Act**” means the National Housing Act of 1934, as amended, and the applicable regulations thereunder.

“**Net Proceeds**” means, when used with reference to the Bonds, the face amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount and proceeds deposited into any reserve fund, if any.

“**Ordinance**” means the bond ordinance of the Issuer, duly adopted and approved by the Issuer on April 3, 2006, authorizing the issuance and sale of the Bonds and the execution of this Indenture.

“**Originating Mortgagee**” means Capstone Realty Advisors, LLC.

“**Outstanding**,” “**Bonds Outstanding**” or “**Bonds outstanding**,” in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under this Indenture, except:

(a) Bonds theretofore cancelled or required to be cancelled under Section 2.09 hereof;

(b) Bonds which are deemed to have been paid in accordance with Article XII hereof; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II or Section 10.05 hereof.

In determining whether the Owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds which are registered on the Bond Register in the name of the Borrower, the Issuer or any other obligor on the Bonds, or any person actually known to the Trustee to be an affiliate of any one of said entities (for the purpose of this definition an “affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person) shall be disregarded and deemed not to he outstanding hereunder for the purpose of any such determination. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing. Bonds (in certificated form) so owned, which have been pledged in good faith, may be regarded as

Outstanding if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Borrower, the Issuer, or any other obligor on the Bonds, or any affiliate of any of the foregoing. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

"**Owner**" means the Registered Owner of any Bond.

"**Person**" means any natural person, firm, limited liability company, partnership, association, corporation, trust or public body.

"**Principal Office**" means, when used with respect to the Trustee, the corporate trust office of the Trustee located in Chicago, Illinois, at the address shown in Section 13.04, or such other location designated in writing by the Trustee for any particular purpose, including, but not limited to, for purposes of payments on the Bonds and any exchange, transfer, or surrender of the Bonds.

"**Project**" means the refinance of a 215-unit multifamily rental apartment project located at 444 Parkway Drive, Pekin, Illinois 61554.

"**Project Costs**" means, to the extent authorized by the Code and the Act, refinancing costs of the Borrower with respect to the refinancing of the Project, and all other costs approved by Bond Counsel, but excluding Issuance Costs.

"**Qualified Investments**" means such of the following which are at the time legal investments for fiduciaries under the law of the State for moneys held under this Indenture which are then proposed to be invested therein and which shall mature or shall be subject to redemption by the owner thereof at the option of such owner, not later than the earlier of (i) thirty (30) days, or (ii) the respective dates when the moneys will be required for the purposes intended:

(a) Government Obligations;

(b) Federal Housing Administration's debentures;

(c) Federal Home Loan Mortgage Corporation's (FHLMC) participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts and interest only strips) which guarantee timely payment of principal and interest and senior debt obligations;

(d) Farm Credit Banks' (Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated systemwide bonds and notes;

(e) Federal Home Loan Banks consolidated debt obligations;

(f) Federal National Mortgage Association's (FNMA) mortgage-backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts and interest only strips) and senior debt obligations;

(g) Resolution Funding Corporation’s (REFCORP) debt obligations;

(h) Certificates of deposit, time deposits and bankers’ acceptances (having original maturities of not more than 90 days) of any bank, the unsecured short term obligations of which are rated “A-1+” by S&P;

(i) Deposits with a bank which are fully insured by the Federal Deposit Insurance Corporation (FDIC), provided that the bank’s unsecured obligations are rated “A-1+” by S&P;

(j) Debt obligations rated “AAA” by S&P (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(k) Commercial paper (having original maturities of not more than 90 days) rated “A-1+” by S&P;

(l) Shares in an investment company registered under the Federal Investment Company Act of 1940 whose shares are registered under the Federal Securities Act of 1933 and whose only investments are comprised of obligations issued or guaranteed as to principal and interest by the U.S. Government and thus constitute direct obligations of the U.S.A. and repurchase agreements fully secured by Government Obligations and such fund is rated “AAAm” or “AAAm-g” by S&P;

(m) Any investment agreement, guarantee or other investment vehicle or security, in form and substance satisfactory to the Borrower, which has been submitted to and approved by the Rating Agency; and

(n) Unsecured certificates of deposit, demand deposits, including interest bearing money market accounts, trust deposits, or bankers acceptances (in each case having maturities of not more than 360 days) of any domestic bank (including the Trustee and any bank affiliated with the Trustee) including a branch office of a foreign bank, which branch office is located in the United States, provided that such bank at the time of purchase, has a rating of “A-1+” or better by S&P.

“**Rating Agency**” means Standard & Poor's Ratings Service, or any successors and assigns or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized rating agency designated by the Issuer, which maintains a rating on the Bonds.

“**Rebate Amount**” means the amount, if any, determined to be payable with respect to the Bonds by the Issuer to the United States of America pursuant to Section 148 of the Code, calculated in accordance with the Tax Certificate.

“**Rebate Analyst**” means any nationally recognized firm of certified public accountants, any reputable firm which offers to the tax-exempt bond industry rebate calculation services and holds itself out as having expertise in that area, or any other recognized expert approved by the Issuer.

“**Rebate Fund**” means the Fund of that name established pursuant to Section 3.02 hereof.

“**Rebate Monitoring Fee**” means an amount not greater than $5,000, payable on November 20 of 2010, 2015, 2020, 2025 and 2030 and on May 20, 2034, in accordance with any agreement between the Borrower and the Rebate Analyst; provided, however, that the portion of such fee payable from Revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 of the Financing Agreement.

“**Record Date**” means, except for payment of defaulted interest, while the Bonds are in book-entry only form, the fifth calendar day prior to the Interest Payment Date, and while the Bonds are in certificated form, the fifth calendar day of the month in which an Interest Payment Date occurs. With respect to any payment of defaulted interest, a Special Record Date shall be established by the Trustee in accordance with the provisions of Section 2.02 hereof.

“**Registered Owner**,” “**Owner**” or “**Bondowner**” means the person or persons in whose name or names a Bond shall be registered on books of the Trustee kept for that purpose in accordance with the terms of this Indenture.

“**Regulations**” means the proposed, temporary or permanent regulations promulgated under the Code.

“**Reserved Rights**” means:

(a) all rights which the Issuer or its officers, officials, agents or employees may have under this Indenture and the Financing Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, agents or employees;

(b) the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals hereunder and under the other Financing Documents;

(c) all rights of the Issuer to enforce (other than the declaration of a default under any of the Financing Documents) the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly, to the tax-exempt status of interest on the Bonds set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower relating to the Bonds (which rights are held concurrently with the Trustee);

(d) the rights of the Issuer pertaining to the management, operation and maintenance of the Project;

(e) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; and

(f) all enforcement remedies with respect to the foregoing.

“**Revenue Fund**” means the fund so designated and established by Section 3.02 hereof.

“**Revenues**” means (i) all income derived from the investment of money credited to the funds and accounts created hereunder except the Cost of Issuance Fund, General Fund and Rebate Fund; and (ii) all payments required to be made to the Trustee under the GNMA Security.

“**Series A Bonds**” means any one or more of the Issuer’s Mortgage Revenue Refunding Bonds (GNMA Collateralized - United Auto Workers Senior Citizens’ Center, Inc. Project), Series 2006A, authenticated and delivered under this Indenture.

“**Series A Interest Account**” means the Account so designated and established in the Revenue Fund by Section 3.02 hereof.

“**Series A Principal Account**” means the Account so designated and established in the Revenue Fund by Section 3.02 hereof.

“**Series B Bonds**” means any one or more of the Issuer’s Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens’ Center, Inc. Project), Series 2006B, authenticated and delivered under this Indenture.

“**Series B Interest Account**” means the account so designated and established in the Revenue Fund by Section 3.02 hereof.

“**Series B Principal Account**” means the account so designated and established in the Revenue Fund by Section 3.02 hereof.

“**Special Mandatory Redemption Account**” means the account so designated and established in the Revenue Fund by Section 3.06 hereof

“**Special Record Date**” means, with respect to the payment of any defaulted interest on the Bonds, a date fixed by the Trustee pursuant to Section 2.02 hereof.

“**State**” means the State of Illinois.

“**Supplemental Indenture**” means any agreement hereafter authorized and entered into between the Issuer and the Trustee which amends, modifies or supplements and forms a part of this Indenture.

“**Surplus Cash Fund**” means the fund so designated and established by Section 3.02 hereof.

“**Tax Certificate**” means the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, as amended, dated as of the Bond Closing, consisting of certificates executed by the Issuer and the Borrower setting forth reasonable expectations of the parties, the methodology for computation of the Rebate Amount and other requirements for compliance with the Code.

“**Trust Estate**” means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

“**Trustee**” means J.P. Morgan Trust Company, National Association, as trustee hereunder, or any successor trustee or co-trustee appointed in accordance with the terms of this Indenture.

“**Trustee Fee**” means prior to any Event of Default under Section 8.01(a) or (b) an amount equal to $1,855 payable on each Interest Payment Date in accordance with any agreement between the Trustee and the Borrower; provided, however, that the portion of such fee payable from revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 of the Financing Agreement.

Such terms as are not defined herein shall have the meanings assigned to them in the Mortgage Loan Documents.

ARTICLE II
THE BONDS

Section 2.01. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture, except in accordance with this Article. The total principal amount of Bonds that may be issued is hereby expressly limited to $5,340,000 except as provided in Section 2.02 hereof.

Section 2.02. Issuance of the Bonds.

(a) ***Description of Bonds.*** The Issuer may issue the Bonds following the execution of this Indenture, and the Trustee shall, at the Issuer’s request, authenticate such Bonds and deliver them as specified in such request. No Bonds may be issued under this Indenture in addition to those authorized by Section 2.01, except Bonds issued on transfer or exchange as provided in Sections 2.03 or 2.08, or Bonds issued in replacement of lost, stolen, mutilated or destroyed Bonds pursuant to Section 2.07 or Bonds issued pursuant to Section 6.04 or 10.05. The Bonds shall be designated “The City of Pekin, Tazewell County, Illinois Mortgage Revenue Refunding Bonds (GNMA Collateralized - United Auto Workers Senior Citizens’ Center, Inc. Project), Series 2006A” and the “The City of Pekin, Tazewell County, Illinois Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens’ Center, Inc. Project), Series 2006B.” The Series A Bonds shall be issued and delivered in the original aggregate principal amount of $4,990,000. The Series B Bonds shall be issued and delivered in the original aggregate principal amount of $350,000. The Bonds shall be issued in Authorized Denominations of $5,000 or any integral multiple thereof as described in the definition of “Authorized Denomination”. Unless the Issuer shall otherwise direct, the Bonds shall be numbered as determined by the Trustee.

The forms of the Bonds, the Trustee’s certificate of authentication to be endorsed thereon and the form of assignment to be endorsed on such Bonds are to be in substantially the forms set forth in Exhibit A, and hereby made a part hereof, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture or by a Supplemental Indenture.

The Series A Bonds shall be dated April ____, 2006. The Series B Bonds will be dated April ____, 2006. Interest on the Series A Bonds shall be payable on May 20 and November 20 of each year commencing November 20, 2006, and shall be calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Series B Bonds shall be payable May 20 and November 20 of each year, commencing November 20, 2006 and shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Bonds shall mature and bear interest as follows:

Series A Bonds

Maturity Date	Principal Amount	Interest Rate

Series B Bonds

Maturity Date	Principal Amount	Interest Rate

Each Bond shall bear interest from the date to which interest has been paid next preceding the date of its authentication, unless (1) it is authenticated as of an Interest Payment Date for which interest has been paid or after the Record Date with respect to an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (2) it is authenticated on or before the Record Date for the first Interest Payment Date, in which event it shall bear interest from the date of the first authentication and delivery of the Bonds.

(b) ***Payment of Bonds.*** The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Except as provided below, the principal of and premium, if any, on each Bond will be payable upon the presentation and surrender of such Bond, when due, at the Principal Office of the Trustee. Payment of interest on a Bond shall be made to the Registered Owner thereof as specified on the records of the Trustee on the Record Date with respect to such interest payment. Each interest payment on each Bond shall be paid as provided in the Letter of Representations for so long as such Bonds are held by DTC in immobilized form and thereafter by check mailed by first-class mail to such Registered Owner on the Interest Payment Date at his or her address as it appears on the Bond Register on the Record Date or, at the option of any Registered Owner of $1,000,000 or more aggregate principal amount of Bonds, by wire transfer to an account within the United States of America designated to the Trustee by such Registered Owner in writing at least 15 days prior to the Interest Payment Date and upon acknowledgment by such Registered Owner of the deduction from such wire of the applicable paying agent's fee; provided, that payment of such interest shall be made by Automatic Clearinghouse Transfers at no cost to the Owner in next day funds if such Owner shall have requested the Trustee in writing to make payment by such method and shall have provided the Trustee with an account number in a bank within the United States and other necessary information for such purposes at least fifteen (15) days before the applicable Interest Payment Date. In the event of any default in the payment of interest, such defaulted interest shall be payable to the Registered Owner of such Bond on a Special Record Date for the payment of such defaulted interest established by notice mailed by or on behalf of the Issuer to Registered Owners.

(c) ***Book-Entry Only.*** Notwithstanding anything herein to the contrary, the Bonds initially shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations. Neither the Issuer nor the Trustee shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants, the payments by DTC or DTC participants of any amount in respect of principal, redemption price or interest on the Bonds, any notice which is permitted or required to be given to or by Registered Owners hereunder (except such notice as is required to be given by the Issuer or the Trustee or to DTC), or any consent given or other action taken by DTC as Bondowner.

The Bonds initially shall be issued as a single Bond registered in the name of CEDE & Co. as the nominee of DTC. The Bonds so registered shall be held in fully immobilized form by DTC as depository. For so long as any Bonds are held in fully immobilized form, DTC, its successor or any substitute depository appointed by the Issuer, as applicable, shall be deemed to be the registered owner for all purposes hereunder and all references to registered owners, bondowners, owners or the like shall mean DTC or its nominees and shall not mean the owners of any beneficial interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) To any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(2) To any substitute depository appointed by the Issuer pursuant to this subsection or such substitute depository's successor; or

(3) To any Person as herein provided if the Bonds are no longer held in immobilized form.

Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the Issuer to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Issuer may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

In the case of any transfer pursuant to clause (1) or (2) of the second preceding paragraph, the Trustee, upon receipt of all outstanding Bonds together with a written request on behalf of the Issuer, shall issue a single new Bond registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Issuer.

In the event that DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained; or the Issuer determines that the beneficial owners of the Bonds be able to obtain Bond certificates, the ownership of Bonds may be transferred to any Person as herein provided, and the Bonds shall no longer be held in fully immobilized form. The Issuer shall deliver a written request to the Trustee, together with a supply of definitive Bonds, to issue Bonds as herein provided in any Authorized Denomination. Upon receipt of all then Outstanding Bonds by the Trustee, together with a written request on behalf of the Issuer to the Trustee, new Bonds shall be issued in such denominations and registered in the names of such Persons as are requested in such a written request.

For so long as Outstanding Bonds are registered in the name of CEDE & Co., or its registered assigns, as nominee of DTC, payments of principal of and interest on the Bonds shall be made at the place and in the manner provided in the Letter of Representation.

(d) ***Delivery.*** Upon the execution and delivery of this Indenture, the Issuer shall cause the execution of the Bonds and their delivery to the Trustee. Thereupon, the Trustee shall authenticate the Bonds and shall deliver them to, or on the order of, the purchasers thereto, as directed by the Issuer in accordance with a written direction of the Issuer referencing this section. Prior to the delivery by the Trustee of any of the Bonds there shall be filed with, or received by, the Trustee:

(1) A certified copy of the Ordinance providing for the issuance and sale of the Bonds and authorizing the execution and delivery of this Indenture and the Financing Agreement.

(2) Original executed counterparts of the Financing Documents and a conformed copy of the executed Mortgage Note, assigned without recourse to the Trustee.

(3) Written evidence from the Rating Agency that the Bonds have been rated "AAA."

(4) Copies of such written opinions of counsel to the Issuer, the Borrower and the Mortgage Lender as may be required by Bond Counsel.

(5) The purchase price of the Series A Bonds and the Series B Bonds.

(6) Opinions of Bond Counsel in form and content acceptable to the Issuer.

Section 2.03. Registration, Transfer and Exchange. The Issuer shall cause books for the registration and transfer of the Bonds (the "Bond Register") to be kept by the Trustee, which is hereby constituted and appointed the Bond Registrar of the Issuer. The registration of ownership of the Bonds may be transferred only in the Bond Register. If the Bonds are then held in certificated form, upon surrender for transfer of any Bonds at the Principal Office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed, by the Registered Owner or his/her attorney duly authorized in writing, the Issuer shall cause to be executed, and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same maturity in Authorized Denomination(s) in the aggregate principal amount shown on the books and records of the Trustee.

Bonds may be exchanged at the Principal Office of the Trustee for Bonds of the same maturity in Authorized Denomination(s) in the aggregate principal amount shown on the books and records of the Trustee. The Issuer shall cause to be executed and the Trustee shall authenticate and deliver Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not then outstanding. The execution by the manual or facsimile signatures of the Chairman or Vice Chairman and the Secretary or Assistant Secretary of the Issuer of any Bonds of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bonds. The Trustee shall not be required to transfer or exchange any Bonds after the mailing of notice calling such Bonds for redemption has been given as herein provided, nor during the period between a Record Date and the next succeeding Interest Payment Date for such Bonds.

As to any Bond, the Bondowner shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of principal of any Bonds shall be made only to or upon the order of the Bondowner or his/her attorney duly authorized in writing as of the date of such payment. Payment of the interest on any Bonds shall be made only to or on the order of the Bondowner or his/her attorney duly authorized in writing as of the Record Date or, if applicable, Special Record Date established pursuant to Section 2.02 hereof for such payment, as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid.

The Issuer and the Trustee shall not charge Bondowners for any exchange or transfer of Bonds, except pursuant to Section 2.07 hereof and except that in each case the Trustee shall require the payment by Bondowners requesting exchange or transfer of any tax or other governmental charge required to be paid with respect thereto. The cost of printing any new Bonds shall be paid to the Trustee in accordance with Section 4.01(d) of the Financing Agreement.

Section 2.04. Execution; Special, Limited Obligations. The Bonds shall be executed in the name and on behalf of the Issuer by the Mayor of the Issuer and attested with the manual or facsimile signature of the City Clerk. Any facsimile signature shall have the same force and effect as if the Mayor had manually signed each of said Bonds.

In case any officer of the Issuer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on, any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against any past, present or future director of the Issuer, officer, employee or agent of the Issuer, or member or officer of any successor public entity, as such, either directly or through the Issuer or any successor public entity, under any rule of law or penalty or otherwise, and all such liability of any such director of the Issuer, officer, employee or agent as such is hereby expressly waived and released as a condition of, and in consideration for, the execution of this Indenture and the issuance of any of the Bonds.

The Bonds are not and never shall become general obligations of the Issuer but are special, limited obligations payable by the Issuer solely and only from the Revenues and the other assets pledged herein for such purpose, which Revenues, together with any such other assets provided herein, are hereby specifically and irrevocably granted, bargained, sold, conveyed, transferred, alienated, assigned and pledged to such purposes in the manner and to the extent provided herein. The Bonds and the interest thereon do not and never shall constitute a debt or an indebtedness or a general obligation of the Issuer, the State, or the County or other political subdivision of the State, or a loan of the faith or credit or the taxing power of any of them, within the meaning of any constitutional or statutory provisions, nor shall the Bonds be construed to create any moral obligation on the part of the Issuer, the State, or the County or political subdivision of the State with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the Issuer, and neither the Issuer nor the State nor any political subdivision of the State thereof will be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those specifically pledged therefor.

THE BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THE INDENTURE. NEITHER THE ISSUER, THE COUNTY OF TAZEWELL (THE “COUNTY”), THE STATE OF ILLINOIS (THE “STATE”) NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF SUCH BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFORE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, HUD, FHA, GNMA OR ANY OTHER AGENCY THEREOF AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Section 2.05. Authentication. No Bond shall be valid for any purpose until the certificate of authentication on such Bond shall have been duly executed by the Trustee, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of the trust hereby created. The Trustee’s certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if (a) signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds issued hereunder, and (b) the date of registration and authentication of the Bond is inserted in the place provided therefor on the Trustee's certificate of authentication.

Section 2.06. Form of Bonds. The Bonds issued under this Indenture shall be substantially in the forms set forth in Exhibit A attached hereto and incorporated by reference herein, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture or a Supplemental Indenture.

Section 2.07. Mutilated, Destroyed, Lost or Stolen Bonds. In the event any Bond or temporary Bond is mutilated, lost, stolen or destroyed, the Issuer may cause to be executed and, thereupon, the Trustee shall authenticate a new Bond of like date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to it, together with indemnity satisfactory to it. In the event any such Bond shall have matured, instead of issuing a replacement Bond as provided above, the Trustee may pay the same upon receipt by the Trustee of indemnity satisfactory to it. The Trustee may charge the owner of such Bond with its reasonable fees and expenses in this connection. The Issuer shall cooperate with the Trustee in connection with the issue of replacement Bonds, but nothing in this section shall be construed in derogation of any rights which the Issuer or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issue of a replacement Bond.

Every substituted Bond issued pursuant to this section shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been mutilated, destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and preclude any and all other rights or remedies.

Section 2.08. Temporary Bonds. Pending preparation of definitive Bonds or by agreement with the purchasers of all Bonds, the Issuer may issue and, upon the Issuer's request, the Trustee shall authenticate, in lieu of definitive Bonds, one or more temporary printed or typewritten Bonds in any Authorized Denominations and of substantially the tenor recited above. Upon request of the Issuer, the Trustee, without any additional charge to the Owners thereof, shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds of the same maturity. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.09. Cancellation and Destruction of Surrendered Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, for payment of the principal amount represented thereby, or for replacement pursuant to Sections 2.03, 2.07, 2.08 or Article VI hereof, such Bond shall be promptly cancelled and cremated or otherwise destroyed by the Trustee and a certificate with respect thereto delivered to the Issuer.

ARTICLE III
REVENUES AND FUNDS

Section 3.01. Source of Payment of Bonds. The Bonds and all payments required of the Issuer hereunder are not and shall never become general obligations of the Issuer, but are special, limited obligations payable solely and only from the Revenues and Funds and Accounts pledged in the Granting Clauses hereof, and as authorized by the Act and provided herein.

Section 3.02. Creation of Funds and Accounts. The following Funds and Accounts of the Issuer are hereby created and established with the Trustee:

(a) the Mortgage Loan Fund with a Refunding Account, Series A Account and a Series B Account;

(b) the Cost of Issuance Fund;

(c) the Revenue Fund, with a Series A Interest Account, Series B Interest Account, Series A Principal Account, Series B Principal Account and Special Mandatory Redemption Account therein;

(d) the Surplus Cash Fund; and

(e) the General Fund.

Each Fund and Account shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in this Indenture. All moneys deposited in the Funds and Accounts shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each Fund and Account, and all disbursements therefrom.

The Trustee shall be entitled to establish other trust funds and accounts, including but not limited to an Available Money Account in the Revenue Fund and a Rebate Fund, as the Trustee shall deem necessary in order to properly administer the Trust Estate.

Section 3.03. Initial Deposits. On Bond Closing, the Trustee shall deposit the proceeds received from the sale of the Bonds, together with moneys received from the Borrower, as follows:

From Series A Bond proceeds, (1) $____________ shall be deposited in the Refunding Account of the Mortgage Loan Fund, and (2) $_____________ representing amounts transferred from the Mortgage Lender shall be deposited in the Series A Account of the Mortgage Loan Fund.

From Series B Bond proceeds, (1) $_______________ shall be deposited in the Cost of Issuance Fund, and (2) $_______________ representing amounts transferred from the Mortgage Lender shall be deposited in the Series B Account of the Mortgage Loan Fund.

Section 3.04. Mortgage Loan Fund.

(a) ***Generally.*** The Trustee shall, on Bond Closing, deposit into the Refunding Account, the Series A Account and the Series B Account of the Mortgage Loan Fund the amounts specified by Section 3.03. Such moneys shall be held by the Trustee in trust and shall be applied or disbursed in accordance with this section and the Financing Agreement to acquire the GNMA Security and to refund a portion of the Prior Bonds.

(b) ***Investment Earnings Deposited into the Revenue Fund.*** Investment earnings received by the Trustee on the Series A Account and the Series B Account of the Mortgage Loan Fund are Revenues and shall be deposited, when received, into the Revenue Fund.

(c) ***Acquisition of GNMA Security.*** The Trustee shall use and apply moneys in the Series A Account of the Mortgage Loan Fund to acquire the GNMA Security from the Mortgage Lender.

(1) If the GNMA Security is delivered to the Trustee on or before the GNMA Security Delivery Date, the Trustee shall apply the money in the Series A Account and the Series B Account of the Mortgage Loan Fund as follows:

(A) The Trustee shall pay to the Mortgage Lender an amount equal to the outstanding principal amount of the GNMA Security, plus any accrued interest on the GNMA Security (such accrued interest to be transferred to the Series A Account of the Mortgage Loan Fund from the Revenue Fund). The GNMA Security will be acquired by the Trustee for the account of the Issuer, but registered in the name or for the benefit of the Trustee.

(B) Upon receipt by the Trustee of the GNMA Security in the manner required above and after making all payments and transfers as described above, the Trustee shall transfer any remaining balance in the Series A Account and the Series B Account of the Mortgage Loan Fund to the Revenue Fund.

(2) If the GNMA Security cannot be delivered to the Trustee by the GNMA Security Delivery Date, the GNMA Security Delivery Date may be extended one or more times to a date not later than December 31, 2006. The Mortgage Lender, or the Borrower with the consent of the Mortgage Lender, must request the extension no later than the Business Day before such GNMA Security Delivery Date. The request for extension must include the following, and the Trustee must deny the request for extension if any of the following are not included:

(A) A cash flow projection prepared by a party approved by the Issuer and the Mortgage Lender demonstrating

(i) that the sum of items (a) through (d) below will be at least equal to the expected payments of principal of interest on the Bonds and all usual Trustee's fees and expenses, Rebate Analyst fees, payable through both the term of the Bonds and the date which is 15 days after the end of any extension period (including the redemption price on the Bonds).

(a) The amount in the Series A Account and the Series B Account of the Mortgage Loan Fund and the Revenue Fund.

(b) The investment earnings earned on Qualified Investments in the Series A Account and the Series B Account of the Mortgage Loan Fund and the Revenue Fund accruing during the period ending 15 days after the end of any period of extension.

(c) The payments on the GNMA Security, assuming that it is dated not earlier than the first day of the month of the latest date it may be delivered to the Trustee in accordance with such extension request.

(d) Any additional Available Moneys paid to the Trustee by or on behalf of the Borrower or the Mortgage Lender for deposit into the Series A Account and the Series B Account of the Mortgage Loan Fund or the Revenue Fund.

(ii) A cumulative surplus on each Interest Payment Date at least as great as that shown in the final cashflow projections submitted to the Rating Agency in connection with the original rating of the Bonds.

(B) Arrangements satisfactory to the Issuer and the Rating Agency for the investments as contemplated in the cash flow projection.

(C) An Opinion of Bond Counsel that the extension will not adversely affect the federal tax status of interest on the Bonds.

(D) Written confirmation from the Rating Agency that the extension will not adversely affect the rating on the Bonds. provided that the Trustee shall have no duty to solicit such confirmation. The Rating Agency must be notified at least 15 days before the date the confirmation is required.

(E) A statement from the Mortgage Lender that the GNMA Security continues to be eligible for issuance.

(3) The Trustee shall notify the Rating Agency within 15 days after acquiring the GNMA Security of the acquisition, the principal amount, the interest rate and the maturity date of the GNMA Security.

(4) If Trustee has not acquired the GNMA Security on the first Business Day after the GNMA Security Delivery Date, the Trustee shall immediately transfer all remaining money on deposit in the Series A Account and the Series B Account of the Mortgage Loan Fund and the Revenue Fund to the Special Mandatory Redemption Account. That amount must be used by the Trustee for extraordinary mandatory redemption of the Bonds in accordance with Section 6.02(c). The Trustee shall immediately notify the Owners of that redemption.

(d) ***Holding of GNMA Security.*** If the GNMA Security is in book-entry only form (if the GNMA Security is not in book-entry only form, it will be held by the Trustee), then the following shall apply:

(1) the GNMA Security must be registered in the name of the Trustee or the participant acting on behalf of the Trustee at the depository for such book-entry designation at the time of purchase of the GNMA Security by the Trustee and the Trustee or the participant acting on behalf of the Trustee shall have a first-lien position perfected security interest in the GNMA Security; and

(2) arrangements for payments through such depository shall be in accordance with HUD regulations.

(e) ***Investment.*** Amounts in the Series A Account and Series B Account of the Mortgage Loan Fund shall be invested in Qualified Investments.

(f) ***Refunding Account.*** The Trustee shall, on Bond Closing, deposit into the Refunding Account of the Mortgage Loan Fund the amounts specified in Section 3.03, together with the reserve fund for the Prior Bonds. Such moneys shall be held by the Trustee in trust and shall be applied for distribution in accordance with this Section and the Financing Agreement to refund the Prior Bonds.

Section 3.05. Cost of Issuance Fund. The Trustee shall deposit into the Cost of Issuance Fund any amounts deposited with the Trustee by the Borrower for such purpose. Moneys on deposit in the Cost of Issuance Fund shall be applied to pay Issuance Costs or to reimburse the Borrower for certain costs, if necessary. Such costs shall be payable upon submission of a written request, in the form attached hereto as Exhibit B, from a duly authorized officer or agent of the Issuer and the Borrower to the Trustee stating that the amount indicated thereon is justly due and owing, has not been the subject of another written request which has been paid, and is a proper cost of issuing the Bonds or implementing the financing for the Project. Any moneys remaining in the Cost of Issuance Fund on the 180th day following Bond Closing shall be transferred to the Borrower; provided, that any requests for payments of additional fees and costs incurred in connection with the issuance of the Bonds received after the 180th day following Bond Closing shall be immediately paid by the Borrower on a pro rata basis. Upon the transfer of moneys remaining in the Cost of Issuance Fund as set forth above, the Cost of Issuance Fund shall be closed. Investment income (including interest) on investments in the Cost of Issuance Fund shall be deposited in the Revenue Fund. Costs of Issuance may not be paid by the Mortgage Lender from amounts under the Mortgage Note.

Section 3.06. Revenue Fund. (a) ***Deposit and Application of Revenues.*** The Issuer shall immediately pay to the Trustee any Revenues received by it under the Mortgage Note, and the Trustee shall deposit all such Revenues received by it into the Revenue Fund. Subject to Section 3.07 as to any Rebate Amount, on or before each May 20 and November 20, commencing November 20, 2006, all payments received on the Mortgage Note or pursuant to Section 3.04(c)(2) shall be transferred by the Trustee to the Accounts of the Revenue Fund as follows, in the following order of priority, the requirements of each such Account at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(1) *Series A Interest Account*: The Trustee shall deposit into the Series A Interest Account an amount which, together with the amount then on deposit in the Series A Interest Account, is sufficient to pay the interest becoming due and payable on the Series A Bonds on the next Interest Payment Date. Moneys on deposit in the Series A Interest Account shall be applied solely to pay the interest on the Series A Bonds as the same becomes due and payable.

(2) *Series B Interest Account*: The Trustee shall deposit into the Series B Interest Account an amount which, together with the amount then on deposit in the Series B Interest Account, is sufficient to pay the interest becoming due and payable on the Series B Bonds on the next Interest Payment Date. Moneys on deposit in the Series B Interest Account shall be applied solely to pay the interest on the Series B Bonds as the same becomes due and payable.

(3) *Series A Principal Account*: The Trustee shall deposit into the Series A Principal Account an amount which, together with the amount then on deposit in the Series A Principal Account, is sufficient to pay the principal becoming due and payable on the Series A Bonds on the next Interest Payment Date, whether upon the maturity of Series A Bonds or by application of the sinking fund installments specified in Section 6.02. Moneys on deposit in the Series A Principal Account shall be applied solely to pay the principal of the Series A Bonds as the same shall become due and payable at scheduled maturity or by sinking fund redemption, subject to the provisions of Section 6.02 hereof. On each date on which any principal becomes payable on the Series A Bonds (whether at maturity or upon sinking fund redemption), the Trustee shall set aside and hold in trust, an amount from the Series A Principal Account sufficient to pay the amount of principal of the Series A Bonds becoming due and payable on such date.

(4) *Series B Principal Account*: The Trustee shall deposit into the Series B Principal Account an amount which, together with the amount then on deposit in the Series B Principal Account, is sufficient to pay the principal becoming due and payable on the Series B Bonds on the next Interest Payment Date, whether upon the maturity of Series B Bonds or by application of the sinking fund installments specified in Section 6.02. Moneys on deposit in the Series B Principal Account shall be applied solely to pay the principal of the Series B Bonds as the same shall become due and payable at scheduled maturity or by sinking fund redemption, subject to the provisions of Section 6.02 hereof. On each date on which any principal becomes payable on the Series B Bonds (whether at maturity or upon sinking fund redemption), the Trustee shall set aside and hold in trust, an amount from the Series B Principal Account sufficient to pay the amount of principal of the Series B Bonds becoming due and payable on such date.

(5) *General Fund*: The Trustee shall deposit into the General Fund the amount required by Section 3.08.

(6) *Balances*: Any remaining amounts shall be held in the Revenue Fund provided any amounts in the Revenue Fund not in any account therein in excess of the minimum balance on Exhibit C shall be transferred to the [Borrower.]

(b) ***Special Mandatory Redemption Account.*** The Trustee shall deposit into the Special Mandatory Redemption Account (1) all amounts transferred from the Series A Account and the Series B Account of the Mortgage Loan Fund and the Revenue Fund pursuant to Section 3.04(c) and (2) all amounts attributable to the receipt by the Trustee of payments under the GNMA Security exceeding regularly scheduled payments of principal and interest thereon, including payments representing (A) casualty insurance proceeds or condemnation awards applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project (or transfer of title under threat of condemnation); (B) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan or the GNMA Security upon the occurrence of an event of default under the Mortgage Loan; (C) a prepayment of the Mortgage Loan or the GNMA Security required by the applicable rules, regulations, policies and procedures of HUD or GNMA; (D) notwithstanding any prepayment prohibition imposed and/or penalty required by the Mortgage Note with respect to prepayment made prior to May 1, 2034, prepayment on the Mortgage Loan made in part or in full without prepayment penalty if HUD determines that such prepayment avoids a mortgage insurance claim and is therefore in the best interest of the federal government; (E) prepayments on the Mortgage Loan or the GNMA Security made without notice; or (F) any other reason other than an optional prepayment of the Mortgage Note. The Trustee shall use such amounts, as soon as practicable after each such deposit, solely to redeem Bonds pursuant to Section 6.02(c).

(c) ***Available Money Account.*** If the Borrower shall deposit with the Trustee moneys to be used to pay the redemption premium on the Bonds in accordance with

Section 6.02(a) hereof, the Trustee shall establish an Available Money Account in the Revenue Fund and a separate subaccount therein for each such deposit. Moneys on deposit in the Available Money Account which represent Available Money shall be transferred to the Series A Principal Account to the extent necessary to pay the premium, if any, on the Bonds as the same shall become due and payable by redemption. Such moneys shall be paid to the Bondowners only if they constitute Available Money. Any excess moneys in the Available Money Account shall be paid to the Borrower.

(d) ***Investment.*** Amounts in the Revenue Fund and all accounts therein shall be invested in Qualified Investments.

Section 3.07. Rebate Fund. If the Trustee shall receive amounts determined in accordance with the Tax Certificate to be Rebate Amounts and specified as such by the Rebate Analyst, the Trustee shall establish a Rebate Fund and deposit such amounts therein. The Trustee shall withdraw such amounts to pay the Rebate Amount required to be paid to the United States of America as specified in writing by the Rebate Analyst or the Issuer. The Trustee shall not be responsible for calculating Rebate Amounts, for the adequacy or correctness of any rebate report, or for enforcing compliance with rebate filing or reporting requirements. The Trustee shall be deemed conclusively to have complied with the provisions of this Section 3.07 if it follows the written directions of the Rebate Analyst, the issuer or the Borrower.

Moneys in the Rebate Fund shall be invested only in Government Obligations or a mutual fund fully invested solely in Government Obligations. Investment income (including interest) on such investment shall be retained in the Rebate Fund.

Notwithstanding any provision of this Indenture or any of the Financing Documents to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code or any applicable Treasury regulations, including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of Section 148 of the Code and the applicable Treasury regulations, the maximum amount which may be invested in "non-purpose obligations" as defined in the Code and the fair market value of any investments made hereunder, and the sole obligation of the Trustee with respect to investment of funds hereunder shall be to invest the monies received by the Trustee in accordance with Section 5.01 pursuant to written instructions from an Authorized Representative of the Borrower.

Section 3.08. General Fund. On each May 20 and November 20, commencing November 20, 2006, the Trustee shall deposit into the General Fund, from Revenues in the priority specified in Section 3.06(a), any Trustee Fee or Rebate Monitoring Fee then due. The Trustee shall apply such moneys at the appropriate times solely for such purposes. Investment income (including interest) on investments in the General Fund shall be deposited in the Revenue Fund.

Section 3.09. Final Balances. Upon the deposit with the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Issuer hereunder or under the Financing Agreement, including all fees, charges and expenses of the Trustee and the Issuer which are properly due and payable hereunder or under the Financing Agreement, or upon the making of provisions satisfactory to the Trustee for the payment of such amounts as permitted hereby, all moneys remaining in all Funds and Accounts, except moneys necessary to pay principal of, premium, if any, and interest on the Bonds, which moneys shall be held and disbursed by the Trustee pursuant to Section 3.06 hereof, and moneys in the Rebate Fund necessary to pay any Rebate Amount, [shall be remitted to the Borrower.]

Section 3.10. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay the principal and interest accrued thereon to such date shall have been made available to the Trustee for the benefit of the Owner thereof, the Trustee shall hold such principal and interest accrued thereon to such date without liability to the Bondowner for further interest thereon, for the benefit of the Owner of such Bond, until such moneys have remained unclaimed for the period after which such funds are treated as abandoned property pursuant to the provisions of the Illinois Revised Statutes. Such amounts shall then be remitted by the Trustee to an escheat fund created under the Illinois Revised Statutes and thereafter Bondowners shall look only to the escheat fund for payment and the Issuer, the Trustee, and the Borrower shall have no liability for such moneys. After the payment as herein provided, the Trustee's liability for payment to the Owner of such Bond shall forthwith cease, terminate and be completely discharged and thereafter the Owner shall be restricted exclusively to his or her rights of recovery to amounts held by the Issuer.

ARTICLE IV PROGRAM COVENANTS

Section 4.01. No Disposition of the GNMA Security. Without the consent of the Owners of 100% of the Bonds, neither the Issuer nor the Trustee shall sell or otherwise dispose of the GNMA Security (other than delivery of the GNMA Security to the Mortgage Lender in accordance with its terms) after its acquisition for an amount less than an amount sufficient, together with other amounts then held under the Indenture and available for the payment of the Bonds, to effect the defeasance of the Bonds in accordance with Article XII on the first date following such sale on which the Bonds may be optionally redeemed.

Section 4.02. Reports and Notices by Trustee to Issuer, Mortgage Lender, Rating Agency and Borrower.

(a) On or before the 15th day of each month the Trustee shall prepare and file with the Issuer, the Mortgage Lender and the Borrower, as the case may be, a report setting forth for and as of the end of the preceding month or other period for which such report is prepared: (1) amounts withdrawn from and deposited in each Fund and each Account therein under this Indenture; (2) the balance on deposit in each Fund and each Account therein; (3) a brief description of all obligations held as investments in each Fund; (4) the amount applied to the payment or redemption of Bonds and a description of the Bonds or portions thereof so paid or redeemed; and (5) any other information that the Issuer, the Mortgage Lender or the Borrower may reasonably request from time to time, without charge if said information is required by its auditor, Rebate Analyst, the Internal Revenue Service or other governmental body, and is readily available from the records of the Trustee, and otherwise with such reasonable charges as are required by the Trustee;

provided, that the Trustee shall not be obligated to deliver an accounting for any Fund or Account that (A) has a balance of $0.00 and (B) has not had any activity since the last reporting date.

(b) The Trustee shall promptly, or at or within the time specified, give to the Rating Agency written notice of any of the following:

(1) any change in the identity of the Trustee;

(2) any amendment of or supplement to this Indenture, the Bonds, the Financing Agreement or the GNMA Security;

(3) any redemption, payment or defeasance of the Bonds as a whole or in part, and any discharge of this Indenture;

(4) any whole or partial prepayment of the GNMA Security, together with, in the case of a partial prepayment, a certificate of the Mortgage Lender as to the effect of such prepayment on the stream of payments under the GNMA Security;

(5) the Trustee's actual knowledge of an occurrence of any Event of Default promptly upon such occurrence; and

(6) any sale or other disposition of the GNMA Security.

(c) The Trustee shall give to the Rating Agency 15 days' (or such other period approved by the Rating Agency) advance written notice of any proposed extension of the GNMA Security Delivery Date pursuant to Section 3.04(c) of which it has received written notice, and shall give prompt written notice to each Rating Agency of any such actual extension.

(d) The Trustee shall deliver to the Rating Agency copies of any notices sent to the Mortgage Lender, FHA or GNMA after the Trustee has become entitled to claim any benefits under the GNMA Security.;

(e) The Trustee shall provide to the Rating Agency such information as the Rating Agency may reasonably request from time to time in connection with its ongoing surveillance of its rating on the Bonds.

(f) The Trustee shall give written notice to the Issuer, and the Owners within 10 Business Days of the Trustee's receipt of written notice of, or the actual knowledge of the officer of the Trustee responsible for the administration of this Indenture, of an occurrence of any Event of Default or after the occurrence of any default (of which the Trustee has given or been given notice pursuant to Section 8.01(c)) which with the passage of time or the giving of notice, or both, would constitute an Event of Default.

(g) Any Owner shall, upon written request to the Trustee specifying a second address, be entitled to have each notice or other communication sent to such Owner hereunder at his address appearing in the Bond Register sent as well to such second address.

Section 4.03. Rights Under Financing Agreement and GNMA Security. Subject to the provisions of Article IX, the Trustee shall in its own name maintain and enforce all rights of the Issuer and all obligations of the Borrower and the Mortgage Lender under and pursuant to the Financing Agreement, for and on behalf of the Owners, whether or not the Issuer is in default hereunder. The Trustee shall cooperate with the Mortgage Lender and the Borrower in obtaining delivery of the GNMA Security as soon as possible following the execution of this Indenture and shall take all steps necessary to maintain and enforce its rights under the GNMA Security. Nothing herein shall be construed to require the Trustee to advance its own funds or to provide funds or pay principal of or premium, if any, or interest on the Bonds except from the revenues and receipts derived from the GNMA Security and the other security therefor. Anything in this Indenture to the contrary notwithstanding, no Owner of any Bond shall have or be deemed to have any rights to proceed to obtain the benefits of the GNMA Security individually, such rights to be exercised solely by the Trustee for the equal benefit of the Owners of all Bonds then Outstanding.

Section 4.04. Claims for Payment Under GNMA Security. If the Trustee does not receive a payment due on the GNMA Security by 5:00 p.m. on the 17th day (fifteenth day, if the GNMA Security is held in certificated form) of a month, or if such day is not a Business Day, on the next succeeding Business Day, the Trustee shall first notify the Mortgage Lender, by telephone or facsimile, of such nonpayment, and if payment has not been made by 4:00 p.m. on the Business Day following notice to the Mortgage Lender, the Trustee shall immediately notify, and seek payment from, GNMA.

Section 4.05. GNMA and FHA Requirements to Control: Limited Liability of Borrower, No Recourse Against Project Assets.

(a) To the extent that there is any conflict, inconsistency or ambiguity between or among this Indenture and (1) any applicable FHA mortgage insurance, or other applicable FHA or GNMA statutory, regulatory, administrative requirements, (2) any of the documents which have been or are required by FHA and/or the Mortgage Lender to be executed by the Borrower, FHA and/or the Mortgage Lender in connection with the subject transaction (each a "FHA Loan Document," or collectively, the "FHA Loan Documents" as the context may require) or (3) any of the documents which have been or are required by GNMA to be executed by the Borrower, FHA, GNMA, the Trustee and/or the Mortgage Lender in connection with the subject transaction (each a "GNMA Document" or collectively, the "GNMA Documents" as the context may require), said FHA mortgage insurance and other applicable FHA and GNMA statutory, regulatory and administrative requirements and said FHA Loan Documents and GNMA Documents will be deemed to be controlling and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the FHA mortgage insurance, and other applicable FDA and GNMA statutory, regulatory and administrative requirements and the terms of the FHA Loan Documents and GNMA Documents, as applicable. For purposes hereof, the reference to FHA's statutory, regulatory or administrative requirements shall be deemed to include, but shall not limited to, any statutory, regulatory or administrative requirements pertaining to Section 8 of the United States Housing Act of 1937, as may be applicable. The parties hereto agree to amend this instrument as may be necessary or required by FHA, GNMA or the Mortgage Lender to conform this instrument to the above-cited requirements and FHA Loan Documents and GNMA Documents; provided the Issuer is not obligated to agree to any amendment creating any liability for the Issuer or placing further obligations on the Issuer. In addition, it is understood and agreed that any default under this Indenture shall not constitute a default under the FHA Loan Documents or the GNMA Documents; and further, that nothing herein contained shall be construed to limit or affect the Mortgage Lender's rights under the FHA Loan Documents or the GNMA Documents.

(b) This Indenture shall not be constructed to restrict or adversely affect the duties and obligations of the Mortgage Lender under the Contract of Mortgage Insurance between the Mortgage Lender and HUD with respect to the Mortgage Loan.

(c) Any Project funds held by the Mortgage Lender for or on behalf of the Borrower shall be maintained separate and apart from the funds established and held by the Trustee for the holders of the Bonds and the various escrows and funds, if any, under this Indenture.

(d) Neither the Issuer, the Trustee nor any of the Bondowners has or shall be entitled to assert any claim against the Project, the Mortgage proceeds, any reserve or deposit required by HUD in connection with the Mortgage Loan, or the rents or income of the Project other than Surplus Cash (as defined in the HUD Regulatory Agreement) or as otherwise permitted by HUD; provided, however, the foregoing shall not restrict any rights of the Issuer, the Trustee, the Mortgage Lender or any of the Bondowners against any guarantor of the obligations of the Borrower, if any, with respect to this Indenture.

(e) The monetary obligations of the Borrower contained in the Financing Agreement (except for indemnification by the Borrower under Section 6.07 of the Financing Agreement and payments required to be made pursuant to Section 4.01(b) through (d) thereof) shall be limited obligations payable solely from the income and assets of the Project, and neither the Borrower nor any successor or assignee thereof nor any director, officer or employee of the Borrower or any successor or assignee thereof shall have personal liability for the satisfaction of any obligation of the Borrower or claim arising out of this Indenture against the Borrower other than from revenues of the Project. Notwithstanding anything contained in this Indenture to the contrary, neither the Issuer nor the Trustee may assert any claim arising hereunder against the Borrower's interest in the Project, the proceeds of the Mortgage Loan on the Project, any reserve of deposit made with the Mortgage Lender or in the rents or other income of the Project for the payment of any charge due hereunder except to the extent available from Surplus Cash.

(f) Notwithstanding any provisions in this Indenture to the contrary, enforcement of the provisions of this Indenture shall not result in any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD or the Mortgage Lender in connection with the Mortgage Loan, or the rents or other income from the Project (other than available Surplus Cash or distributions thereof). By execution hereof, each of the undersigned affirms that no pledge has been made and that it has no claim, and will not later assert any claim, against the Project, the Mortgage Loan proceeds, any reserve or deposit made with the Mortgage Lender or any other amount required by HUD or GNMA in connection with the Mortgage Loan, or against the income from the Project for payment of any obligations contained herein (other than available Surplus Cash or distributions thereof); provided, however, that this Indenture provision shall not alter, affect or diminish the rights of the Mortgage Lender under the Mortgage Loan Documents.

(g) If this Indenture contains any provision requiring the Borrower or other party to the transaction to take any action necessary to preserve the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes, or prohibiting the Borrower or any other party to the transaction from taking any action that might jeopardize such tax status, such provision is qualified to except any actions required (or prohibited) by FHA, GNMA or the Mortgage Lender pursuant to (1) the National Housing Act, as amended, including, but not limited to, any applicable FHA mortgage insurance or other FHA or GNMA statutory, regulatory or administrative requirements therein contained or promulgated thereunder, (2) Section 8 of the United States Housing Act of 1937 and the administrative regulations and guidelines promulgated thereunder, or (3) any of the FHA Loan Documents and the GNMA Documents, as applicable.

(h) Notwithstanding any provision contained in Section 6.01 of the Financing Agreement to the contrary, such transfer restrictions shall in no way be deemed to affect or otherwise impair the rights of FHA or the Mortgage Lender, as applicable, to approve or disapprove the proposed sale or transfer of the Project as required by the HUD Regulatory Agreement. The decision of FHA or the Mortgage Lender, as applicable, with respect to any such proposed sale or transfer of the Project shall (to the extent required under (1) the National Housing Act, as amended, including, but not limited to, any applicable FHA mortgage insurance or other FHA or GNMA statutory, regulatory or administrative requirements therein contained or promulgated thereunder, (2) Section 8 of the United States Housing Act of 1937 and the administrative regulations and guidelines promulgated thereunder, or (3) any of the FHA Loan Documents and the GNMA Documents, as applicable) be binding and determinative on the parties hereto, notwithstanding the approval or disapproval by the Issuer of any such proposed sale or transfer.

(i) Notwithstanding any provision of this Indenture to the contrary, the parties hereto acknowledge and agree that all of their respective rights and powers under this Indenture are subordinate and subject to the lien of the Mortgage created by the Borrower in favor of the Mortgage Lender under the FHA Loan Documents, together with any and all amounts from time to time secured thereby, and interest thereon, and to all of the terms and provisions of the Mortgage, and any and all other FHA Loan Documents and GNMA Documents executed by the Borrower, FHA. GNMA and/or the Mortgage Lender, as required by FHA, GNMA or the Mortgage Lender in connection with the Mortgage Loan.

(j) Notwithstanding any provision of this Indenture to the contrary, the parties hereto acknowledge and agree that this Indenture may not be amended without the prior written approval of FHA and the Mortgage Lender.

(k) All covenants herein, if any, with respect to the Project shall terminate upon foreclosure under the Mortgage or a transfer of title by deed in lieu of foreclosure.

Section 4.06. Compliance with Secondary Disclosure Requirements of the Securities and Exchange Issuer. Pursuant to Section 6.15 of the Financing Agreement, the Borrower has undertaken all responsibility to comply with the continuing disclosure requirements of Section (b)(5)(i) of Securities and Exchange Issuer Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). The Issuer shall have no liability to the Registered Owners or Beneficial Owners of the Bonds or any other Person with respect to such disclosure matters. Failure of the Borrower to comply with Section 6.15 of the Financing Agreement shall not be considered an Event of Default under this Indenture. However any Registered Owner or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with its obligations under Section 6.15 of the Financing Agreement.

Section 4.07. Tax Covenant. The Issuer shall not use or permit the use of any proceeds of Series A Bonds or any other funds of the Issuer, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any Revenues in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, or which would otherwise affect the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes.

The Issuer shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Issuer on the Series A Bonds shall, for federal income tax purposes, be excluded from the gross income of the recipients thereof. In furtherance of this covenant, the Issuer and the Borrower shall execute, deliver and perform the Tax Certificate, which is by this reference incorporated herein and made a part hereof as if set forth herein in full, and by its acceptance of this Indenture the Trustee acknowledges receipt of the Tax Certificate and acknowledges its incorporation herein by reference.

Notwithstanding any provision of this Indenture or the Financing Agreement to the contrary, unless otherwise specifically agreed in the Tax Certificate or in a separate written agreement, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with, or for the purpose of complying with, Section 148 of the Code, or any successor statute or any regulation, ruling or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid to the United States of America or the determination of the maximum amount which may be invested in nonpurpose obligations having a yield higher than the yield on the Series A Bonds, and the Trustee shall not be liable or responsible for monitoring the compliance by the Borrower or the Issuer with any of the requirements of Section 148 of the Code or any applicable regulation, ruling or other judicial or administrative interpretation thereof except as specifically provided in the Tax Certificate.

Section 4.08. Financing Documents. The Financing Documents set forth certain covenants and obligations of the Issuer, the Mortgage Lender, the Trustee and the Borrower and reference is hereby made to such documents for a detailed statement of such covenants and obligations. So long as any of the Bonds remain outstanding, the Issuer and the Trustee shall in good faith punctually perform and observe all express obligations and undertakings on their part to be performed and observed under the Financing Documents.

The Issuer and the Trustee shall not knowingly take or omit to take any action, which action or omission would result in the release of the Borrower from its liabilities or obligations under the Financing Documents or result in the surrender, termination, amendment or modification of, or impair the validity of, such documents.

The Issuer covenants to enforce diligently all covenants, undertakings and obligations of the Borrower under the Financing Documents and hereby authorizes and directs the Trustee to enforce any and all of its rights to payment under the Financing Documents on behalf of the Issuer and the Owners of the Bonds subject to the terms thereof; provided, however, that the Trustee shall have no duty to monitor covenant compliance by any party thereunder or any obligation that is not expressly an obligation to pay or to deliver the GNMA Security.

The Trustee shall retain possession of executed originals of the Financing Documents and shall release the same only in accordance with the express provisions thereof. The Financing Documents and copies of the Mortgage Loan Documents shall be available for inspection at reasonable times during regular business hours, under reasonable conditions, by the Issuer, the Borrower and any Owner of any Bond.

The obligations of the Trustee under this Section 4.08 shall be subject to the Trustee's rights, duties and immunities under Article IX hereof, including the Trustee's rights to compensation, reimbursement and indemnification under such Article IX.

ARTICLE V
INVESTMENT OF MONEYS

Section 5.01. Investment of Moneys. Moneys in all Funds and Accounts, except as provided in Sections 3.07, 3.08 and 12.01 or as otherwise provided herein, shall be continuously invested and reinvested by the Trustee. Such investments shall mature or be callable at the option of the Trustee at such time or times as said moneys shall be needed for the purposes for which they were deposited. Moneys on deposit in all Funds and Accounts may be invested only in Qualified Investments; provided, that amounts held in the Revenue Fund representing payments under the GNMA Security, or otherwise held in the Available Money Account (under an irrevocable call of the Bonds to be redeemed with such funds), shall only be (1) held as cash or (2) invested and reinvested by the Trustee in Government Obligations. Except with respect to amounts held pursuant to Article XII, direct investments in Government Obligations shall have a maturity of 30 days or less. The Trustee shall have no responsibility or liability whatsoever for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Section 5.01. The Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter, absent receipt of written notice or information to the contrary.

All investments shall constitute a part of the Fund or Account from which the moneys used to acquire such investments have come. The Trustee shall sell and reduce to cash a sufficient amount of investments in a Fund or Account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when a transfer is required or permitted by the provisions of this Indenture.

Qualified Investments purchased as an investment of moneys held in any Fund on Account shall be valued by the Trustee at Fair Market Value of such obligations, excluding any accrued interest. If the Fair Market Value of such obligations is not readily available, the Trustee shall value such obligations at the lesser of cost or Fair Market Value, as determined by a pricing service selected by the Trustee.

The Trustee may make any and all investments permitted by the provisions of this Section 5.01 through its own investment department or that of its affiliates. As and when any amount invested pursuant to this Article may be needed for disbursement, the Trustee may cause a sufficient amount of such investments to be sold and reduced to cash to the credit of such funds. The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of security transactions, the Issuer waives receipt of such confirmations. The Trustee shall furnish to the Issuer periodic statements which include detail of all investment transactions made by the Trustee as provided in Section 9.06 hereof.

Section 5.02. Earnings and Losses. Subject to the restrictions hereinafter set forth in this Article V, all investment earnings (including interest) realized from the investment of moneys in all Funds, including any Accounts thereof (but excepting the Rebate Fund and the Surplus Cash Fund), shall be deposited into the Revenue Fund. Any loss of principal value resulting from the investment of moneys in any Fund or Account shall be charged, when incurred, to the Fund or Account from which such investments were made.

ARTICLE VI
REDEMPTION OF BONDS BEFORE MATURITY

Section 6.01. Limitation on Redemption. The Bonds shall be subject to redemption prior to maturity only as provided in this Article VI.

Section 6.02. Redemption of Bonds. The Bonds are subject to redemption prior to maturity as provided in this section.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond that has been or is to be redeemed.

On each redemption date the Trustee shall transfer to the Bond Registrar, but only from and to the extent of funds held by the Trustee hereunder available for that purpose, an amount sufficient to pay the redemption price of all Bonds or portions thereof to be redeemed on that date.

(a) ***Optional Redemption of Series A Bonds.*** The Series A Bonds are subject to redemption in whole or in part, on the earliest practicable Business Day on or after May 20, 2016, from prepayments on the GNMA Securities representing optional prepayments on the Mortgage Loan by the Borrower or from other Eligible Funds on hand with the Trustee, at a price of par, plus accrued interest to the redemption date, without premium.

(b) ***Optional Redemption of Series B Bonds.*** The Series B Bonds are subject to redemption in whole or in part, on the earliest practicable Business Day on or after May 20, 2016, from prepayments on the GNMA Securities representing optional prepayments on the Mortgage Loan by the Borrower or from other Eligible Funds on hand with the Trustee, at a price of par, plus accrued interest to the redemption date, without premium.

(c) ***Special Mandatory Redemption.*** The Bonds are subject to redemption from amounts in the Special Mandatory Redemption Account at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date:

(1) in whole on the 10th day following the GNMA Security Delivery Date (as such date may be extended in accordance with Section 3.04(c)) if the GNMA Security has not been delivered, in either case from moneys transferred from the Series A Account of the Mortgage Loan Fund and the Revenue Fund to the Special Mandatory Redemption Account pursuant to Section 3.04; or

(2) in whole or in part in an amount equal to the corresponding payments on the GNMA Security, on the 10th day following receipt of such payments, if the Trustee receives payments on the GNMA Security exceeding regularly scheduled payments of principal and interest thereon, including payments representing (A) casualty insurance proceeds or condemnation awards applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project (or transfer of title, in lieu of condemnation); (B) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan or the GNMA Security upon the occurrence of an event of default under the Mortgage Loan; (C) a prepayment of the Mortgage Loan or the GNMA Security required by the applicable rules, regulations, policies and procedures of HUD or GNMA; (D) prepayment on the Mortgage Loan if HUD determines that such prepayment avoids a mortgage insurance claim and is therefore in the best interest of the federal government; (E) prepayments on the Mortgage Loan or the GNMA Security made without notice while the Borrower is under the supervision of a trustee in bankruptcy or similar official, or (F) any other reason other than an optional prepayment of the Mortgage Note.

(d) ***Mandatory Sinking Fund Redemption.***

(1) The Series A Bonds maturing in the years ____, ____, ____, ____, ____ and ____ are each subject to mandatory sinking fund redemption on the respective Payment Dates set forth in the schedule below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the following principal amounts, subject to pro rata reduction of such mandatory sinking fund redemption payments to the extent that such Bonds are redeemed prior to maturity otherwise than pursuant to such mandatory sinking fund redemption:

Bonds maturing _______________

Payment Date	Principal Amount	Payment Date	Principal Amount

(2) The Series B Bonds are subject to mandatory sinking fund redemption on the respective Payment Dates set forth in the schedule below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the following principal amounts, subject to pro rata reduction of such mandatory sinking fund redemption payments to the extent that such Bonds are redeemed prior to maturity otherwise than pursuant to such mandatory sinking fund redemption:

Payment Date	**Principal Amount**

(3) In the event of an optional or special mandatory redemption in part, the sinking fund redemption requirements of the Bonds shall be reduced so that the resulting decrease in total semiannual debt service on the Bonds each semiannual period is proportional, as nearly as practical, to the decrease in principal and interest payments each semiannual period under the GNMA Security. The Trustee may engage for this purpose a cash flow analyst to be paid pursuant to Section 3.06(c), which cash flow analyst shall be paid for by the Borrower.

Section 6.03. Selection of Bonds for Redemption. In the event of a partial redemption of Bonds pursuant to Section 6.02(a) or 6.02(c), the Bonds or portions thereof to be redeemed shall be selected pro rata among maturities and randomly within each maturity in such manner as the Trustee in its discretion may determine, each portion of $5,000 principal amount of the Bonds being counted as one Bond for such purpose.

Section 6.04. Notice of Redemption.

(a) The Trustee, or the Bond Registrar on behalf of the Trustee, shall give notice of redemption not less than 30 nor more than 60 days prior to the redemption date, except that with respect to a redemption pursuant to Section 6.02(c)(1) or (2), the Trustee (or Bond Registrar) shall give such notice not less than 5 nor more than 10 days prior to the redemption date. Notice shall be given by first-class mail, postage prepaid, to each Owner of Bonds to be redeemed at the address of such Owner as appearing on the Bond Register; and also to the Rating Agency, if any, at its office in New York, New York (or its successor), and to such other Persons as the Issuer, at the cost of the Borrower, shall specify to the Trustee in writing, including all Persons then required by law or regulation to receive notice of redemption of the Bonds.

The Trustee shall not send notice of any optional redemption pursuant to Sections 6.02(a) and 6.02(b) unless the Trustee shall have received either (1) payment of such amount on account of the GNMA Security or (2) written notice from the Issuer of its intent to issue refunding bonds on or before the redemption date. Notice of redemption pursuant to clause (2) above may be rescinded if the refunding bonds are not issued on or before the redemption date, and failure to redeem Bonds in such circumstances will not constitute an Event of Default under the Bonds or this Indenture. The failure of the Trustee to mail notice of redemption shall not affect the sufficiency of the proceedings for redemption. The Trustee shall be entitled to request, as an expense of the Trust Estate, receive and rely upon an opinion of counsel (which may be Bond Counsel) in determining who is required to receive such notice. With respect to optional redemptions only, if the Bond Registrar does not have funds in its possession on the redemption date sufficient to pay the redemption price (including interest accruing to the redemption date) of all of the Bonds to be optionally redeemed for any reason (including, but not limited to, failure to issue any refunding obligations intended for such purpose on or prior to the redemption date), then the purported optional redemption and such notice of redemption shall be void, and the Bond Registrar shall so notify the Trustee. Such event shall not constitute an Event of Default hereunder.

(b) All official notices of redemption shall be dated, shall be given in accordance with the Letter of Representations if the Bonds are registered in the name of DTC or it nominee, and shall state:

(1) the redemption date;

(2) the redemption price;

(3) if less than all Outstanding Bonds of a maturity are to be redeemed, the identification by designation, letters, numbers or other distinguishing marks (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;

(4) that on the redemption date the redemption price of each such Bond will become due and payable to the extent of funds on deposit with the

Trustee for that purpose, and that interest on the principal amount of each such Bond to be redeemed shall cease to accrue on such date;

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee; and

(6) such additional information as the Trustee or the Issuer shall deem appropriate, including CUSIP numbers, if any; provided, however, that no defect or inaccuracy in such additional information shall affect the adequacy of any otherwise appropriate notice of redemption.

(c) In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption and in addition (1) the complete official title, including date of issue, interest rate and maturity date of each Bond being redeemed, (2) the certificate and CUSIP number of each such Bond, and, in the case of a partial redemption, the amount of the principal represented by each such certificate that is being redeemed, (3) the date of mailing of official notice of redemption, (4) the title, address and telephone number of each person designated by the Trustee to handle inquiries with respect to such redemption, and (5) any other descriptive information needed to identify accurately the Bonds being redeemed.

(d) Further notices of redemption shall be sent by first class mail or overnight delivery service to any Owner owning, on the date such notice is sent, Bonds in the aggregate principal amount of $l ,000,000 or more.

(e) If the Bonds are not then being held under a book entry system, each further notice of redemption (other than a redemption pursuant to Sections 6.02(a) and 6.02(b)) shall be sent at least 30 days before the redemption date by first class mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being DTC and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(f) Further notice of any redemption sent to registered securities depositories pursuant to subsection (e) of this section shall be sent at such time as shall assure that such notice is received at least two Business Days before official notice of such redemption is sent to Owners.

(g) A second notice of redemption shall be sent by the same means as the first such notice not later than 60 days after the redemption date to any Owner who shall not have presented for payment the Bond or Bonds called for redemption within 30 days after such date.

(h) In the event the Bonds are called for redemption under circumstances resulting in discharge of this Indenture under Section 12.01 more than 90 days before the redemption date, additional official and further notice of redemption satisfying the requirements of this section shall be given not less than 30 nor more than 60 days prior to such redemption date.

(i) Failure to give any official or further notice or any defect therein shall not affect the validity of the proceedings for redemption of any Bond with respect to which no such failure or defect has occurred or exists.

(j) Notice of any redemption of Bonds prior to the date the GNMA Security is issued shall be given to the Mortgage Lender in the same manner as such notice is given to the Owners.

Any notice of the redemption of Bonds (other than the redemption of Bonds pursuant to Section 6.02(c)(2)(C)) may state that such notice is conditional and that if the conditions for redemption of such Bonds on the scheduled redemption date are not satisfied (including the availability of funds sufficient to redeem such Bonds) such Bonds will not be redeemed on such date and any Bonds tendered for payment on such date will be returned to the Owners thereof.

Notice of redemption having been given as aforesaid, the principal amount of the Bonds so to be redeemed shall become due and payable on the redemption date at the redemption price specified, and on and after such date (unless the Issuer shall default in the payment of the redemption price) such principal amount of the Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with such notice, such Bond shall be paid at the redemption price thereof to the extent that money is on deposit with the Bond Registrar for that purpose. Neither the failure of an Owner to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for such redemption.

lf any Bond called for redemption (other than an optional redemption) shall not be so paid on the redemption date upon proper surrender of the Bond for redemption, the redemption price and, to the extent lawful, interest thereon shall, until paid, bear interest from the redemption date at the rate borne by the Bond immediately before the redemption date.

If any Bond is to be redeemed only in part, it shall be surrendered to the Bond Registrar (with, if the Bond Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Bond Registrar duly executed by, the Owner thereof or its attorney duly authorized in writing) and the appropriate officers of the Issuer shall execute and the Bond Registrar shall authenticate and deliver to the Owner of such Bond, without service charge, a new Bond or Bonds of the same interest rate and of any Authorized Denomination or Authorized Denominations, as requested by such Owner, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond surrendered.

ARTICLE VII
CERTAIN ADDITIONAL COVENANTS AND CONDITIONS

Section 7.01. Payment of Principal or Redemption Price of and Interest on Bonds. The Issuer shall promptly pay or cause to be paid the principal of, premium, if any, and interest on the Bonds when due, but shall be required to make such payment or cause such payment to be made only out of Revenues and other assets pledged hereunder.

The Issuer hereby designates the Principal Office of the Trustee as the principal place of payment for the Bonds, and the Trustee as paying agent for the Bonds, such appointment and designation to remain in effect until notice of change is filed with the Trustee pursuant to the terms of this Indenture.

Section 7.02. Power to Issue Bonds and Make Pledge and Assignment. The Issuer is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Trust Estate in the manner and to the extent provided in this Indenture and hereby does pledge and assign to the Trustee all Revenues and all other rights to the Mortgage Loan Documents to the extent set forth in the Granting Clauses hereof. The Bonds and the provisions of this Indenture are and will be legal, valid and binding special, limited obligations of the Issuer in accordance with their terms, and the Issuer and Trustee (subject to the limitations contained in this Indenture including Section 9.01(g)) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of the Trust Estate and all the rights of the Bondowners under this Indenture against all claims and demands of all Persons whatsoever, and the Issuer will take all necessary steps within its reasonable control to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 7.03. Further Assurances. Except to the extent otherwise provided in this Indenture, the Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondowners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be reasonably necessary or proper to carry out the purposes of this Indenture.

The Issuer shall be entitled to reimbursement from the General Fund for any action taken pursuant to this Section.

Section 7.04. Immunities and Limitations of Responsibility of Issuer. The Issuer shall be entitled to the advice of Counsel (who, except as otherwise provided herein, may be counsel for any Bondowner), and the Issuer shall be wholly protected as to action taken or omitted in good faith in reliance on such advice. The Issuer may rely conclusively on any communication or other document furnished to it hereunder and reasonably believed by it to be genuine. The Issuer shall not be liable for any action (a) taken by it in good faith and reasonably believed by it to be within its discretion or powers hereunder, or (b) in good faith omitted to be taken by it because such action was reasonably believed to be beyond its discretion or powers hereunder, or (c) taken by it pursuant to any direction or instruction by which it is governed hereunder, or (d) omitted to be taken by it by reason of the lack of any direction or instruction required hereby for such action; nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any Person, except for the negligence or willful misconduct of its own agents, officers and employees. When any payment or consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof.

The Issuer shall not be required to take any remedial action (other than the giving of notice) unless indemnity in a form acceptable to the Issuer is furnished for any cost or liability to be incurred in connection with such remedial action, other than liability for failure to meet the standards set forth in this Section. As provided herein and in the Financing Agreement, the Issuer shall be entitled to reimbursement for its costs reasonably incurred or advances reasonably made, with interest at the rate of 6% per annum, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which it may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect its subsequent exercise of the right or power.

Section 7.05. Additional Instruments. From time to time, the Trustee may but shall not be required to obtain an opinion of Counsel as an extraordinary expense setting forth what, if any, actions by the Issuer or the Trustee should be taken to preserve the lien of this Indenture upon the Trust Estate or any part thereof. The Issuer shall execute or cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Trustee and the Bondowners. The Trustee and the Issuer shall, if necessary, execute or join in the execution of any such further or additional instruments and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel will preserve the lien of this Indenture upon the Trust Estate or any part thereof until the aforesaid principal, premium, if any, and interest shall have been paid.

Section 7.06. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the bonds or the time of payment of any interest thereon, and in case the maturity of any of the Bonds or the time of payment of interest shall be extended, such Bonds shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of and interest on all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this section shall be deemed to limit the right of the Issuer to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 7.07. Against Encumbrances. Neither the Issuer nor the Trustee shall knowingly create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Trust Estate while any of the Bonds are Outstanding, except the pledge and assignment (if any) created by this Indenture, the Financing Documents or the other documents contemplated hereby. Subject to this limitation, the Issuer expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

Section 7.08. Payment of Taxes and Claims. The Issuer shall pay or cause the Trustee to pay, but only out of funds, if any, made available by or on behalf of the Borrower expressly for such purposes, any property taxes, assessments or other governmental charges that may be lawfully imposed upon the Trust Estate, when the same shall become due if not paid by the Borrower, as well as any lawful claim which, if unpaid, might by law become a lien or charge upon the Trust Estate or which might impair the security of the Bonds.

Section 7.09. List of Bondowners. The Trustee, as the Bond Registrar, will keep on file in the Bond Register a list of names and addresses of all Bondowners registered in the Bond Register together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer, or by Owners of a majority or more in aggregate principal amount of Bonds then Outstanding (or a designated representative thereof), such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 7.10. Compliance With Indenture, Contracts. The Issuer and the Trustee shall in good faith observe and perform the express covenants, conditions and requirements of this Indenture, shall not knowingly issue any Bonds in any manner other than in accordance with this Indenture, and shall not suffer or permit any default to occur hereunder or do or permit to be done anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Indenture except as specifically permitted herein. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Indenture, the Issuer and the Trustee shall comply with the express terms, covenants and provisions of all contracts concerning or affecting the application of proceeds of the Bonds or Revenues to which they are a party, respectively.

Section 7.11. Maintenance of Powers. As long as any of the Bonds are Outstanding, the Issuer shall use its best efforts to preserve its existence under the Act and will not be dissolved or lose its right to exist as such or lose any rights necessary to enable it to function and to maintain the Revenue. The Issuer shall at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, or assure the assumption of its obligations under the Financing Documents and this Indenture by any corporation or political subdivision succeeding to its powers, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the observance of any of the covenants herein contained.

Section 7.12. No Personal Liability; No Recourse. No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in any Bond, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the members, officers, agents or employees of the Issuer, as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver of the Issuer, or for or to the owner of any Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such member, officer, agent, or employee, as such, by reason of any act of omission on his or her part or otherwise, for the payment for or to the owner of any Bond or otherwise of any sum that may remain due and unpaid upon the Bonds secured by this Indenture or any of them is, by the acceptance of such Bond, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds. Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or the Bondowner as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee, and (c) none of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action.

No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bonds or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Bonds shall be had against any officer, member, director, agent or employee of the Issuer, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bonds. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer in other than that person’s official capacity. No member, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of the principal of, premium, if any, or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

ARTICLE VIII
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS

Section 8.01. Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an Event of Default:

(a) Failure to make payment of any installment of interest upon any Bond when the same shall have become due and payable;

(b) Failure to make due and punctual payment of the principal or premium, if any, on any Bond, whether at the stated maturity thereof or, upon proceedings for redemption thereof, or upon the maturity thereof; and

(c) Any material representation or warranty made by the Issuer in this Indenture or the Bonds shall have been untrue when made or any failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed and performed under the Indenture or the Bonds, other than as referred to in subsections (a) or (b) of this Section, shall continue for a period of 60 days after written notice specifying such breach or failure and requesting that it be remedied, given to the Issuer, the Borrower and the Bondowners by the Trustee or to the Issuer, the Borrower and the Trustee by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, unless (1) the Trustee shall agree in writing to an extension of such time prior to its expiration, (2) if the breach or failure be such that it cannot be corrected within the applicable period, corrective action is instituted by the Issuer, or by the Borrower if such action can be taken by the Borrower, within the applicable period and is being diligently pursued, or (3) the breach or failure does not have an adverse impact on the exclusion of interest on the Bonds from gross income for federal income tax purposes and does not impair the validity or enforceability of the Bonds, the Indenture, the Financing Agreement, the Tax Certificate, the Mortgage Loan or the GNMA Security.

Section 8.02. Acceleration of Maturities. Upon the occurrence of an Event of Default specified in clause (a) of Section 8.01 hereof, the Trustee shall, subject to the provisions of Sections 8.09 and 8.10 hereof, notify Bondowners and declare the aggregate principal amount of the Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided, that interest on such accelerated Bonds shall continue to accrue until the date fixed for payment of the principal thereof.

Upon the occurrence of an Event of Default specified in clause (c) of Section 8.01 hereof and so long as such event is continuing, subject to Sections 8.09 and 8.10 hereof, the Trustee, upon receipt of notice given by the Owners of not less than one hundred percent (100%) of the aggregate principal amount of Bonds then Outstanding shall, declare the aggregate principal amount of the Bonds then Outstanding and the interest accrued thereon (to the date fixed for payment of such principal) immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

The foregoing provisions of this Section 8.02, however, are subject to the condition that if at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered as hereinafter provided, there shall be paid or deposited with the Trustee a sum sufficient to pay all principal of the Bonds matured (or due upon mandatory redemption) prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate borne by the Bonds on such overdue principal and premium, if any, and (to the extent legally enforceable) on such overdue installments of interest (other than amounts of principal of and interest on the Bonds due and payable solely by reason of such declaration), and the reasonable fees and expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, then and in every case, the holders of at least a majority of the Bonds, by written notice to the Trustee and the Issuer, may direct the Trustee on behalf of the holders of all the Bonds to rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon. Nothing herein shall be construed to obligate the Issuer to make a payment or deposit referred to herein from any revenues other than the revenues derived from the Trust Estate.

Section 8.03. Remedies. Upon the occurrence of an Event of Default, the Trustee shall have the power to proceed with any right or remedy granted, by the laws of the State, as it may deem best, including, but not limited to, any suit, action or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law. The Trustee shall not be obligated to bring any action arising under any state or federal securities law.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein, and every sue right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or event of default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

Section 8.04. Right of Bondowners to Direct Proceedings. Except as otherwise provided in Sections 8.09 and 8.10 hereof, and upon and subject to the Trustee's right to indemnification pursuant to Section 9.01 hereof, the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time there is an Event of Default under Section 8.01, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by Counsel that the action or proceeding so directed may not be taken lawfully, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or would be materially adverse to the interests of nondirecting Bondowners, and the Trustee may conclusively rely upon such opinion of Counsel.

Section 8.05. Application of Moneys. During the continuance of an Event of Default resulting in an acceleration of the maturities of all Bonds, all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article, after payment to the Trustee of its fees and expenses then due and owing, including its reasonable extraordinary fees and expenses (including reasonable attorneys' fees) incurred in exercising its rights and remedies under this Article VIII, shall be transferred, to the extent necessary to pay the principal of and interest on all Outstanding Bonds, to the Revenue Fund, with such moneys to be deposited in the Accounts thereof in the order provided therein; provided that all Available Money (after notice of redemption) shall be used only to pay the principal of or, premium, if any, and interest on Bonds. Nothing herein shall be construed to relieve the Borrower of any obligation to pay fees and expenses as provided in Article IV of the Financing Agreement.

Section 8.06. Remedies Vested in the Trustee. All rights of action (including the right to file proofs of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondowners, and any recovery or judgment shall be for the equal and ratable benefit of the Owners of the Outstanding Bonds.

Section 8.07. Limitation on Rights and Remedies of Bondowners. No Bondowner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder unless (a) an Event of Default has occurred of which the Trustee has been notified, (b) the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered the Trustee reasonable opportunity either to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Trustee indemnity satisfactory to the Trustee as provided in Section 9.01, and (e) the Trustee shall for a period of 60 days thereafter fail or refuse to exercise the powers herein granted, or to institute such action, suit or proceeding in its own name as Trustee; and such notification, request and offer of opportunity and indemnity are hereby declared in every case to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder. No one or more Bondowners shall have any right in any manner whatsoever to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondowner to enforce the payment of the principal of, and premium, if any, and interest on, any Bonds at and after the maturity thereof.

Section 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.09. Waivers of Events of Default. The Trustee may, in its discretion, waive any Event of Default hereunder and rescind its consequences and shall do so upon the written direction of the Owners of not less than a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of any Outstanding Bonds when due (whether at maturity or by redemption or as a result of acceleration) or (b) any Event of Default in the payment when due of the interest on any such Bonds, unless prior to such waiver and rescission all arrears of interest and all arrears of principal when due, as the case may be, together, in either case, with the moneys due and owing to the Trustee, including reasonable attorneys' fees paid or incurred, shall have been paid or provided for, and the Owners of all Bonds then Outstanding approve such waiver. Notwithstanding any provisions hereof to the contrary, any declaration pursuant to Section 8.02 hereof made at the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall not be waived except as they may be annulled pursuant to Section 8.02. In the case of any such waiver and rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this Indenture shall be in writing and a copy thereof shall be delivered to the Issuer and to the Mortgage Lender.

Section 8.10. Absolute Obligation of Issuer. Nothing in any provision of this Indenture or in the Bonds shall (a) affect or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal or redemption price of and interest on the Bonds to the respective Bondowners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or (b) affect or impair the right of such Bondowners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

ARTICLE IX
THE TRUSTEE

Section 9.01. Appointment and Duties: Successor Trustee.

(a) The Issuer hereby appoints J.P. Morgan Trust Company, National Association, as Trustee, registrar and paying agent and designates the Principal Office of the Trustee as the principal place of payment for the Bonds. Notwithstanding any other provision of this Indenture or the Financing Agreement, the Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and the Financing Agreement, and no implied covenants or obligations of the Trustee shall be read into this Indenture or the Financing Agreement. Subject to Section 8.02 hereof, the Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and diligence in their exercise, as a reasonable person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Issuer may, after consultation with the Borrower, remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; in each case by giving written notice of such removal to the Trustee, the Borrower and the Mortgage Lender, and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Issuer, the Borrower and the Mortgage Lender, by registered or certified mail. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee in writing delivered to the Issuer and the Borrower, and transfer of the Trust Estate to the successor Trustee. Promptly upon such acceptance, the Issuer shall give notice thereof to the Registered Owners by first-class mail postage prepaid, and to the Borrower and the Mortgage Lender by registered or certified mail. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the incumbent Trustee, the Mortgage Lender, the Borrower or any Bondowner (on behalf of himself and all other Bondowners) may petition any federal or state court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Issuer and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the request of the Issuer or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Issuer shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations.

(e) If practicable, the Issuer shall consult with the Borrower concerning selection of any Trustee and shall give advance written notice to the Borrower identifying the new Trustee. Any Trustee appointed under the provision of this section in succession to the Trustee shall be a trust company, national association, banking corporation or commercial bank having (or if such entity is a member of a bank holding company system, its bank holding company has) combined capital, surplus and undivided profits of at least One Hundred Million Dollars ($100,000,000), and at least $50,000,000 in trust assets under management, and subject to supervision or examination by federal or state authority with respect to its responsibilities as trustee: If such bank, national association or trust company (or bank holding company) publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this section the combined capital and surplus of such bank, national association or trust company (or bank holding company) shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section. The Trustee shall cooperate fully in the transfer to a successor Trustee and shall promptly deliver to such successor all records and documents held by the Trustee with regard to the Trustee's obligations under this Indenture and the Financing Agreement.

(f) any company or national association into which the Trustee may be merged or converted or with which it may be consolidated or any company or national association resulting from any merger, conversion or consolidation to which it shall he a party or any company or national association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of this Section, shall be the successor to such Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

(g) Before taking any action under this Indenture or the Financing Documents (except for making all required payments to Bondowners when due, causing mandatory redemption or acceleration of maturity of the Bonds as required herein, collecting payments under the GNMA Security and taking any other action specifically required under this Indenture or the Financing Documents), the Trustee may require that indemnity satisfactory to it be furnished, which indemnity shall include payment of its fees, extraordinary expenses, and reasonable attorneys' fees, and protection against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action. The Trustee shall be under no obligation to institute any suit, to take any proceeding under this Indenture, to enter any appearance or in any way defend any suit in which it may be defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, or in the compliance with any covenant contained in Article VII hereof, until it shall have been satisfied that payment of all fees and expenses, outlays and counsel fees and other reasonable disbursements in connection therewith, and satisfactory indemnity against all risk and liability, has been provided for. However, the Trustee may begin suit, or appear in and defend any suit, or intervene, or do anything else in its judgment proper to be done by it as such Trustee, without assurance of reimbursement or indemnity. In all such cases Trustee shall be reimbursed or indemnified for all costs and expenses, liabilities, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith, unless such liability or disbursement is adjudicated to have resulted from the negligence or willful default of the Trustee. If the Borrower or Bondowners shall fail to make such reimbursement or indemnification, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture, subject only to the provisions of this Indenture.

(h) The Trustee's rights to receive compensation, reimbursement and indemnification of money due and owing hereunder shall survive the Trustee's resignation or removal, the payment of the Bonds and the defeasance of this Indenture.

Section 9.02. Fees, Charges and Costs of Trustee. Prior to an Event of Default hereunder, the Trustee shall be entitled to payment of the Trustee Fee and, in the case of the occurrence and continuance of an Event of Default under Section 8.01(a) or (b) to its extraordinary fees, charges and expenses. The Trustee's rights to receive compensation under this section and under applicable provisions of the Financing Agreement shall be secured by, and there is hereby granted to the Trustee, a lien on the Trust Estate (except for any Available Money after notice of redemption), which lien shall prior to an Event of Default be subordinate to the lien in favor of the Bondowners for payment of the principal of, premium, if any, and interest on the Bonds, except that, upon an Event of Default, but only upon an Event of Default under Section 8.01(a) or (b), the Trustee shall have a prior lien upon the Trust Estate (except for any Available Money after a notice of redemption) for its extraordinary fees, charges and expenses, including reasonable attorneys' fees incurred in enforcing the provisions of the Indenture or any other agreement referred to herein. The Trustee's fees, charges and expenses shall not be limited by Illinois law concerning the fees and charges of the trustee of an express trust.

Section 9.03. Liability of Trustee. The recitals of facts and representations herein and in the Bonds (et- supplements thereto or related instruments) shall be taken as statements of the Issuer, and the Trustee shall have no responsibility or liability for, and shall have no responsibility for investigation of, the correctness of the same, and makes no representations as to the validity or sufficiency of this Indenture, the Financing Documents or the Bonds, and shall incur no responsibility or liability in respect thereof. The Trustee shall not be accountable for the use or application by the Issuer or the Borrower of the Bonds or the proceeds thereof or of any moneys paid to the Issuer or the Borrower pursuant to the terms of this Indenture and the Financing Documents. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder or under the Financing Documents either directly or through agents, receivers, or attorneys. The Borrower shall not be deemed an agent of the Trustee for any purpose, and the Trustee shall not be responsible for the compliance of the Borrower with its duties under the Financing Agreement in connection with the transactions contemplated herein.

The Trustee may act upon the opinion or advice of an attorney (who may be the attorney or attorneys for the Issuer). The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted in good faith in reliance upon such opinion or advice.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its active negligence or willful misconduct. The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such risk or liability is not assured to it.

The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall not be liable or accountable in any respect whatsoever for actions taken at the direction of Bondowners pursuant to the provisions of Article VIII.

The Trustee shall not be responsible for recording, re-recording, filing or re-filing of this Indenture, of any financing statements or continuation statements, or for insuring the Project or collecting any insurance moneys, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or maintenance of or title to the Project.

The Trustee shall not be liable to the Borrower for any loss suffered as a result of or in connection with any investment of funds made by the Trustee in good faith as instructed by or approved by an Authorized Representative of the Borrower.

The Trustee shall have no obligation to perform any of the duties of the Issuer under the Financing Documents.

The Trustee shall not be bound to ascertain or inquire as to the performance of the obligations of the Borrower or the Issuer under the Financing Documents.

The Trustee shall not be liable for any debts contracted or for damages to persons or to personal property injured or damaged or for salaries or non-fulfillment of contracts relating to the Project or for any claims by or on behalf of any person, corporation or other entity arising from the conduct or management of, or from any work or thing done on, the Project, and shall have no affirmative duty with respect to compliance of the Project under state or federal laws pertaining to the transport, storage, treatment or disposal of pollutants, contaminants, waste or hazardous materials, or regulations, permits or licenses issued under such laws.

The Trustee shall have no duty to verify the truthfulness or accuracy of the certifications made by the Borrower with respect to the Trustee's disbursements for Costs of the Project in accordance with the Financing Agreement and this Indenture.

The Trustee shall not be required to give any bonds or surety as a result of serving as Trustee hereunder.

The Trustee is authorized and directed to enter into the Financing Agreement and the Tax Agreement dated as of April 1, 2006 among the Trustee, the Borrower and the Issuer.

Section 9.04. Right of Trustee to Rely on Documents. The Trustee shall be conclusively protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with Counsel, who may be Counsel of or to the Issuer, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Issuer, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder or under the Financing Documents or the Mortgage Loan Documents except for defaults arising from failure to make any required payments to the Trustee or defaults of which the Trustee has actual knowledge, unless the Trustee is specifically notified in writing of such default by the Issuer, the Borrower, the Mortgage Lender, or the Registered Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and all such notices or other instruments required to be delivered to the Trustee must be delivered to the Principal Office of the Trustee.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants or conditions on the part of the Issuer, except as herein expressly set forth, but the Trustee may require of the Issuer full information and advice as to the performance of any covenants and conditions herein.

Section 9.05. Intervention By Trustee. In any judicial proceedings to which the Issuer is a party and which in the opinion of the Trustee and its Counsel has a substantial bearing on the interest of owners of the Bonds, the Trustee may, in its discretion, but without any obligation, intervene on behalf of Bondowners and, upon being indemnified to its satisfaction therefor as provided in Section 9.01(g), shall do so if requested in writing by the owners of a majority in aggregate principal amount of all Bonds then Outstanding, subject to the limitations of Section 8.04 hereof.

Section 9.06. Reports of the Trustee.

(a) The Trustee shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project, the proceeds of the Bonds, the principal amount of Bonds Outstanding, the Revenues, the Trust Estate and the Funds and Accounts established by this Indenture. Such books and all other books and papers of the Trustee shall at all reasonable times during regular business hours be subject to the inspection of the Issuer, the Borrower, the Mortgage Lender and the Owners of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(b) The reports, statements and other documents required to be furnished to or by the Trustee pursuant to any provision of this Indenture shall be available for inspection upon reasonable prior notice by Bondowners during normal business hours at the office of the Trustee, and a copy of the annual report shall be mailed by the Trustee to each owner of Bonds who shall file a written request therefor with the Issuer at the expense of the party requesting the report.

(c) The Trustee shall provide to the Issuer within 30 days following each ________ during which the Bonds are outstanding, written information as to the aggregate principal amount of Bonds outstanding at the close of business on the immediately preceding ________.

(d) The Trustee shall provide such reports and notices on all required by Section 4.02 hereof.

Section 9.07. Communications Among Owners. Within five Business Days after the receipt by the Trustee of a written application by any three or more Beneficial Owners stating that the applicants desire to communicate with other Beneficial Owners with respect to their rights under this Indenture or under the Bonds and accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, and by reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, the Trustee shall notify DTC of such application, and at its election, either:

(a) afford to such applicants access to all information furnished to or received by the Trustee from DTC; or

(b) inform such applicants as to the approximate number of Beneficial Owners according to the most recent information furnished to or received by the Trustee from DTC.

The disclosure of any such information as to the names and addresses of the Owners in accordance with the provisions of this section, regardless of the source from which such information was derived, shall not under any circumstances be deemed to be a violation of any existing law or of any law hereafter enacted which does not specifically refer to the comparable section of the Indenture Act, nor shall the Trustee be held accountable or liable in any respect by reason of mailing any material pursuant to a request made under this section.

Section 9.08. Appointment of a Co-Trustee. It is the intent of the Issuer and the Trustee that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Financing Agreement, and, in particular, in case of the enforcement of any of them on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted herein to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint, with the consent of the Issuer, an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 9.08 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or vested in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vest in such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such separate trustee or co-trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Issuer, the Trustee, the Borrower and the Mortgage Lender. The appointment of any such co-trustee shall be subject to the approval in writing by the Rating Agency.

Should any instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or if such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. If the Issuer shall fail to deliver the same within fifteen (15) days of such request, the Trustee is hereby appointed attorney-in-fact for the Issuer to execute, acknowledge and deliver such instruments in the Issuer's name and stead. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

ARTICLE X
SUPPLEMENTAL INDENTURES

Section 10.01. Amendments Requiring Consent of Bondowners. This Indenture and the rights and obligations of the Issuer, the Bondowners and the Trustee may be modified or amended at any time by a Supplemental Indenture which shall become effective when signed by the parties hereto and the written consents of the Owners of 51 percent or more of the aggregate principal amount of Bonds Outstanding shall have been filed with the Trustee; provided, that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall (a)(1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (2) reduce the aforesaid percentage of the aggregate principal amount of Bonds then Outstanding the consent of the Owners of which is required to effect any such modification or amendment, or (3) permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Bondowners of the lien created by this Indenture upon such Revenues and other assets (except as expressly provided in this Indenture), or (4) amend Section 4.01, without the consent of the Bondowners of all of the Series

A Bonds then Outstanding, or (b) adversely affect the Series B Bonds without the consent of the holders thereof.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes allowed by this Section, the Trustee shall, at the request of the Issuer and upon being indemnified to its satisfaction with respect to costs, cause notice of the proposed execution of such Supplemental Indenture to be given in substantially the manner provided in Section 6.04 hereof with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondowners. If, within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Owners of 51 percent or more of the aggregate principal amount of Bonds then Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. The Issuer shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondowners.

Section 10.02. Amendments Not Requiring Consent of Bondowners. This Indenture and the rights and obligations of the Issuer, the Bondowners and the Trustee may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Bondowners, when signed by the parties hereto, which amendment shall become effective upon execution (or such later date as may be specified in such Supplemental Indenture), but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Issuer contained in this Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Issuer, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Bondowners;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Issuer may deem necessary or desirable and not inconsistent with this Indenture, and which shall not materially adversely affect the interests of the Bondowners;

(c) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Indenture Act or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Bondowners;

(d) to modify, amend or supplement this Indenture in any other way which shall not materially adversely affect the interests of the Bondowners;

(e) to provide for certificated bonds; or

(f) to comply with state or federal securities laws.

In addition, this Indenture may be amended in any manner which affects the Series B Bonds without any adverse effect on the Series A Bondholders with the consent of all the holders of the Series B Bonds.

Section 10.03. Consent of Borrower to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article X which adversely affects any rights of the Borrower in any manner not contemplated by the Financing Documents shall not become effective unless and until Borrower shall have consented to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture to be mailed by certified or registered mail to the Borrower at least 15 days prior to the date of the first mailing of notice of the proposed execution of such Supplemental Indenture as hereinbefore in Section 10.01 provided. The Borrower shall be deemed to have consented to the execution and delivery of any such Supplemental Indenture if the Trustee does not receive a letter of protest or objection thereto, signed by or on behalf of the Borrower, on or before 12:00 p.m., Chicago, Illinois time, on the fifteenth day after the mailing of said notice and a copy of the proposed Supplemental Indenture.

Section 10.04. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall also send prior written notice to the Borrower of any Supplemental Indenture which does not adversely affect the rights of the Borrower; provided, the Borrower's consent to such Supplemental Indenture shall not be required.

Section 10.05. Endorsement of Bonds: Preparation of New Bonds. Bonds delivered after any Supplemental Indenture becomes effective pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the Principal Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Issuer or the Trustee shall so determine, new Bonds modified as to conform, in the opinion of the Issuer and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Issuer and authenticated by the Trustee, and upon demand of the Owner of any Bond then Outstanding shall be exchanged at the Principal Office of the Trustee, without cost to any Bondowner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts of the same maturity.

Section 10.06. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondowner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 10.07. Trustee Consent: Required Opinion of Bond Counsel: Notice to Rating Agency. No amendment or supplement to this Indenture shall modify any of the rights or obligations of the Trustee without its written assent thereto. The Issuer and the Trustee shall not enter into or consent to any amendment, change or modification to this Indenture unless the Issuer and the Trustee have receive an opinion of Bond Counsel to the effect that such amendment will comply with this Article X. The Issuer and the Trustee may rely upon any such opinion of Bond Counsel. Prior to any amendment, change or modification to this Indenture, the Trustee shall notify the Rating Agency of the occurrence of such event.

ARTICLE XI
AMENDMENT OF FINANCING DOCUMENTS

Section 11.01. Amendments to Financing Documents Not Requiring Consent of Bondowners. Subject to the provisions of Section 11.03 hereof and with the written consent of the Mortgage Lender and the Trustee, but without the consent of or notice to any of the Bondowners, the respective parties thereto may enter into any amendment, change or modification of the Financing Documents as may be required (a) by the provisions of the Financing Documents or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of the Financing Documents, (d) in connection with any other change therein which is not to the material prejudice of the Trust Estate or the Owners of the Bonds. In making a determination under (d) above, the Trustee may rely on the advice of Counsel. The Issuer and the Trustee shall, without the consent of or notice to any of the Bondowners enter into any amendment, change or modification of the Financing Documents as may be necessary, in the opinion of Bond Counsel to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under the Code.

Section 11.02. Amendments to Financing Documents Requiring Consent of Bondowners. Except for the amendments, changes or modifications as provided in Section 11.01 hereof, and subject to the provisions of Section 11.03 hereof, neither the Issuer nor the Borrower shall enter into any other amendment, change or modification of the Financing Documents without mailing of notice and the written approval or consent of the Owners of not less than 51 percent or more of the aggregate principal amount of Bonds then Outstanding given and procured as provided in this Section; provided, however, that nothing in this section or Section 11.01 hereof shall permit or be construed as permitting (a)(1) an extension of the time of the payment of any amounts payable under the GNMA Security or (2) a reduction in the amount of any payment or in the total amount due under the GNMA Security without the consent of the Owners of all Bonds then Outstanding, or (b) any adverse effect on the Bonds with the consent of the Owners thereof. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Documents, the Trustee shall, at the request of the Issuer and upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 6.04 hereof with respect to redemption of Bonds; provided, that the Trustee shall not be required to consent to any amendment that materially adversely affects its rights or responsibilities hereunder or under the Financing Documents. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instruments modifying the same are on file with the Trustee for inspection by all Bondowners. If, within 60 days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Owners of 51 percent or more of the aggregate principal amount of Bonds then Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Borrower or the Issuer from executing the same or from taking any action pursuant to the provisions thereof, or the Trustee from consenting thereto. The Issuer shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondowners. Upon the execution of any such amendment, change or modification as in this section permitted and provided, the Financing Documents shall be and be deemed to be modified, changed and amended in accordance therewith.

Section 11.03. Required Opinion of Bond Counsel; Notice to Rating Agency. The Issuer and the Trustee shall not enter into or consent to any amendment, change or modification to any one or more of the Financing Documents unless the Issuer has received an opinion of Bond Counsel to the effect that such amendment will comply with this Article XI. The Issuer and the Trustee may rely upon any such opinion of Bond Counsel. Prior to any amendment, change or modification to the Financing Documents, the Trustee shall notify the Rating Agency of the occurrence of such event.

ARTICLE XII
DEFEASANCE

Section 12.01. Defeasance. If the Issuer shall pay or cause to be paid, or make provisions for payment, to or for the Bondowners, of the principal of, premium, if any, and interest due or to become due on any series of the Bonds, at the times and in the manner stipulated therein, and if the Issuer shall have kept, performed and observed all and singular the covenants and promises in such series of the Bonds and in this Indenture with respect thereto expressed to be kept, performed and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then this Indenture and the lien, rights, estate and interests created hereby with respect to such series shall cease, determine and become null and void (except as to any rights of registration, transfer. or exchange of Bonds herein provided for and indemnification of the Trustee pursuant to Section 6.07 of the Financing Agreement, which shall survive), whereupon, if all series of Bonds have been so provided for, the Trustee shall take all such actions to cancel and discharge the lien of this Indenture and to terminate the trust created herein, and shall, upon payment of all fees and expenses payable to the Trustee, the Issuer, and the Rebate Analyst under this Indenture or the Financing Agreement, release, assign and deliver unto the Borrower any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee or otherwise subject to this Indenture, except (a) moneys, obligations or securities held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds and (b) any money in the Rebate Fund to pay the Rebate Amount, or (c) any other moneys remaining in any Fund or Account created pursuant to this Indenture, which moneys shall be delivered to the Borrower (or to the Mortgage Lender if the Borrower is in default under the Financing Agreement) upon receipt of an opinion of Bond Counsel that such action shall not cause interest on the Bonds to become retroactively includable in gross income for federal income tax purposes.

Any Bond or portions thereof in Authorized Denominations shall, prior to the maturity or redemption thereof, be deemed to be paid and defeased within the meaning of this Indenture when:

(a) payment of the principal and premium, if any, of such Bonds or portion thereof, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either: shall have been made or caused to be made in accordance with the terms of Section 2.02 hereof or shall have been provided for, by irrevocably depositing with the Trustee, in trust, and irrevocably setting aside exclusively for such payment any combination of moneys which shall be sufficient to make such payment when due and/or noncallable, nonprepayable Government Obligations purchased with such moneys maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment;

(b) the Trustee shall have received a certificate from a firm of certified public accountants that the moneys so deposited will be sufficient, without reinvestment, to pay debt service on all such Bonds to the due date thereof;

(c) the Trustee shall have received an opinion, acceptable to the Rating Agency, of counsel practicing regularly before the Federal Bankruptcy Court and experienced in bankruptcy law to the effect that payment of debt service on such Bonds to Bondowners will not be treated as an avoidable preference recoverable from Bondowners in the event of bankruptcy of the Borrower or of the Issuer;

(d) all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee; and

(e) The Trustee shall have received an opinion of Bond Counsel that such Bonds have been legally defeased under this Indenture and that such refunding or defeasance shall not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

A new certificate of the type specified in clause (b) of the preceding sentence shall be provided to the Trustee in the event any substitute securities are provided to the Trustee.

At such time as a Bond or portion thereof shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of Sections 2.03 and 3.11 hereof and by any such payment from such moneys or Government Obligations.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Issuer be invested and reinvested in noncallable, nonprepayable Government Obligations maturing in the amounts and at the times as hereinbefore set forth, and all income from all such Government Obligations in the hands of the Trustee pursuant to this Article which is not required (based upon a verification provided by a firm of certified public accountants) for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Revenue Fund as and when realized and collected for use and application as are other moneys deposited in that Fund.

Notwithstanding any provisions of any other Article of this Indenture which may be contrary to the provisions of this Article, all such moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article and for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

Anything in Article X hereof to the contrary notwithstanding, if such moneys or noncallable Government Obligations have been deposited or set aside with the Trustee pursuant to this Article XII for the payment of Bonds and interest and premium thereon, if any, and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article XII shall be made without the consent of the Owner of each Bond affected thereby.

ARTICLE XIII
MISCELLANEOUS

Section 13.01. Consents, etc., of Bondowners. Any consent, approval, direction or other instrument required by this Indenture to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such consent, approval, direction or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) the fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument or writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution; and

(b) the fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books maintained by the Trustee pursuant to Section 2.03 hereof.

Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Bonds shall be conclusive and binding upon all future Owners of the same Bonds and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

Section 13.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Mortgage Lender, the Borrower and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture. This Indenture and all of the covenants, conditions and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Owners of the Bonds, the Mortgage Lender, and the Borrower as herein provided.

Section 13.03. Severability. If any provision of this Indenture shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

Section 13.04. Notices. Except as otherwise provided herein, all notices, certificates or other communications shall be sufficiently given and (except for notices to the Trustee, which shall be deemed given only when actually received by the Trustee) shall be deemed given on the second day following the date on which the same have been personally delivered, delivered by overnight courier (with signed receipt) or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Issuer:

City of Pekin, Tazewell County, Illinois
111 South Capitol Street
Pekin, IL 61554
Telephone: 309-477-2300
Facsimile: 309-346-2095
Attention: Dennis Kief, City Manager

with a copy to:	Elliff, Keyser, Oberle & Dancey, P.C. 109 South Fourth Street P.O. Box 873 Pekin, IL 61554 Telephone: 309-346-4148 Facsimile: 309-346-0633 Attention: Patrick Oberle, Esq.
If to the Borrower:	United Auto Workers Senior Citizens’ Center, Inc. 444 Parkway Drive Pekin, IL 61554 Telephone: 309-347-7791 Facsimile: 309-347-2619 Attention: Donald Bly
with a copy to:	Katz, Friedman, Eagle, Eisenstein & Johnson, PC 77 West Washington Street 20th Floor Chicago, IL 60602 Telephone: 312-263-6330 Facsimile: 312-372-5555 Attention: Harold Katz, Esq.
If to the Mortgage Lender:	Capstone Realty Advisors, LLC 1120 Chester Avenue Suite 200 Cleveland, OH 44114 Telephone: 216-902-8532 Facsimile: 216-902-2284 Attention: Deborah Rogan
If to the Trustee:	J.P. Morgan Trust Company, National Association 227 West Monroe Street 26th Floor Chicago, IL 60606 Telephone: 312-267-5124 Facsimile: 312-267-5202 Attention: Corporate Trust Services
If to the Rating Agency:	Standard & Poor’s Ratings Service 55 Water Street New York, NY 10041 Telephone: 212-438-7966 Facsimile: 212-438-2157 Attention: Renee Berson, Associate Director

A duplicate copy of each notice, certificate or other communication given hereunder by one party to another party shall also be given to the others named in this Section. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

Section 13.05. Payments Due on Other Than Business Days. In any case where the date of payment of principal, premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds, or the date for performing any act or exercising any right, shall be a day other than a Business Day, then payment of interest or principal and premium, if any, or the performance of such act or exercise of such right need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if it had been made on the date scheduled for such payment, performance, or exercise.

Section 13.06. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.07. Applicable Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 13.08. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Indenture.

Section 13.09. Compliance Certificates and Opinions. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that the Person or Persons making such certificate or opinion have read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of the signers, such condition or covenant has been complied with.

Section 13.10. Conflict with Trust Indenture Act of 1939. If this Indenture is required to be qualified under the Indenture Act and any provision of the Indenture Act which limits, qualifies or conflicts with another provision hereof is required to be included in this Indenture by any of the provisions of the Indenture Act, such required provision shall control.

Section 13.11. Successors. Whenever in this Indenture either the Issuer or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Issuer or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.12. Records. The Trustee shall hold in safekeeping, for seven years after any of the Bonds are outstanding, all documents and records with respect to the Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of Pekin, Tazewell County, Illinois has caused this Indenture to be signed in its name by its duly authorized officer and J.P. Morgan Trust Company, National Association in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its name its duly authorized officer, all as of the day and year first above written.

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, as Issuer

By ______________________________
Name Frank H. Mackaman
Title Mayor

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By ______________________________
Name ______________________________
Title Authorized Representative

EXHIBIT A

FORM OF BOND

No. [RA] [RB] - $__________

THE BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THE INDENTURE. NEITHER THE ISSUER, THE COUNTY OF TAZEWELL (THE "COUNTY"), THE STATE OF ILLINOIS (THE "STATE") NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF SUCH BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFORE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, HUD, FHA, GNMA OR ANY OTHER AGENCY THEREOF AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

UNITED STATES OF AMERICA

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

MORTGAGE REVENUE REFUNDING BOND

(GNMA Collateralized - United Auto Workers Senior Citizens' Center, Inc. Project)

SERIES 2006A

[UNITED STATES OF AMERICA

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

TAXABLE MORTGAGE REVENUE REFUNDING BOND

(GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project)

SERIES 2006B]

Interest Rate	Maturity Date	Dated Date	CUSIP No.
%			

Registered Owner:

Principal Amount:

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, a political subdivision of the State of Illinois existing as a home-rule unit of government under the Constitution and laws of the State of Illinois (the "Issuer"), for value received, hereby promises to pay (but only out of the revenues and other assets hereinafter referred to) to the registered owner identified above, or registered assigns, [on the maturity date set forth above] [in installments as set forth hereafter] (subject to any right of prior redemption hereinafter mentioned), the principal amount specified above, and to pay interest thereon from the dated date hereof until the principal amount hereof shall have been fully paid, at the interest rate per annum set forth above, payable on May 20 and November 20 of each year, commencing November 20, 2006 (each a "Payment Date"). The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Except as provided below, the principal of and premium, if any, on each Bond will be payable upon the presentation and surrender of such Bond, when due, at the Principal Office of J.P. Morgan Trust Company, National Association, or its successor as trustee under the Indenture hereinafter referred to (the "Trustee"). Payment of interest on each Bond shall be made to the registered owner thereof as specified on the records of the Trustee on the Record Date with respect to such interest payment. Except as provided below, each interest payment on each Bond shall be paid by check mailed by first-class mail on the applicable Interest Payment Date to such registered owner at his or her address as it appears on the Bond Register on the Record Date or, at the option of any registered owner of $1,000,000 or more aggregate principal amount of Bonds, by wire transfer to an account within the United States of America designated by such registered owner to the Trustee in writing at least 15 days prior to the Interest Payment Date and upon acknowledgment by such registered owner of the deduction from such wire of the applicable paying agent's fee; provided, that payment of such interest shall be made by Automatic Clearinghouse Transfers at no cost to the registered owner in next day funds if such registered owner shall have requested the Trustee in writing to make such payment by such method and shall have provided the Trustee with an account number in a bank within the United States and other necessary information for such purposes at least fifteen (15) days before the applicable Interest Payment Date. In the event of any default in the payment of interest, such defaulted interest shall be payable to the registered owner of such Bond on a Special Record Date for the payment of such defaulted interest established by notice mailed by or on behalf of the Issuer to registered owners.

[For so long as the Bonds of this issue are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company referred to in the Blanket Issuer Letter of Representations from the Issuer to The Depository Trust Company.]

THE BONDS, THE PRINCIPAL THEREOF, THE PREMIUM (IF ANY) AND INTEREST THEREON ARE NOT A GENERAL OBLIGATION OF THE ISSUER, OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF; AND EXCEPT TO THE EXTENT PAID FROM BOND PROCEEDS, THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE PAYABLE SOLELY FROM THE REVENUES AND TRUST ESTATE (AS DEFINED IN THE INDENTURE). THE ISSUER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE PROJECT, THE BORROWER, THE BONDS OR ANY SECURITY THEREFOR.

This Bond is one of a duly authorized issue of bonds of the Issuer known as its "Mortgage Revenue Refunding Bonds (GNMA Collateralized - United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A" ["Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B"], issued in the aggregate principal amount of $4,990,000 [$350,000] (the "Bonds"), pursuant to the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois, as amended, and in accordance with the provisions of an ordinance of the Issuer. The Bonds are issued under and secured by an Indenture of Trust, dated as of April 1, 2006 (herein called the "Indenture"), between the Issuer and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security for the Bonds, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms used herein shall have the meanings given to such terms in the Indenture.

The Bonds are being issued by the Issuer in part to provide funds to purchase fully a modified mortgage-backed security to be issued by Capstone Realty Advisors, LLC (the "Mortgage Lender"), which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (the "GNMA Security"). The GNMA Security is to be issued with respect to a mortgage loan insured by the Federal Housing Administration of the United States Department of Housing and Urban Development ("HUD") to be made by the Mortgage Lender and to provide other funds to refund a portion of the Prior Bonds (the "Project"). Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. The GNMA Security will secure the Series A Bonds and the Series B Bonds.

The Bonds are being issued as fully registered bonds, the interest on which is payable semiannually, in denominations of $5,000 principal and any integral multiple thereof.

The Bonds are subject to optional, special mandatory and mandatory sinking fund redemption prior to their stated maturity as set forth in the Indenture.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond may be exchanged, and its transfer may be registered, by the registered owner hereof in person or by its attorney duly authorized in writing at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon exchange or registration of such transfer a new registered Bond or Bonds of like series and maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued in exchange therefor. The registered owner hereof shall be deemed and regarded as the absolute owner hereof for all purposes. The Trustee shall not be required to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, or during the fifteen (15) days next preceding mailing of a notice of redemption of any bonds.

The Indenture contains provisions permitting the Issuer and the Trustee to execute supplemental indentures adding provisions to, or changing or eliminating any of the provisions of, the Indenture, subject to the limitations set forth in the Indenture.

No member, officer, agent or employee of the Issuer, and no officer, official, agent or employee of the State of Illinois, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of the Bonds.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Indenture, the Constitution and the statutes of the State of Illinois.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until such Bond shall have been authenticated by the certificate of the Trustee endorsed hereon.

IN WITNESS WHEREOF the City of Pekin, Tazewell County, Illinois, as Issuer, has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Mayor, and its corporate seal or a facsimile thereof to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk.

Dated: April ____, 2006

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

By:____
Its: Mayor

ATTESTED:

By:__________________________________
City Clerk

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Bond is one of Series A Bonds [Series B Bonds] described in the within-mentioned Indenture.

J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By:____
Its: Authorized Representative

Date of Authentication: April ____, 2006

[FORM OF]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned,________________________, hereby sells, assigns and transfers unto ___________________________________ (Tax Identification or Social Security No. _________________) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _______________________________ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____________________

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed pursuant to law.

Please insert social security or other identifying number of assignee ___________________.

NOTICE: The signatures to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

FORM OF REQUISITION CERTIFICATE

THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS

REQUISITION NUMBER ____________ DATED_____________ NUMBER:________

BORROWER/PROJECT NAME: ______________

TO: J.P. MORGAN TRUST COMPANY, NATIONAL ASSOCIATION, Trustee

1. It is hereby certified in accordance with the Indenture of Trust and the Financing Agreement that the following is/are due payment in the amount(s) indicated for:

Payee	**Item**	**Amount Due**

Total Amount of this Requisition: $___________

2. The amount stated above has been incurred, is due and is a proper charge against the Cost of Issuance Fund.

You are authorized and directed to pay the above sum (sums) to the party (parties) named in paragraph 1 from money in the Cost of Issuance Fund held under the terms of the Indenture of Trust.

APPROVED:

QUESTIONS REGARDING THIS REQUISITION SHOULD BE DIRECTED TO:

Borrower Rep.	Date	(type or print name)
Official Issuer Rep.	Date	FAX number
Telephone number		

EXHIBIT C

MINIMUM BALANCE

UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC.

SERIES 2006A INDENTURE

Date	**Minimum Balance**

PRELIMINARY OFFICIAL STATEMENT DATED APRIL ___, 2006

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUE - BOOK-ENTRY ONLY **Rating: S&P: "AAA"**

In the opinion of Wildman, Harrold, Allen & Dixon LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming continuing compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is further of the opinion that the interest on the Bonds is not exempt from State of Illinois income taxation. For a more complete description, see "TAX MATTERS" herein.

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
$4,990,000* MORTGAGE REVENUE BONDS
(GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006A

AND

$350,000*
TAXABLE MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006B

Dated: April ___, 2006 Due: As shown on the inside cover

The City of Pekin (the "Issuer") is issuing $4,990,000* in aggregate principal amount of its Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A (the "Series A Bonds") and $350,000* in aggregate principal amount of its Taxable Mortgage Revenue Refunding Bonds (GNMA Collate United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds"), pursuant to an Indenture of Trust, dated as of April 1, 2006 (the "Indenture"), between the Issuer and J.P. Morgan Trust Company, National Association, Chicago, Illinois (the "Trustee"). The Bonds will bear interest from their dated date, payable semiannually on each May 20 and November 20, commencing November 20, 2006. The Bonds are issuable as fully registered Bonds in denominations of $5,000 or any integral multiple thereof. The purchasers of the Bonds will not receive certificates representing their interests in the Bonds. The Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York. Principal of, premium, if any, and interest on the Bonds will be payable by the Trustee to Cede & Co. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are special, limited obligations of the Issuer and will be issued to finance, in part, the refunding of prior bonds issued for the benefit of United Auto Workers Senior Citizens' Center, Inc., an Illinois not for profit corporation, which owns the Project and pay costs of issuance related thereto. The proceeds of the Bonds will finance a mortgage loan to the Borrower in the original principal amount of $_________* (the "Mortgage Loan"), which will be insured by the Federal Housing Administration ("FHA") of the U.S. Department of Housing and Urban Development ("HUD").

The Bonds will be secured primarily by fully-modified pass-through mortgage-backed securities (the "GNMA Securities") guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA") issued by Capstone Realty Advisors, LLC, an Ohio limited liability company (the "Mortgage Lender") and held by the Trustee. The GNMA Securities are backed by the Mortgage Loan. See "THE GNMA MORTGAGE-BACKED SECURITIES PROGRAM" herein. In addition to the GNMA Securities, and prior to their issuance, the Bonds will be secured by amounts held by the Trustee in the trust funds.

The Bonds will mature, and each such maturity will bear interest, as shown herein. The Bonds maturing in the years _____________________ are subject to scheduled mandatory sinking fund redemption as shown herein and to special mandatory redemption prior to maturity, in whole or in part, at any time. The Bonds maturing in 2017 are also subject to optional redemption prior to maturity, in whole or in part, on or after May 20, 2016, at a redemption price of par plus accrued interest. See "THE BONDS - Redemption Prior to Maturity" herein. Any person who purchases a Bond at a price above par should consider first that such premium may be lost in the event the Bond is redeemed prior to maturity. See "BONDHOLDERS' RISKS" herein.

THE BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THE INDENTURE. NEITHER THE ISSUER, THE COUNTY OF TAZEWELL (THE "COUNTY") THE STATE OF ILLINOIS (THE "STATE") NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF SUCH BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFORE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, HUD, FHA, GNMA OR ANY OTHER AGENCY THEREOF AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

This cover page contains only a brief description of the Issuer, the Bonds and the security therefore. It is not intended to be a summary of material information with respect to the Bonds. Investors should read this entire Official Statement to obtain information necessary to make an informed investment decision.

The Bonds are offered when, as and if issued and subject to approval of the legality of the Bonds and the tax exempt status of the Bonds by Wildman, Harrold, Allen & Dixon LLP, Chicago, Illinois, Bond Counsel. Certain legal matters will be passed upon for the Borrower by Katz, Friedman, Eagle, Eisenstein & Johnson, PC, Chicago, Illinois. The Lakin Law Firm, P.C., Wood River, Illinois, will pass upon certain legal matters for the Underwriter, and Talbot and Associates, P.C., McLean, Virginia, will pass upon certain legal matters for the Mortgage Lender. It is expected that the Bonds will be available for delivery in definitive form in New York, New York, on or about April ____, 2006.

* Preliminary, subject to change.

MATURITY SCHEDULE

SERIES A BONDS

Maturity Date	Principal Amount	Interest Rate

SERIES B BONDS

Maturity Date	Principal Amount	Interest Rate

The information contained in this Official Statement has been obtained from the Issuer, the Borrower, the Mortgage Lender and other sources which are believed to be reliable, but no representation or guarantee is made as to the accuracy or completeness of such information, and nothing contained in this Official Statement is, or will be construed or relied upon as, a promise or representation of the Issuer or the Underwriter. The Underwriter has reviewed the information in this official statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but no guarantee is made as to the accuracy or completeness of such information. The Issuer makes no representation as to the accuracy or completeness of the information contained herein other than information under the caption "The Issuer." The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds, will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Mortgage Lender or the Borrower, or imply that the information contained herein is correct as of any time subsequent to the date hereof.

No dealer, salesman or any other person has been authorized to give any information regarding the Bonds other than that contained in this Official Statement, or to make any representation in connection therewith, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the Borrower, the Mortgage Lender or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any state to any person to whom it is unlawful to make such offer in such state.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TABLE OF CONTENTS

SUMMARY SHEET

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document and the detailed information appearing elsewhere in this Official Statement and Appendices hereto.

DATED	The Bonds are dated as of April ___, 2006.
RATING	Standard & Poor's rating of "AAA."
ISSUER	The City of Pekin
BORROWER	United Auto Workers Senior Citizens' Center, Inc. See "THE PROJECT" herein.
MORTGAGE LENDER	Capstone Realty Advisors, LLC, an Ohio limited liability company. See "THE PROJECT."
FINANCING STRUCTURE	The Bonds will be issued pursuant to the Indenture, and the proceeds will be applied to refund, in part, certain prior bonds issued to refinance the Project in 1992. The proceeds are deemed loaned to the Borrower pursuant to the Financing Agreement. The Bonds will be secured primarily by fully-modified pass-through mortgage-backed securities issued by the Mortgage Lender, guaranteed as to principal and interest by GNMA (the "GNMA Security" or the "GNMA SECURITY") and backed by a Mortgage Loan from the Mortgage Lender to the Borrower.
PROJECT	The Project consists of the refinance of a 215-unit multifamily rental apartment project located at 444 Parkway Drive, Pekin, Illinois 61554. See "THE PROJECT."
THE BONDS	The Bonds are issued in book-entry only form. The Bonds bear interest payable semi-annually on each May 20 and November 20, commencing November 20, 2006. See "THE BONDS" herein.
OPTIONAL AND MANDATORY CALLS	The Bonds are subject to optional, mandatory sinking fund and special mandatory call provisions. See "THE BONDS - Redemption Prior to Maturity" herein.
SECURITY	The Bonds will be secured under the Indenture by (i) all right, title and interest of the Issuer in and to the Financing Agreement (except for certain unassigned rights), and the Tax Agreement; (ii) all right, title and interest of the Issuer in the GNMA Securities; (iii) the funds (except the Rebate Fund), held by the Trustee under the Indenture; and (iv) all funds, moneys and securities and any and all other rights and interests in property, if any, which may be conveyed and pledged as additional security.
BONDHOLDERS' RISKS	The Bonds involve a certain degree of investment risk. Certain of the investment risks involved include, without limitation, (i) that the Bonds are limited, non-recourse obligations of the Issuer, payable solely from the revenues received by the Mortgage Lender from the Borrower and passed through to the Issuer, the GNMA Securities and certain funds held by the Trustee; (ii) that the Bonds are subject to early redemption as set forth herein; (iii) the operation of the Project may not produce sufficient revenues to pay the Mortgage (see "PLAN OF FINANCE" herein); and (iv) that the interest on the Series A Bonds could be determined to be includable in gross income for purposes of federal income tax. For a more complete description of Bondholders' risks, See "BONDHOLDERS' RISKS" herein.

<u>OFFICIAL STATEMENT</u>

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
$4,990,000*
MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED –
UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006A

AND

$350,000*
TAXABLE MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006B

INTRODUCTION

This Official Statement sets forth certain information concerning the City of Pekin of the County of Tazewell (the "Issuer"), a body corporate and politic organized under the laws of the State of Illinois (the "State") created and existing under the laws of the State, and the issuance and sale by the Issuer of $4,990,000* in aggregate principal amount of its Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A (the "Series A Bonds") and $350,000* in aggregate principal amount of its Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized, United Auto Workers Senior Citizens' Center, Inc. Project), Series B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds"). The Bonds will be issued under and secured by an Indenture of Trust, dated as of April 1, 2006 (the "Indenture"), between the Issuer and J.P. Morgan Trust Company, National Association, Chicago, Illinois, as trustee (the "Trustee"). The Bonds are issued for the purpose of providing funds to make a loan (the "Mortgage Loan") to United Auto Workers Senior Citizens' Center, Inc., an Illinois not for profit corporation (the "Borrower"), in order to refund, in part, bonds issued by the Issuer in 1992 (the "Prior Bonds"), the proceeds of which were used to refinance the acquisition of a project, which, as now reconfigured, consists of the refinance of a 215-unit multifamily rental apartment project located at 444 Parkway Drive, Pekin, Illinois 61554 (the "Project"), all as more fully set forth in the Financing Agreement, dated as of April 1, 2006 (the "Financing Agreement"), by and among the Issuer, the Trustee, the Borrower and Capstone Realty Advisors, LLC, an Ohio limited liability company (the "Mortgage Lender"). The Mortgage Loan will be insured by the Federal Housing Administration ("FHA") within the United States Department of Housing and Urban Development ("HUD").

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* Preliminary, subject to change.

Capitalized terms used herein which are not defined herein or in Appendix A hereto will have the meanings set forth in the Indenture or the Financing Agreement. A summary of the Indenture is included herein as Appendix B, to which reference is made for provisions concerning, among other things: (i) the issuance of the Bonds and the revenues pledged as security therefore; (ii) the application of the proceeds of the Bonds; (iii) the application of moneys to be received from the Mortgage Lender pursuant to the GNMA Securities (herein described); (iv) events of default and the exercise of remedies for the benefit of the Bondholders; (v) the rights and obligations of the Issuer and the Trustee; and (vi) amendments and supplements to the Indenture and the Financing Agreement. A summary of the Financing Agreement is included in Appendix C.

Issuer

The issuer of the Bonds is the City of Pekin of the County of Tazewell. See "THE ISSUER" herein.

GNMA Securities

The Bonds will be secured primarily by the fully-modified mortgage-backed securities in the aggregate principal amount of $5,340,000* (the "GNMA Securities" or the "GNMA SECURITY"), to be issued by the Mortgage Lender, guaranteed as to principal and interest by the Government National Mortgage Association ("GNMA"), and backed by the Mortgage Loan from the Mortgage Lender to the Borrower. See "THE GNMA MORTGAGE-BACKED SECURITIES PROGRAM" herein. Prior to the acquisition of the GNMA Securities, the Bonds will be secured by amounts held by the Trustee and invested in Qualified Investments. In addition to the GNMA Securities, the Bonds will be secured by amounts held by the Trustee as part of the trust estate.

The Bonds

The Bonds are available in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" herein. So long as Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), is the registered owner of the Bonds, references herein to the Bondholders or registered owners of the Bonds mean Cede & Co., and not the beneficial owners of the Bonds.

The Series A Bonds are issuable as fully registered Bonds in denominations of $5,000 or any integral multiple thereof, and with respect to the Series B Bonds, $100,000, or any integral multiple of $5,000 in excess thereof. See "THE BONDS" herein.

The Bonds are subject to optional redemption prior to maturity as a whole or in part on the earliest practicable Business Day on or after November 20, 2016, upon payment of the redemption prices set forth under "THE BONDS - Redemption Prior to Maturity - *Optional Redemption*" herein. The Bonds are also subject to special mandatory redemption and mandatory sinking fund redemption as described under "THE BONDS - Redemption Prior to Maturity - *Special Mandatory Redemption*" and "- *Mandatory Sinking Fund Redemption*" herein.

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* Preliminary, subject to change.

Any person who purchases a Bond at a price above par should consider first that such premium may be lost in the event that the Bond is redeemed prior to maturity. See "BONDHOLDERS' RISKS" herein.

Tax Exemption of Bonds

In the opinion of Bond Counsel, under existing law and assuming continuous compliance with certain provisions of the Indenture and the Tax Agreement, interest on the Series A Bonds (a) is excludable from gross income for federal income tax purposes and (b) such interest is not a specific preference item for purposes of the federal alternative minimum income tax. A holder may be subject to other federal tax consequences as described in the section "TAX MATTERS" herein.

Certain Legal and Other Matters

The Issuer has appointed J.P. Morgan Trust Company, National Association, Chicago, Illinois, to serve as the Trustee under the Indenture. Certain legal matters relating to the authorization and validity of the Bonds will be passed upon by Wildman, Harrold, Allen & Dixon, LLP, Chicago, Illinois, as Bond Counsel. Certain legal matters will be passed upon for the Borrower by Katz, Friedman, Eagle, Eisenstein & Johnson, PC, Chicago, Illinois. The Lakin Law Firm, P.C., will pass upon certain legal matters for the Underwriter, and Talbot and Associates, P.C., McLean, Virginia, will pass upon certain legal matters for the Mortgage Lender.

Authority; Issuance and Delivery of Bonds

The Bonds are being issued under authority of the Issuer's home rule powers contained in the Constitution and laws of the State of Illinois, particularly Article VII, Section 6(a) of the Constitution of the State of Illinois, (the "Act").

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approving opinion of Bond Counsel. It is expected that the Bonds will be available for delivery in book-entry only form to DTC in New York, New York, on or about April ____, 2006.

Continuing Disclosure

Continuing disclosure regarding the Bonds will be made public by the Borrower pursuant to undertakings set forth in the Continuing Disclosure Agreement, dated as of April 1, 2006 (the "Disclosure Agreement"), by and among the Issuer, the Borrower and the Trustee as dissemination agent there under, which undertakings are designed to enable the Underwriter to reasonably conclude that the Borrower has undertaken to make continuing disclosure in compliance with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). An annual disclosure report containing financial and operating data of the type disclosed in this Official Statement, and notices of material events, will be provided to each Nationally Recognized Municipal Securities Information Repository (the "Repositories"). A summary of the Disclosure Agreement is included herein as Appendix D.

Miscellaneous

The information contained herein is current as of the date of this Official Statement set forth on the cover page hereof. The information contained herein is subject to change after such date. The Issuer has not provided information regarding GNMA or the Borrower, and does not certify as to the accuracy or sufficiency of the information regarding GNMA or the Borrower, and is not responsible for such information provided herein.

Additional Information

Brief descriptions of the Issuer, the Bonds, the security for the Bonds, the Borrower, the Project, the Indenture, the Financing Agreement, the Tax Agreement, the Disclosure Agreement, the GNMA Securities, the Mortgage Note and Mortgage are included in this Official Statement and the Appendices hereto. All references herein to the Indenture, the Financing Agreement, the Tax Agreement, the GNMA Securities, the Mortgage Note and Mortgage and other documents and agreements are qualified in their entirety by reference to such documents and agreements, copies of which are, or upon their execution will become, available for inspection at the offices of the Trustee and the Issuer.

BONDHOLDERS' RISKS

Limited Security

The Bonds are special, limited obligations of the Issuer payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture. The funds pledged include only the Borrower's payments on the Mortgage Loan, the payment of which is insured by FHA and guaranteed by GNMA, but no other funds or assets of the Borrower are or will be available to pay the Bonds.

THE BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THE INDENTURE. NEITHER THE ISSUER, THE COUNTY OF TAZEWELL, THE STATE NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF SUCH BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFORE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, THE ISSUER, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, HUD, FHA, GNMA OR ANY OTHER AGENCY THEREOF AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Early Redemption

Purchasers of Bonds should consider the fact that the Bonds are subject to scheduled mandatory sinking fund redemption and special mandatory redemption prior to maturity at a redemption price equal to their principal amount plus accrued interest. This could occur, for example, in the event the GNMA Security is not delivered on or before the GNMA Security Delivery Date (as it may be extended as provided in the Indenture) or that the Mortgage Note is prepaid as a result of a casualty or condemnation award payments affecting the Project or there is a default under the Mortgage. With respect to the risk of early redemption arising from a default, see "PLAN OF FINANCE" and "Adequacy of Project Revenues; Related Bond Redemption" under this caption.

In particular, purchasers of Bonds should note that the Bonds are subject to special mandatory redemption at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, without premium, plus accrued interest to the redemption date, under the circumstances set forth under "THE BONDS - Redemption Prior to Maturity - *Special Mandatory Redemption.*"

Taxability of the Bonds

THE BONDS ARE NOT SUBJECT TO REDEMPTION, AND THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO ADJUSTMENT, BY REASON OF A DETERMINATION OF TAXABILITY. Such event could occur if the Borrower (or any subsequent owner of the Project) does not comply with the provisions of the Financing Agreement.

Issuance of GNMA Securities; Related Bond Redemptions

It is anticipated that the Trustee will acquire the GNMA Securities on or before June 1, 2006, subject to such acquisition date being extended pursuant to the terms of the Indenture. The purchase of each GNMA Security is subject to the following conditions, among others: (i) the submission by the Mortgage Lender to GNMA of certain documents required by GNMA in form and substance satisfactory to GNMA, (ii) the Mortgage Lender's continued compliance, on the date of issuance of the GNMA Security, with all of GNMA's eligibility requirements, specifically including, but not limited to, certain net worth requirements and (iii) the Mortgage Lender's continued ability to issue and deliver each GNMA Security, as such ability may be affected by the Mortgage Lender's bankruptcy, insolvency or reorganization. In the event that the GNMA SECURITY is not purchased by the Trustee on or prior to the GNMA SECURITY Delivery Date as a result, among other possibilities, of a failure of any of the conditions listed above, the Bonds will be subject to early redemption in whole or in part as discussed above under "Early Redemption" and under "THE BONDS - Redemption Prior to Maturity - *Special Mandatory Redemption*."

Investments

Secondary Markets and Prices

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds, and no assurance can be given that the Bonds can be resold at their initial offering price for any period of time.

Adequacy of Project Revenues; Related Bond Redemptions

The financial condition of the Borrower depends upon the capabilities of management, economic conditions, competition from other facilities in the Project's competitive area and other factors. If any one of those components of the Project should suffer significantly reduced occupancy levels due to competition from other facilities, the ability of the Borrower to make timely payment in full of amounts required to be paid under the Mortgage will be impaired, and a default may result. Accordingly, no assurances can be given that the revenues available to the Borrower from the operation of the Project, including payment from third party payors for services not included in rent, will be available in amounts sufficient to make the required payments on the Mortgage Note. Prospective purchasers of the Bonds should consider carefully all possible factors which may cause the Bonds to be redeemed earlier than projected, including the possibility that the Borrower may default on the Mortgage.

While this financing (including the Bonds) is intended to provide a stable permanent source of financing for the Project, no assurance can be provided that the Project will remain operationally stable and generate sufficient revenue to avoid default.

Nonrecourse Obligation

The Borrower's obligations in respect of the Bonds under the Financing Agreement and in respect of the Mortgage Loan under the FHA Documents, including the Mortgage and the Note, are nonrecourse obligations.

THE BONDS

General

The Series A Bonds will be issued in the aggregate principal amount of $4,990,000[*] and the Series B Bonds will be issued in the aggregate principal amount of $350,000*. The Bonds will be dated as of their date of delivery, and will bear interest from such date payable on May 20 and November 20 of each year, commencing November 20, 2006 (each an "Interest Payment Date"). The Bonds will mature on, and bear interest at the rate set forth on the cover page hereof. Principal of, premium, if any and interest on the Bonds will be payable by the Trustee to Cede & Co. The Series A Bonds are issuable as fully registered Bonds in denominations of $5,000 or any integral multiple thereof.

Redemption Prior to Maturity

Optional Redemption. The Bonds are subject to redemption in whole or in part, on the earliest practicable Business Day on or after May 20, 2016, from prepayments on the GNMA Securities representing optional prepayments on the Mortgage Loan by the Borrower or from other Eligible Funds on hand with the Trustee, at a price of par, plus accrued interest to the redemption date, without premium.

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[*] Preliminary, subject to change.

Mandatory Sinking Fund Redemption. The Bonds maturing in the years ____________________ are each subject to mandatory sinking fund redemption on the respective Payment Dates set forth in the schedule below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, in the following principal amounts, subject to pro rata reduction of such mandatory sinking fund redemption payments to the extent that such Bonds are redeemed prior to maturity otherwise than pursuant to such mandatory sinking fund redemption:

† denotes the principal amount due on the maturity date

Bonds maturing ___________________

Payment Date	Principal Amount	Payment Date	Principal Amount

Bonds maturing ______________________

Payment Date	Principal Amount	Payment Date	Principal Amount

Bonds Maturing _____________________

Payment Date	Principal Amount	Payment Date	Principal Amount

Bonds maturing _____________________

Payment Date	Principal Amount	Payment Date	Principal Amount

Bonds maturing ____________________

Payment Date	Principal Amount	Payment Date	Principal Amount

Bonds maturing ____________________

Payment Date	Principal Amount	Payment Date	Principal Amount

[*Special Mandatory Redemption*.] The Bonds are subject to special mandatory redemption at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, without premium, plus accrued interest to the redemption date, under the following circumstances:

(i) in whole or in part, at any time, to the extent that any payment on the GNMA Securities received by the Trustee exceeds a level payment of principal and interest thereon as a result of payments representing (A) casualty insurance proceeds or condemnation awards applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project, (B) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan upon the occurrence of an event of default and an assignment of the Mortgage Loan to HUD thereunder, (C) a prepayment of the Mortgage Loan required by the applicable rules, regulations, policies and procedures of HUD or GNMA, (D) a prepayment if HUD determines that prepayment will avoid a mortgage insurance claim and is therefore in the best interest of the Federal Government, (E) prepayments on the Mortgage Loan or the GNMA Security made without notice; and (F) any other reason other than an optional prepayment of the Mortgage Note;

(ii) in whole or in part, at any time, to the extent that the Trustee receives payments on the GNMA Securities representing prepayments on the Mortgage Loan made by the Borrower without notice or prepayment penalty while under the supervision of a trustee in bankruptcy;

(iii) in whole on June 1, 2006, (or such later date as permitted under the Indenture) in the event the GNMA Security is not delivered to the Trustee by the GNMA Security Delivery Date (as the same may be extended as provided in the Indenture), from amounts on deposit in the Acquisition Fund and the Bond Fund; and

(iv) in part without notice, on the earliest practicable date but no later than 14 days after the GNMA Security Delivery Date, if the principal balance of the GNMA Security delivered to the Trustee is less than $5,340,000[*], in a principal amount equal to the amount remaining in the Acquisition Fund;

If less than all of the Bonds are to be redeemed from funds other than those attributable to mandatory sinking fund redemption payments, the Trustee shall redeem an amount of Bonds of each outstanding maturity on a proportionate basis to the decrease in payments on the GNMA Security. The Trustee shall select Bonds to be redeemed within a maturity by random selection in such manner as the Trustee shall determine.

Upon any redemption in part of the Bonds from funds other than those attributable to mandatory sinking fund redemption payments, the principal amount of the Bonds redeemed shall be credited against each remaining mandatory sinking fund redemption payment with respect to the applicable maturity pursuant to the Indenture to match, as nearly as possible, any reduction in the payments on the GNMA Securities, in minimum denominations of $5,000.

The Bonds are to be redeemed only in integral multiples of $5,000 principal amount.

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[*] Preliminary, subject to change.

Notice of Redemption

Except as provided in Section 3.1 of the Indenture and below, notice of redemption shall be given by first class mail to the Owner of each Bond to be redeemed, at the address of such Owner shown on the Bond Register, not fewer than thirty (30) days prior to the date fixed for redemption.

Notwithstanding the foregoing or any other provision of the Indenture, (a) no notice of redemption is required for special mandatory redemption pursuant to clause (i), (ii), (iii), (iv), (v) or (vi) described above, and (b) in the event of a redemption by reason of the Trustee receiving payments on the GNMA Securities representing payments on the Mortgage Loan made by the Borrower without notice or prepayment penalty while under the supervision of a bankruptcy court, notice of redemption of Bonds shall not be required if the circumstances do not permit the Trustee to give such notice in accordance with the preceding paragraphs.

Failure to give notice by mailing to the Owner of any Bond designated for redemption shall not affect the validity of the proceedings for the redemption of any other Bond.

The Trustee shall not mail any notice of optional redemption of a Bond, unless there has been deposited with the Trustee a payment on the GNMA Securities (or Eligible Funds) sufficient to redeem the Bonds so called for redemption.

Notice of redemption having been given in the manner provided above and money sufficient for the redemption being held by the Trustee for that purpose, the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue; and the Owners of the Bonds so called for redemption shall thereafter no longer have any security or benefit under the Indenture except to receive payment of the redemption price for such Bonds.

PLAN OF FINANCE

There are currently outstanding $_____________ of the Issuer's Multi-family Housing Refunding Revenue Bonds, Mortgage Loan – Section Series 1992A (FHA-Insured & Assisted Project) (the "Prior Bonds"), which are secured by liens on the real property and improvements comprising the project as well as the personal property, contract rights, intangibles, and revenues associated therewith. The borrower with respect to that financing was the Borrower.

Substantially all of the cash proceeds of the Bonds, together with the Reserve Fund for the Prior Bonds of $_________, will be paid to J.P. Morgan Trust Company, National Association (the "Trustee") for deposit into the Refunding Account of the Mortgage Loan Fund for payment of the Prior Bonds.

The Prior Bonds will then be deemed fully satisfied and discharged and all liens and security interests securing the Prior Bonds will be satisfied and released.

BOOK-ENTRY ONLY SYSTEM

The Series A Bonds will be available in book-entry form only in the principal amount of $5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased.

The Bonds will be held by The Depository Trust Company, New York, New York ("DTC"), as securities depository. The ownership of one fully registered Bond in the aggregate principal amount of each maturity of each Series will be registered in the name of Cede & Co., as nominee for DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the "DTC Participants") and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly.

Ownership interests in the Bonds may be purchased by or through DTC Participants, persons for whom the DTC Participants acquire interests in the Bonds as nominees (the "Beneficial Owners") will not receive certificated bonds, but each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant's interest in the Bonds, which will be confirmed in accordance with DTC's standard procedures. Each Beneficial Owner may desire to make arrangements with its DTC Participant to receive a credit balance in the records of such DTC Participant and may desire to make arrangements with such DTC Participant to have all notices of redemption or other communications to DTC, which may affect such persons, forwarded in writing by such DTC Participant and to have notification made of all interest payments. NEITHER THE ISSUER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDOWNERS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY DTC PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS A BONDOWNER.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, reference herein to the Bondowners or owners of the Bonds means Cede & Co., as aforesaid, and does not mean the Beneficial Owners of the Bonds.

DTC will receive payments on the Bonds from the Trustee to be remitted to the DTC Participants for subsequent disbursement to the Beneficial Owners. The ownership interest of each Beneficial Owner in the Bonds will be recorded on the records of the DTC Participants, whose ownership interests will be recorded on a computerized book-entry system operated by DTC.

When notices are given to Bondowners, such notices shall be sent by the Trustee to DTC only. DTC is responsible for notifying DTC Participants who are in turn responsible for notifying the Beneficial Owners. Neither the Trustee nor the Issuer is responsible for sending notices to Beneficial Owners.

Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and by the DTC Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds except as described below. Interest and principal will be paid by the Trustee to DTC, then paid by DTC to the DTC Participants and thereafter paid by the DTC Participants to the Beneficial Owners when due.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is not a successor securities depository), Bond certificates are required to be delivered as described in the Indenture.

The Issuer may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interest of the Beneficial Owners or DTC (or a successor securities depository) may resign. In such event, Bond certificates will be required to be delivered as described in the Indenture.

THE DESCRIPTION OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS ON THE BONDS TO DTC PARTICIPANTS OR BENEFICIAL OWNERS OF THE BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS AND OTHER BOND-RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DTC PARTICIPANTS AND BENEFICIAL OWNERS OF THE BONDS CONTAINED IN THIS OFFICIAL STATEMENT IS BASED SOLELY ON INFORMATION FURNISHED BY DTC TO THE ISSUER FOR INCLUSION HEREIN. ACCORDINGLY, THE ISSUER, THE TRUSTEE AND THE UNDERWRITER DO NOT MAKE REPRESENTATIONS CONCERNING SUCH MATTERS.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will be secured under the Indenture by (a) all right, title and interest of the Issuer in the Financing Agreement, together with such documents themselves, and all amendments, modifications and renewals thereof, reserving, however, the Reserved Rights of Issuer; (b) all right, title and interest of the Issuer in and to any money held under the Indenture by the Trustee, including the proceeds of the Bonds and the interest, profits and other income derived from the investment thereof (other than the Rebate Fund, which will not be subject to the lien of the Indenture); (c) all right, title and interest of the Issuer in and to the GNMA Securities, including all payments and proceeds with respect thereto and any interest, profits and other income derived from the investment thereof; and (d) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Limited Obligations

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE ONLY FROM THE SOURCES DESCRIBED IN THE INDENTURE. NEITHER THE ISSUER, THE COUNTY OF TAZEWELL, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF SUCH BONDS OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFOR. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, THE ISSUER, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, HUD, FHA, GNMA OR ANY OTHER AGENCY THEREOF AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

THE MORTGAGE NOTE AND MORTGAGE

This summary and explanation of the Mortgage Note and the Mortgage does not purport to be comprehensive and is qualified in its entirety by reference to the Mortgage Note and the Mortgage for full and complete statements of their provisions, which documents will be available for inspection following receipt of the initially endorsed Mortgage Note.

The Mortgage from the Borrower to the Mortgage Lender will secure the Mortgage Note. The Mortgage Loan proceeds will be disbursed by the Mortgage Lender as set forth in the Indenture and Financing Agreement. The Mortgage Lender will be reimbursed for such advances through the purchase of the GNMA Security by the Trustee. The Mortgage Loan will be insured by FHA under Section 221(d)(3) pursuant to Section 223(a)(7) of the National Housing Act, as amended, and the regulations thereunder. Upon the purchase of the GNMA Security from the Mortgage Lender by the Trustee, on behalf of the Issuer, monthly scheduled installments of principal of and interest on the Mortgage Note (less the GNMA guaranty fee and the Mortgage Lender's servicing fee) will be passed through to the Trustee as scheduled payments of principal of and interest on the GNMA Security.

The Mortgage Loan, as evidenced by the Mortgage Note and the Mortgage, (i) will be insured by FHA pursuant to and in accordance with the provisions of Section 223(a)(7) of the National Housing Act and applicable regulations thereunder, as evidenced by the endorsement by FHA of the Mortgage Note evidencing the Mortgage Loan; (ii) will be in the original principal amount of $__________; (iii) will bear interest at the rate of _____% per annum; (iv) will have a final maturity of May 1, 2034; (v) will be payable in equal monthly installments of principal and interest, amortized over 27 years 11 months commencing June 1, 2006; (vi) will be secured on a nonrecourse basis; and (vii) will not be subject to prepayment prior to May 1, 2016, except that (A) the Mortgage Note will be subject to mandatory prepayment in whole or in part at any time without premium or penalty, from the proceeds of any casualty insurance or condemnation awards received following a partial or total destruction or condemnation of the Project, in the event and to the extent that such casualty proceeds or condemnation awards are not applied to the repair or restoration of the Project in accordance with the FHA Loan Documents, (B) the Mortgage Note will be subject to prepayment in whole or in an amount equal to one or more monthly payments of principal next due at the option of the Borrower, on and after May 30, 2016, on the last day of any month, upon at least 30 days' advance written notice to the Mortgage Lender, together with the premium, if any, attributable to the principal of the Mortgage Loan being prepaid in such manner acceptable to the holder of the Mortgage Note plus accrued interest to the date of prepayment, and (C) the Mortgage Note will be subject to mandatory prepayment in whole or in part without the consent of the mortgagee and without prepayment penalty if HUD determines that prepayment will avoid an FHA insurance claim and therefore is in the best interest of the Federal government, notwithstanding any prepayment prohibition imposed and/or penalty required by the Mortgage Note. In the event of a partial prepayment described in subparagraph (A) or (C) above, the Mortgage Note may be reamoritized to reflect its reduced principal amount.

If the Borrower makes any such prepayment on the Mortgage Note, the amount prepaid will be paid to the Mortgage Lender and passed through to the Trustee, as a prepayment on the GNMA Securities, and applied to the redemption of Bonds, as described under "THE BONDS - Redemption Prior to Maturity."

THE GNMA MORTGAGE-BACKED SECURITIES PROGRAM

The summary and explanation of the GNMA Mortgage-Backed Securities Program and the other documents referred to herein do not purport to be complete, and reference is made to the GNMA Mortgage-Backed Securities Guide (GNMA Handbook 5500.3, as amended) and to said documents for full and complete statements of their provisions,

The Government National Mortgage Association ("GNMA") is a non-stock corporate instrumentality of the United States within the Department of Housing and Urban Development ("HUD") with its principal office in Washington, D.C.

The type of GNMA Security to be issued by the Mortgage Lender in connection with the financing of the Project will be the GNMA Security which is to be issued with respect to the permanent Mortgage Loan with payment provisions which correspond to the monthly scheduled installments of principal of and interest on the Mortgage Note. No interim disbursements will be made for construction, nor will any temporary construction loan certificates be issued by the Mortgage Lender.

The GNMA Securities will be "fully-modified pass-through" mortgage-backed securities issued and serviced by the Mortgage Lender. The total face amount of the GNMA Securities is in the same amount as the Mortgage Note. Pursuant to the GNMA Guide, the Mortgage Lender will make all payments on the GNMA Securities in accordance with their terms, plus any unscheduled prepayments of principal of the Mortgage Note received by the Mortgage Lender from Borrower, provided that the sole recourse for failure of payment on the GNMA Securities is limited to GNMA. GNMA guarantees the timely payment of the principal of and interest on the GNMA Securities.

GNMA Guaranty

GNMA is authorized by Section 306(g) of Title III of the National Housing Act, as amended (the "National Housing Act"), to guarantee the timely payment of the principal of, and interest on, securities which are based on and backed by mortgage pools consisting of a single mortgage insured by the Federal Housing Administration ("FHA") under Section 221(d)(3) pursuant to Section 223(a)(7) of the National Housing Act. Section 306(g) of the National Housing Act further provides that "[T]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion, dated December 12, 1969, of the then Assistant Attorney General of the United States, states that such guaranties under Section 306(g) of mortgage-backed securities of the type being delivered to the Trustee on behalf of the Issuer are authorized to be made by GNMA and "would constitute general obligations of the United States backed by its full faith and credit.

Pursuant to such authority, GNMA, upon delivery of a GNMA Security in accordance with the related GNMA Guaranty Agreement, will have guaranteed the timely payment of the principal of and interest on such GNMA Security.

GNMA Borrowing Authority

In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Treasury Department (the "Treasury") in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Securities. The Treasury is authorized to purchase any obligations so issued by GNMA and has indicated in a letter dated June 13, 1970, from the then Secretary of the Treasury to the then Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement the aforementioned guaranty.

GNMA warrants to the holder of the GNMA Securities in the related GNMA Guaranty Agreement (as hereinafter defined) that, in the event it is called upon at any time to make good its guaranty of the payment of principal of and interest on the GNMA Securities, it will, if necessary, in accordance with Section 306(d) of the National Housing Act, apply to the Treasury for a loan or loans in amounts sufficient to make payments of principal of and interest on the GNMA Securities.

Servicing of Mortgage Loans

The Mortgage Lender is responsible for servicing and otherwise administering the Mortgage Loan in accordance with generally accepted practices of the mortgage banking industry and the GNMA Servicer's Guide.

The monthly remuneration of the Mortgage Lender, for its servicing and administrative functions, and the guaranty fee charged by GNMA, are based on the unpaid principal amount of the GNMA Securities outstanding. The total of the servicing and guaranty fees with respect to the GNMA Securities is 0.25 % per annum, payable monthly, calculated on the principal balance of the GNMA Securities outstanding on the last day of the month preceding such date of calculation. Of the 0.25% total fee, 0.13% is paid to GNMA as a guaranty fee, and the remainder is retained by the Mortgage Lender as a servicing fee. The GNMA Securities bear an interest rate that is 0.25% per annum less than the interest rate on the Mortgage Note because the servicing and guaranty fee is deducted from payments on the Mortgage Note.

It is expected that interest and principal payments on the Mortgage Note as paid by Borrower will be the source of moneys for payments on the GNMA Securities. If such payments are less than what is due, the Mortgage Lender may, but is not required to, advance its own funds to ensure timely payment of scheduled installments of principal and interest due on the GNMA Securities, however, no payment of any moneys by Mortgage Lender shall be construed as to the Mortgage Lender's guaranty or so as to provide any recourse thereunder against the Mortgage Lender, the sole recourse for failure of payment on the GNMA Securities being limited to GNMA. GNMA guarantees such timely payment in the event of the failure of the Mortgage Lender to pass through such scheduled principal and interest payments when due.

The Mortgage Lender is required to advise GNMA in advance of any impending default on scheduled payments on the GNMA Securities so that GNMA as guarantor will be able to continue such payments as scheduled on the 15th day of each month. If, however, such payments are not received as scheduled, the Trustee, on behalf of the Issuer, has recourse directly to GNMA.

The agreement entered into by GNMA and the Mortgage Lender in connection with the issuance of the GNMA Securities (the "GNMA Guaranty Agreement") provides that, in the event of a default by the Mortgage Lender, including (i) a request to GNMA to make a payment of principal of or interest on the GNMA Securities when the Borrower is not in default under the Mortgage Note, (ii) insolvency of the Mortgage Lender, or (iii) default by the Mortgage Lender under any other guaranty agreement with GNMA, GNMA will have the right, by letter to the Mortgage Lender, to effect and complete the extinguishment of the Mortgage Lender's interest in the Mortgage Note, and the Mortgage Note will thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the holder of the GNMA Securities. In such event, the GNMA Guaranty Agreement will provide that on and after the time GNMA directs such a letter of extinguishment to the Mortgage Lender, GNMA will be the successor in all respects to the Mortgage Lender in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein, and will be subject to all responsibilities, duties, and liabilities (except the Mortgage Lender's indemnification of GNMA), theretofore placed on the Mortgage Lender by the terms and provisions of the GNMA Guaranty Agreement, provided that, at any time, GNMA may enter into an agreement with any other eligible issuer of GNMA Securities under which the latter undertakes and agrees to assume any part or all such responsibilities, duties or liabilities theretofore placed on the Mortgage Lender, and provided that, no such agreement will detract from or diminish the responsibilities, duties or liabilities of GNMA in its capacity as guarantor of the GNMA Securities, or otherwise adversely affect the rights of the holders thereof.

Payment of Principal and Interest on the GNMA Securities

Upon the issuance of the GNMA Security and commencement of the payment of principal pursuant to the Mortgage Note, the GNMA Security will be payable in monthly installments of principal and interest, subject to prepayment, assignment for insurance benefits or acceleration of the Mortgage Note. Each installment on the GNMA Security is applied first to interest and then in reduction of the principal balance then outstanding on the GNMA Securities. The amount of principal due on the GNMA Security is the scheduled principal amortization due on the Mortgage Note.

Payment of interest on the GNMA Security shall be made in monthly installments commencing with the 15th day of the month following the date of issue of the GNMA Security. Payment of principal on the GNMA Security will commence 15 days after the commencement of amortization of principal on the Mortgage Note, which, pursuant to the Mortgage Note, will occur on June 1, 2006, unless extended. On the date of delivery of the GNMA Security, the Trustee is required by the Indenture under certain circumstances to apply remaining moneys in the Mortgage Loan Fund to the redemption of the Bonds. In the event the amount of retained principal exceeds the amount remaining in the Mortgage Loan Fund, the GNMA issuer will pay to the Trustee the amount of such difference in the form of a prepayment.

The monthly installments are subject to adjustment by reason of any prepayments or other early or unscheduled recoveries of principal on the Mortgage Note pursuant to the terms thereof. Pursuant to the GNMA Guide, the Mortgage Lender will make all payments on the GNMA Securities in accordance with their terms to the Trustee, plus any unscheduled prepayments of principal on the Mortgage Note received by the Mortgage Lender from the Borrower provided that the sole recourse for failure of payment is limited to GNMA.

Liability of Mortgage Lender

The GNMA Securities do not constitute a liability of nor evidence any recourse against the Mortgage Lender. The GNMA Securities are based on and backed by the Mortgage on the real property securing the Mortgage Note. Recourse may be had by the Trustee only to GNMA in the event of any failure of timely payment as provided for in the GNMA Guaranty Agreement appended to the GNMA Securities.

THE ISSUER

The Issuer is a home-rule unit of government, designated as a political subdivision of the State of Illinois, pursuant to the provisions of the Constitution of the State and under the Act. The Issuer is empowered to issue its bonds to provide funds for the refinancing and refunding of the Prior Bonds, which were issued to finance the costs of the Project. None of the Issuer's assets or revenues, other than its interests under the Financing Agreement, the Indenture and any interest in the GNMA Security, are pledged to secure or pay the Bonds.

Under the financing contemplated hereby, the Issuer has no obligations with respect to this financing after the issuance of the Bonds. All payments made pursuant to the Financing Agreement will be made directly from the GNMA Securities to the Trustee for disbursement to the Bondholders. The Issuer neither has nor assumes responsibility for any information in this Official Statement, except for the information under this caption and the caption "ABSENCE OF LITIGATION" as it relates to the Issuer.

THE PROJECT

Location of the Project

The Project is located at 444 Parkway Drive in Pekin, Illinois. Pekin is located in the north central part of the State approximately 10 miles south of Peoria at the intersection of Illinois Highways 9 and 29 and approximately 150 miles southwest of Chicago. The population of Pekin under the 2000 Federal Census is 33,857. The major employers in the area are Caterpillar, a construction and mining equipment producer; Pekin Insurance, an insurance provider and multiple ethanol production plants that operate in the area.

Description of the Project

The Project consists of one fifteen-story building containing a total of 215 housing units having the following characteristics:

Number of Units	Type of Units	Approximate Size (Sq. Ft.)	Monthly Rent
215	One Bedroom	500	$939

Each individual apartment unit includes a living room, kitchen, bathroom, and bedroom and are equipped with range, refrigerator, kitchen exhaust fans, garbage disposal, carpeting and drapery rods. Heat pumps and air conditioning equipment are also provided. A self-parking lot provides space for 83 automobiles. Laundry facilities are also provided. The first floor common area has a restaurant, craft room, gift shop, community room and manager's office.

The Borrower has entered into an agreement with the Issuer that the Project will remain on the real estate tax bills rolls of Tazewell County, the Issuer and all other taxing bodies with jurisdiction for a period through the final maturity of the Bonds.

Results of Operations

The information under this caption has been provided by the Borrower. The Borrower has always operated at an approximate 99% occupancy rate. There is currently a fourteen (14) month waiting list for occupancy. In the last five (5) years for which financial statements are available, the Project has shown an operating surplus (after payment of operating and maintenance expenses, depreciation reserves and debt service for the Prior Bonds) in each year, as follows:

Year	Operating Surplus
2000	$ 483,486
2001	239,245
2002	107,173
2003	47,717
2004	116,256

The Borrower

The owner of the Project is United Auto Workers Senior Citizen Center, Inc., an Illinois not-for-profit corporation, incorporated on July 14, 1977, under the laws of the State of Illinois for the principal purpose of acquiring, constructing and owning the Project. The principal office of the Borrower is located at 444 Parkway Drive, Pekin, Illinois 61554 [Tel: 309-347-7791]. The Borrower is an affiliate of the Local 974, United Automobile, Aerospace and Agricultural Implement Workers of America.

The officers and trustees of the Borrower and the office held by each are as follows:

Name	Office
David C. Chapman	President
Rick Dotty	Executive Vice President
James T. Arrowood	Second Vice President
Danny R. Miller	Recording Secretary
John Shallenberger	Financial Secretary Treasurer
Terry Freeman	Trustee
Don Barker	Trustee
Gregory B. Larson	Trustee
John Arnold	Sergeant-at-Arms
Mark W. Donnelly	Guide
David E. Durbin	Chairman, Publicity & Education
William R. Scott	Chairman, Unit 1
Rod Malott	Chairman, Unit 2
Pamela Smith	Chairman, Unit 3
Terry Beebe	Chairman, Unit 4
[Vacant]	Chairman, Unit 5
Theodore R. Hoak, Jr.	Retiree Chapter President

The Borrower has had no previous experience with the ownership and/or management of housing projects. The Project since its inception represents the only substantial asset and business activity of the Borrower. The Borrower does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the ownership of the Project. However, officers or directors or other persons affiliated with the Borrower may engage in the acquisition, development, ownership and management of similar types of housing projects.

Except to the extent expressly set forth herein, no representation is made that the Borrower will have funds available for debt service and other costs related to the Project. The Borrower has no assets other than the assets pledged to payment of the Bonds as described herein. The officers, directors and members of the Borrower are not personally liable on the Mortgage Note. Accordingly, the financial statements of the Owner's officers, directors or members are not included in this Official Statement. Although the Borrower has incurred deficits in connection with the early operation of the Project, recent operating years have shown surpluses. See the caption "The Project- Results of Operation."

The Mortgage Lender and GNMA Servicer

The following information has been provided by the Mortgage Lender. None of the Issuer, the Borrower or the Underwriter makes any representation as to the accuracy or completeness of this information, nor has any of them independently verified such information.

Capstone Realty Advisors, LLC is an Ohio limited liability company formed in 1998. It became a HUD approved mortgagee in 1999 as was approved by GNMA in 1999 as a Seller / Servicer. The Mortgage Lender is an approved issuer of GNMA guaranteed fully modified pass through securities and an FHA approved mortgagee and Freddie Mac approved seller - servicer. The Mortgage Lender services multifamily loans involving FHA-insured mortgage loans in the approximate principal amount of $2.5 billion as of December 31, 2005, and an additional $5 billion of commercial and multifamily loans for Freddie Mac, RHS ands various life company and institutional investors. To be approved by GNMA to issue fully modified mortgage backed securities on multifamily projects, the Mortgage Lender is required to have a minimum net worth. As of December 31, 2005, the Mortgage Lender had a net worth of $74 million. The principal corporate offices of the Mortgage Lender are located at 1120 Chester Avenue, Suite 300, Cleveland, Ohio 44114.

The Trustee

J.P. Morgan Trust Company, National Association, Chicago, Illinois, will serve as Trustee under the Indenture. The Trustee is a national banking association organized under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee currently serves as trustee or escrowee for many other tax-exempt financings, including those backed by FHA-insured multifamily mortgage loans.

SOURCES AND USES OF FUNDS
(all figures subject to change)

The following table sets forth the estimated sources and uses of funds:

SOURCES OF FUNDS	**TOTAL**
Series A Bond Proceeds	
Series B Bond Proceeds	
Debt Service Reserve Fund for Prior Bonds	
TOTAL SOURCES OF FUNDS	

USES OF FUNDS:	**TOTAL**
Deposit to Refunding Account of Mortgage Loan Fund	
Bond Costs	
Mortgage/Real Estate Costs	
TOTAL USES OF FUNDS	

TAX MATTERS

In the opinion of Wildman, Harrold, Allen & Dixon LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series A Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes compliance by the Issuer and the Borrower with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series A Bonds. Failure to comply with such requirements could cause interest on the Series A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A Bonds. The Issuer and the Borrower have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series A Bonds.

Notwithstanding Bond Counsel's opinion that interest on the Series A Bonds is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (determined without regard to such adjustment and prior to deduction for certain net operating losses).

Bond Counsel is further of the opinion that the interest on the Series A Bonds is not exempt from State of Illinois personal income taxation.

The accrual or receipt of interest on the Series A Bonds may otherwise affect the federal income tax liability of the owners of the Series A Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series A Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series A Bonds.

Changes in Federal Tax Law

From time to time, there are legislative proposals in the Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation.

ABSENCE OF LITIGATION

It is a condition of the Underwriter's acceptance of the Bonds that, on the date of delivery of the Bonds, the Issuer deliver a certificate to the effect that, to the best of the Issuer's knowledge, there is no litigation pending directly against or threatened directly against the Issuer or any of its officers in their capacities as such to restrain or enjoin the issuance or sale of the Bonds or the execution and delivery of the Bonds or related documents, or in any way affecting or questioning the authority for or the validity of the Bonds or the related documents, or the existence or power of the Issuer to use the proceeds from the sale of the Bonds to finance the costs of the Project described in the Financing Agreement or the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation.

It is a condition of the Underwriter's acceptance of the Bonds that, on the date of delivery of the Bonds, the Borrower deliver a certificate to the effect that there is no litigation pending or, to the best of its knowledge, threatened directly against the Borrower or to restrain or enjoin the issuance or sale of the Bonds or the execution and delivery of the Bonds or related documents, or in any way affecting or questioning the authority for or the validity of the Bonds or the related documents, or the existence or power of the Borrower to use the proceeds from the sale of the Bonds to finance the costs of the Project described in the Financing Agreement, or the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation.

LEGAL MATTERS

Legal matters incident to the authorization, issuance, sale and delivery of the Bonds by the Issuer are subject to the approving opinion of Wildman, Harrold, Allen & Dixon LLC, Chicago, Illinois, Bond Counsel. Copies of the approving opinion of Bond Counsel will be available at the time of delivery of the Bonds in substantially the form set forth herein in Appendix F.

Certain legal matters will be passed upon for the Borrower by Katz, Friedman, Eagle, Eisenstein & Johnson, PC, Chicago, Illinois. The Lakin Law Firm, P.C., will pass upon certain legal matters for the Underwriter, and Talbott and Associates, P.C., McLean, Virginia, will pass upon certain legal matters for the Mortgage Lender.

UNDERWRITING

Bernardi Securities, Inc. (the "Underwriter") is offering the Bonds at the prices set forth on the inside cover page hereof. The initial offering price may be changed from time to time and concessions from the offering price may be allowed to dealers, banks and others. The Underwriter has purchased the Bonds at a price equal to the reoffering price set forth on the inside cover page hereof, plus an additional amount required to be deposited in the Bond Fund for the payment of interest on the Bonds (the "Capitalized Interest Deposit"). For its services as such, the Underwriter will be paid a fee equal to two percent (2.0%) of the aggregate principal amount of the Bonds, to be paid upon initial endorsement of the Mortgage Note. In addition, the Underwriter will be reimbursed for its out-of-pocket expenses incurred in connection with its underwriting of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee and the owners of the Bonds upon an event of default under the Indenture, the GNMA Securities, the Financing Agreement, the Mortgage Note or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

RATING

Standard and Poor's is expected to assign its rating of "AAA" to the Bonds. A rating is not a recommendation to buy or hold securities. An explanation of the significance of such rating may be obtained only from the rating agency furnishing the same. The Borrower furnished to the rating agency certain information and materials respecting the Bonds and itself. Generally, rating agencies base their ratings on such information and materials, and also on investigations, studies and assumptions by the rating agencies. There is no assurance that the rating will remain for any given period of time or that it may not be lowered or withdrawn by the rating agency, if in its judgment circumstances so warrant. Any such downward change in or withdrawal of such rating could adversely affect the market price of the Bonds.

RELATIONSHIP AMONG THE PARTIES

In connection with the issuance of the Bonds, the Mortgage Lender, the Borrower and the Underwriter are being represented by the attorneys or law firms identified above under the heading "LEGAL MATTERS" and Wildman, Harrold, Allen & Dixon LLP is acting as Bond Counsel. In other transactions not related to the Bonds each of these attorneys or law firms may have acted as Bond Counsel or represented the Mortgage Lender, the Borrower or the Underwriter or their affiliates, in capacities different from those described under "LEGAL MATTERS," and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these firms or attorneys to act as Bond Counsel or represent any of these parties in any future transactions. Furthermore, the Mortgage Lender, the Borrower, the Underwriter and their affiliates, are not limited in engaging in future business transactions together or in any combination with each other. Potential purchasers of the Bonds should not assume that the Mortgage Lender, the Borrower and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

OTHER MATTERS

So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE ISSUER CONTAINED UNDER THE CAPTIONS “THE ISSUER” AND “ABSENCE OF LITIGATION,” AS IT RELATES TO THE ISSUER, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (i) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; (ii) THE VALIDITY OF THE BONDS; OR (iii) THE TAX STATUS OF THE INTEREST ON THE BONDS.

The Issuer and the Borrower have authorized the distribution of this Official Statement.

APPENDIX A

GLOSSARY AND DEFINITIONS

As used in the following summaries of the principal documents, capitalized terms shall have the following meanings:

"**Account**" means any one or more of the separate special trust accounts created by Article III hereof, and shall include any subaccount or subaccounts included in such account.

"**Act**" means the Issuer's powers as a home rule unit of government pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois, as amended.

"**Act of Bankruptcy**" means notice to the Trustee that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Borrower.

"**Affiliate**" means a corporation, limited liability company, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or any state thereof which is directly or indirectly controlled by the Borrower, by any other Affiliate or by any Person which controls the Borrower, or which controls any other Affiliate. For purposes of this definition, control means the power to direct the management and policies of a Person through the ownership of not less than a majority of its voting securities, the right to designate or elect not less than a majority of the members of its board of directors or other governing body, by contract or otherwise.

"**Authorized Denomination**" means with respect to the Bonds, $5,000 or any integral multiple thereof.

"**Authorized Representative**" means, with respect to the Trustee, any officer or administrator thereof responsible for trust administration; with respect to the Issuer, the Mayor, the City Clerk or the City Treasurer of the Issuer or any other person(s) designated by a certificate of the Issuer as the authorized representative of the Issuer; and with respect to the Borrower, the President or any Vice President of the Borrower or any other Person or Persons designated to act on behalf of the Borrower by a certificate of the Borrower filed with the Issuer and the Trustee.

"**Available Money**" means proceeds of the Bonds, payments made under the GNMA Security, any payments made by the Borrower or an Affiliate of the Borrower and held by the Trustee (or held by the Mortgage Lender for payments on the Mortgage Note) for a period of 123 days, provided that no Act of Bankruptcy with respect to the Borrower has occurred during such period, or any money with respect to which the Trustee has received an opinion of nationally recognized bankruptcy counsel to the effect that the use by the Trustee of such money in accordance with this Indenture would not constitute an avoidable preference or be subject to the automatic stay provisions of Sections 547 and 362(a), respectively, of the United States Bankruptcy Code or similar laws of the United States of America or the State of Illinois in the event a petition in bankruptcy is filed by or against the Issuer or Borrower depositing such money.

"**Beneficial Owner**" means a beneficial owner of all or a portion of the Bonds while the Bonds are in fully immobilized form.

"**Bond**" or "**Bonds**" means any one or more of the Issuer's Series A Bonds and Series B Bonds, authenticated and delivered under this Indenture.

"**Bond Closing**" means the date upon which the Issuer delivers the Bonds to the initial purchasers thereof in exchange for the moneys representing proceeds of the Bonds or other consideration.

"**Bond Counsel**" means an attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, who is or are acceptable to the Issuer and is or are duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"**Bond Register**" means the registration books required to be maintained pursuant to Section 2.03 of the Indenture.

"**Bond Registrar**" means the party so appointed pursuant to Section 2.03 of the Indenture.

"**Bondowner**" means the Registered Owner.

"**Bond Year**" means the period commencing on January 1 of each year and ending on the immediately succeeding December 31, provided the first Bond Year shall commence on the Bond Closing and end on December 31, 2006.

"**Borrower**" means United Auto Workers Senior Citizens' Center, Inc., an Illinois not-for-profit corporation, as the owner of the Project, and its respective successors and assigns as such owner.

"**Business Day**" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which commercial banks in the city or cities in which the Principal Office of the Trustee and Bond Registrar are located are authorized or required by law or executive order to close.

"**CEDE & CO**" means Cede & Co. or Cede & Co.'s successor as nominee of DTC.

"**Code**" means the Internal Revenue Code of 1986, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or Internal Revenue Service, to the extent applicable to the Bonds. All references herein to sections, paragraphs or other subdivisions of the Code or the regulations promulgated thereunder shall be deemed to be references to correlative provisions of any predecessor or successor code or regulations promulgated thereunder.

"**Commencement of Amortization**" means the date on which the Borrower begins to repay principal of the Mortgage Loan.

"**Commitment**" means that Firm Commitment to Insure pursuant to Sections 221(d)(3) and 223(a)(7) of the National Housing Act dated February 2, 2006 and any amendments thereto, from HUD to Draper and Kramer.

"**Continuing Disclosure Fee**" means an amount not greater than $500 payable on each Interest Payment Date, payable in accordance with any agreement between the Borrower and the Trustee; provided, however that the portion of such fee payable from Revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 of the Financing Agreement.

"**Cost of Issuance Fund**" means the fund so designated and established by Section 3.02 of the Indenture.

"**Counsel**" means an attorney at law or a firm of attorneys (who may be an employee of or counsel to the Issuer or the Borrower, or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or of the District of Columbia.

"**Debt Service**" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation.

"**Distribution**" has the same meaning as that term in the HUD Regulatory Agreement.

"**DTC**" means The Depository Trust Company, New York, New York.

"**Event of Default**" means an occurrence or event specified in and defined by Section 8.01 of the Indenture.

"**Fair Market Value**" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Issuer and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"**FHA**" means the Federal Housing Administration, an organizational unit within HUD or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD, the Federal Housing Commissioner and their representatives or agents.

"**FHA Insurance**" means the insurance of the Mortgage Note by FHA under Section 221(d)(3) and pursuant to Section 223(a)(7) of the National Housing Act.

"**Financing Agreement**" means the Financing Agreement, dated as of April 1, 2006, among the Issuer, the Mortgage Lender, the Borrower and the Trustee, as amended and supplemented from time to time.

"**Financing Documents**" means this Indenture, the Financing Agreement, the Mortgage Note and the Mortgage.

"**Fund**" means any one or more of the separate special trust funds created by Article III.

"**General Fund**" means the fund so designated and established by Section 3.02 of the Indenture.

"**GNMA**" means the Government National Mortgage Association, an organizational unit within HUD, or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD.

"**GNMA Documents**" means the commitments issued by GNMA to the Mortgage Lender to guaranty the GNMA Security and all other documents, certifications and assurances executed and delivered by the Mortgage Lender, GNMA or the Borrower in connection with the GNMA Security.

"**GNMA Security**" means a fully-modified pass-through security with a pass-through rate of ____% and a maturity date of May 20, 2034 issued by the Mortgage Lender, purchased by and registered in the name of the Trustee or its designee and guaranteed by GNMA as to timely payment of principal of and interest, pursuant to Section 306(g) of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder, backed by the Mortgage Loan made by the Mortgage Lender to finance the Project pursuant to the Commitment, the Mortgage Loan Documents and the Financing Agreement, which Mortgage Loan is insured by the Secretary of Housing and Urban Development by and through the FHA.

"**GNMA Security Delivery Date**" means June 1, 2006, or such later date as may be established pursuant to Section 3.04 of the Indenture.

"**Government Obligations**" means noncallable, direct, general obligations of the United States of America (including the obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or any obligations unconditionally guaranteed as to the full and timely payment of principal and interest by the full faith and credit of the United States of America, but shall not include unit investment trusts or mutual funds invested in such obligations. U.S. Treasury STRIPS and REFCORP STRIPS (by the Federal Reserve Bank of New York) are Government Obligations only with respect to such interest payments.

"**HUD**" means the United States Department of Housing and Urban Development.

"**HUD Regulatory Agreement**" means the Regulatory Agreement on HUD Form 92466-E dated April 1, 2006, between the Borrower and the Secretary of HUD.

"**Indenture Act**" means the Trust Indenture Act of 1939 (Act of August 3, 1939, 53 Stat. 1149, 15 U.S.C., Secs. 77aaa-77bbbb, as amended).

"**Interest Payment Date**" means (a) for the Series A Bonds May 20 and November 20 of each year, commencing November 20, 2006, (b) for the Series B Bonds, May 20 and November 20 of each year, commencing November 20, 2006, or (c) any other date upon which interest on the Bonds is due and payable, whether by maturity, acceleration, prior redemption, or otherwise.

"**Interest Period**" means the period from and including the latest of (i) the Bond Closing, or (ii) an Interest Payment Date, to but not including the next succeeding Interest Payment Date.

"**Issuance Costs**" means all costs and expenses of issuance of the Bonds, including, but not limited to:

(a) underwriters' discount or fee;

(b) counsel fees, including bond counsel, underwriters' counsel, Issuer's counsel, Borrower's counsel and Mortgage Lender's counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds;

(c) financial advisor fees and expenses incurred in connection with the issuance of the Bonds;

(d) initial fees and expenses of the Trustee, including Trustee counsel fees and expenses in connection with the issuance of the Bonds;

(e) costs of printing the preliminary and final Official Statement;

(f) publication or copying costs associated with the financing proceedings; and

(g) initial fees and expenses, if any, of the Issuer, and the Rating Agency.

"**Issuer**" means the City of Pekin, Tazewell County, Illinois, a political subdivision of the State of Illinois existing as a home-rule unit of government under the Constitution and laws of the State of Illinois.

"**Letter of Representations**" means the Blanket Issuer Letter of Representations signed by the Issuer and accepted by DTC with respect to the initial immobilization of the Series A Bonds.

"**Mortgage**" means the Mortgage and Security Agreement that is delivered by the Borrower as mortgagor to the Mortgage Lender, and secures the repayment of the Mortgage Note.

"**Mortgage Lender**" means Capstone Realty Advisors, LLC, an Ohio limited liability company or its successors and assigns, with respect to the Mortgage Loan.

"**Mortgage Loan**" means the Mortgage Loan assigned to the Mortgage Lender for the benefit of the Borrower pursuant to the Mortgage Loan Documents and the Financing Agreement to provide refinancing for the Project.

"**Mortgage Loan Documents**" means the Mortgage, the Mortgage Note and all other documents required by the Mortgage Lender and/or HUD in connection with the Mortgage Loan.

"**Mortgage Loan Fund**" means the fund so designated and established by Section 3.02 of the Indenture.

"**Mortgage Note**" means the Mortgage Note executed by the Borrower to evidence the obligation to repay the Mortgage Loan.

"**National Housing Act**" means the National Housing Act of 1934, as amended, and the applicable regulations thereunder.

"**Net Proceeds**" means, when used with reference to the Bonds, the face amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount and proceeds deposited into any reserve fund, if any.

"**Ordinance**" means the bond ordinance of the Issuer, duly adopted and approved by the Issuer on April 3, 2006, authorizing the issuance and sale of the Bonds and the execution of this Indenture.

"**Originating Mortgagee**" means Capstone Realty Advisors, LLC.

"**Outstanding**," "**Bonds Outstanding**" or "**Bonds outstanding**," in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under this Indenture, except:

(a) Bonds theretofore cancelled or required to be cancelled under Section 2.09 of the Indenture;

(b) Bonds which are deemed to have been paid in accordance with Article XII hereof; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II or Section 10.05 of the Indenture.

In determining whether the Owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds which are registered on the Bond Register in the name of the Borrower, the Issuer or any other obligor on the Bonds, or any person actually known to the Trustee to be an affiliate of any one of said entities (for the purpose of this definition an "affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person) shall be disregarded and deemed not to he outstanding hereunder for the purpose of any such determination. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Bonds (in certificated form) so owned, which have been pledged in good faith, may be regarded as Outstanding if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Borrower, the Issuer, or any other obligor on the Bonds, or any affiliate of any of the foregoing. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

"**Owner**" means the Registered Owner of any Bond.

"**Person**" means any natural person, firm, limited liability company, partnership, association, corporation, trust or public body.

"**Principal Office**" means, when used with respect to the Trustee, the corporate trust office of the Trustee located in Chicago, Illinois, at the address shown in Section 13.04 of the Indenture, or such other location designated in writing by the Trustee for any particular purpose, including, but not limited to, for purposes of payments on the Bonds and any exchange, transfer, or surrender of the Bonds.

"**Project**" means the refinance of a 215-unit multifamily rental apartment project located at 444 Parkway Drive, Pekin, Illinois 61554.

"**Project Costs**" means, to the extent authorized by the Code and the Act, refinancing costs of the Borrower with respect to the refinancing of the Project, and all other costs approved by Bond Counsel, but excluding Issuance Costs.

"**Qualified Investments**" means such of the following which are at the time legal investments for fiduciaries under the law of the State for moneys held under this Indenture which are then proposed to be invested therein and which shall mature or shall be subject to redemption by the owner thereof at the option of such owner, not later than the earlier of (i) thirty (30) days, or (ii) the respective dates when the moneys will be required for the purposes intended:

(a) Government Obligations;

(b) Federal Housing Administration’s debentures;

(c) Federal Home Loan Mortgage Corporation’s (FHLMC) participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts and interest only strips) which guarantee timely payment of principal and interest and senior debt obligations;

(d) Farm Credit Banks’ (Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated systemwide bonds and notes;

(e) Federal Home Loan Banks consolidated debt obligations;

(f) Federal National Mortgage Association’s (FNMA) mortgage-backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts and interest only strips) and senior debt obligations;

(g) Resolution Funding Corporation’s (REFCORP) debt obligations;

(h) Certificates of deposit, time deposits and bankers’ acceptances (having original maturities of not more than 90 days) of any bank, the unsecured short term obligations of which are rated “A-1+” by S&P;

(i) Deposits with a bank which are fully insured by the Federal Deposit Insurance Corporation (FDIC), provided that the bank’s unsecured obligations are rated “A-1+” by S&P;

(j) Debt obligations rated “AAA” by S&P (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date);

(k) Commercial paper (having original maturities of not more than 90 days) rated “A-1+” by S&P;

(l) Shares in an investment company registered under the Federal Investment Company Act of 1940 whose shares are registered under the Federal Securities Act of 1933 and whose only investments are comprised of obligations issued or guaranteed as to principal and interest by the U.S. Government and thus constitute direct obligations of the U.S.A. and repurchase agreements fully secured by Government Obligations and such fund is rated “AAAm” or “AAAm-g” by S&P;

(m) Any investment agreement, guarantee or other investment vehicle or security, in form and substance satisfactory to the Borrower, which has been submitted to and approved by the Rating Agency; and

(n) Unsecured certificates of deposit, demand deposits, including interest bearing money market accounts, trust deposits, or bankers acceptances (in each case having maturities of not more than 360 days) of any domestic bank (including the Trustee and any bank affiliated with the Trustee) including a branch office of a foreign bank, which branch office is located in the United States, provided that such bank at the time of purchase, has a rating of "A-1+" or better by S&P.

"**Rating Agency**" means Standard & Poor's Ratings Service, or any successors and assigns or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized rating agency designated by the Issuer, which maintains a rating on the Bonds.

"**Rebate Amount**" means the amount, if any, determined to be payable with respect to the Bonds by the Issuer to the United States of America pursuant to Section 148 of the Code, calculated in accordance with the Tax Certificate.

"**Rebate Analyst**" means any nationally recognized firm of certified public accountants, any reputable firm which offers to the tax-exempt bond industry rebate calculation services and holds itself out as having expertise in that area, or any other recognized expert approved by the Issuer.

"**Rebate Fund**" means the Fund of that name established pursuant to Section 3.02 of the Indenture.

"**Rebate Monitoring Fee**" means an amount not greater than $5,000, payable on November 20 of 2010, 2015, 2020, 2025 and 2030 and on May 20, 2034, in accordance with any agreement between the Borrower and the Rebate Analyst; provided, however, that the portion of such fee payable from Revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 of the Financing Agreement.

"**Record Date**" means, except for payment of defaulted interest, while the Bonds are in book-entry only form, the fifth calendar day prior to the Interest Payment Date, and while the Bonds are in certificated form, the fifth calendar day of the month in which an Interest Payment Date occurs. With respect to any payment of defaulted interest, a Special Record Date shall be established by the Trustee in accordance with the provisions of Section 2.02 of the Indenture.

"**Registered Owner**," "**Owner**" or "**Bondowner**" means the person or persons in whose name or names a Bond shall be registered on books of the Trustee kept for that purpose in accordance with the terms of this Indenture.

"**Regulations**" means the proposed, temporary or permanent regulations promulgated under the Code.

"**Reserved Rights**" means:

(a) all rights which the Issuer or its officers, officials, agents or employees may have under this Indenture and the Financing Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, agents or employees;

(b) the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals hereunder and under the other Financing Documents;

(c) all rights of the Issuer to enforce (other than the declaration of a default under any of the Financing Documents) the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly, to the tax-exempt status of interest on the Bonds set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower relating to the Bonds (which rights are held concurrently with the Trustee);

(d) the rights of the Issuer pertaining to the management, operation and maintenance of the Project;

(e) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; and

(f) all enforcement remedies with respect to the foregoing.

"**Revenue Fund**" means the fund so designated and established by Section 3.02 of the Indenture.

"**Revenues**" means (i) all income derived from the investment of money credited to the funds and accounts created hereunder except the Cost of Issuance Fund, General Fund and Rebate Fund; and (ii) all payments required to be made to the Trustee under the GNMA Security.

"**Series A Bonds**" means any one or more of the Issuer's Mortgage Revenue Refunding Bonds (GNMA Collateralized - United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A, authenticated and delivered under this Indenture.

"**Series A Interest Account**" means the Account so designated and established in the Revenue Fund by Section 3.02 of the Indenture.

"**Series A Principal Account**" means the Account so designated and established in the Revenue Fund by Section 3.02 of the Indenture.

"**Series B Bonds**" means any one or more of the Issuer's Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized -- United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B, authenticated and delivered under the Indenture.

"**Series B Interest Account**" means the account so designated and established in the Revenue Fund by Section 3.02 of the Indenture.

"**Series B Principal Account**" means the account so designated and established in the Revenue Fund by Section 3.02 of the Indenture.

"**Special Mandatory Redemption Account**" means the account so designated and established in the Revenue Fund by Section 3.06 of the Indenture

"**Special Record Date**" means, with respect to the payment of any defaulted interest on the Bonds, a date fixed by the Trustee pursuant to Section 2.02 of the Indenture.

"**State**" means the State of Illinois.

"**Supplemental Indenture**" means any agreement hereafter authorized and entered into between the Issuer and the Trustee which amends, modifies or supplements and forms a part of this Indenture.

"**Surplus Cash Fund**" means the fund so designated and established by Section 3.02 of the Indenture.

"**Tax Certificate**" means the Tax Certificate as to Arbitrage and the Provisions of Sections 141-150 of the Internal Revenue Code of 1986, as amended, dated as of the Bond Closing, consisting of certificates executed by the Issuer and the Borrower setting forth reasonable expectations of the parties, the methodology for computation of the Rebate Amount and other requirements for compliance with the Code.

"**Trust Estate**" means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

"**Trustee**" means J.P. Morgan Trust Company, National Association, as trustee hereunder, or any successor trustee or co-trustee appointed in accordance with the terms of the Indenture.

"**Trustee Fee**" means prior to any Event of Default under Section 8.01(a) or (b) of the Indenture an amount equal to $1,855 payable on each Interest Payment Date in accordance with any agreement between the Trustee and the Borrower; provided, however, that the portion of such fee payable from revenues shall be ratably reduced upon a special mandatory prepayment of the Mortgage Loan, with the amount of any such reduction being paid directly by the Borrower in accordance with Section 4.01 of the Financing Agreement.

Such terms as are not defined herein shall have the meanings assigned to them in the Mortgage Loan Documents.

APPENDIX B

SUMMARIES OF THE TRUST INDENTURE AND THE FINANCING AGREEMENT

The following summary of the indenture does not purport to be complete, and is qualified in its entirety by reference to the full text of the indenture.

Authorization, Terms, Execution and Issuance of Bonds

Authorized Amount of Bonds. No Bonds may be issued under the provisions of the Indenture, except in accordance with Article II thereof. The total principal amount of Bonds that may be issued is expressly limited to $_________ except as provided in the Indenture.

(Section 2.01)

Revenues and Funds

Pledge of Trust Estate. The Issuer assigns to the Trustee a security interest in the following:

(a) the Financing Documents;

(b) the GNMA Security; and

(c) the Revenues.

Establishment of Funds. The Issuer establishes and creates the following trust funds which shall be maintained as separate deposit accounts held by the Trustee:

(a) the Mortgage Loan Fund with a Refunding Account, Series A Account and a Series B Account;

(b) the Cost of Issuance Fund;

(c) the Revenue Fund, with an Series A Interest Account, Series B Interest Account, Series A Principal, Series B Principal Account and Special Mandatory Redemption Account therein;

(d) the Surplus Cash Fund; and

(e) the General Fund.

Each Fund and Account shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in the Indenture. All moneys deposited in the Funds and Accounts shall be used solely for the purposes set forth in the Indenture. The Trustee shall keep and maintain adequate records pertaining to each Fund and Account, and all disbursements therefrom.

The Trustee shall be entitled to establish other trust funds and accounts, including but not limited to an Available Money Account in the Revenue Fund and a Rebate Fund, as the Trustee shall deem necessary in order to properly administer the Trust Estate.

(Section 3.02)

Initial Deposits. On Bond Closing, the Trustee shall deposit the proceeds received from the sale of the Bonds, together with moneys received from the Borrower, as follows:

From Series A Bond proceeds, (1) $____________ shall be deposited in the Refunding Account of the Mortgage Loan Fund, and (2) $_____________ representing amounts transferred from the Mortgage Lender shall be deposited in the Series A Account of the Mortgage Loan Fund.

From Series B Bond proceeds, (1) $_______________ shall be deposited in the Cost of Issuance Fund, and (2) $______________ representing amounts transferred from the Mortgage Lender shall be deposited in the Series B Account of the Mortgage Loan Fund.

(Section 3.03)

Mortgage Loan Fund. The Trustee shall, on Bond Closing, deposit into the Refunding Account and the Series A Account of the Mortgage Loan Fund the amounts specified above. Such moneys will be held by the Trustee in trust and shall be applied or disbursed in accordance with the Indenture and the Financing Agreement to acquire the GNMA Security and to refund a portion of the Prior Bonds.

Generally. The Trustee shall, on Bond Closing, deposit into the Refunding Account and the Series A Account of the Mortgage Loan Fund the amounts specified by the Indenture. Such moneys shall be held by the Trustee in trust and shall be applied or disbursed in accordance with this section and the Financing Agreement to acquire the GNMA Security and to refund a portion of the Prior Bonds.

Investment Earnings Deposited into the Revenue Fund. Investment earnings received by the Trustee on the Series A Account and the Series B Account of the Mortgage Loan Fund are Revenues and shall be deposited, when received, into the Revenue Fund.

Acquisition of GNMA Security, the Trustee shall use and apply moneys in the Series A Account and the Series B Account of the Mortgage Loan Fund to acquire the GNMA Security from the Mortgage Lender.

> If the GNMA Security is delivered to the Trustee on or before the GNMA Security Delivery Date, the Trustee shall apply the money in the Series A Account and Series B Account of the Mortgage Loan Fund as follows:
>
> > The Trustee shall pay to the Mortgage Lender an amount equal to the outstanding principal amount of the GNMA Security, plus any accrued interest on the GNMA Security (such accrued interest to be transferred to the Series A Account and the Series B Account of the Mortgage Loan

Fund from the Revenue Fund). The GNMA Security will be acquired by the Trustee for the account of the Issuer, but registered in the name or for the benefit of the Trustee.

Upon receipt by the Trustee of the GNMA Security in the manner required above and after making all payments and transfers as described above, the Trustee shall transfer any remaining balance in the Series A Account and the Series B Account of the Mortgage Loan Fund to the Revenue Fund.

If the GNMA Security cannot be delivered to the Trustee by the GNMA Security Delivery Date, the GNMA Security Delivery Date may be extended one or more times to a date not later than December 31, 2006. The Mortgage Lender, or the Borrower with the consent of the Mortgage Lender, must request the extension no later than the Business Day before such GNMA Security Delivery Date. The request for extension must include the following, and the Trustee must deny the request for extension if any of the following are not included:

A cash flow projection prepared by a party approved by the Issuer and the Mortgage Lender demonstrating

that the sum of items (a) through (d) below will be at least equal to the expected payments of principal of interest on the Bonds and all usual Trustee's fees and expenses, Rebate Analyst fees, and the Issuer Annual Fee payable through both the term of the Bonds and the date which is 15 days after the end of any extension period (including the redemption price on the Series A Bonds).

(a) The amount in the Series A Account and Series B Account of the Mortgage Loan Fund and the Revenue Fund.

(b) The investment earnings earned on Permitted Investments in the Series A Account and Series B Account of the Mortgage Loan Fund and the Revenue Fund accruing during the period ending 15 days after the end of any period of extension.

(c) The payments on the GNMA Security, assuming that it is dated not earlier than the first day of the month of the latest date it may be delivered to the Trustee in accordance with such extension request.

(d) Any additional Available Moneys paid to the Trustee by or on behalf of the Borrower or the Mortgage Lender for deposit into the Series A Account and Series B Account of the Mortgage Loan Fund or the Revenue Fund.

A cumulative surplus on each Interest Payment Date at least as great as that shown in the final cashflow projections submitted to the Trustee and the Rating Agency in connection with the original rating of the Bonds.

Arrangements satisfactory to the Trustee and the Rating Agency for the investments as contemplated in the cash flow projection.

An Opinion of Bond Counsel that the extension will not adversely affect the federal tax status of interest on the Bonds.

Written confirmation from the Rating Agency that the extension will not adversely affect the rating on the Bonds, provided that the Trustee shall have no duty to solicit such confirmation. The Rating Agency must be notified at least 15 days before the date the confirmation is required.

A statement from the Mortgage Lender that the GNMA Security continues to be eligible for issuance.

The Trustee shall notify the Rating Agency within 15 days after acquiring the GNMA Security of the acquisition, the principal amount, the interest rate and the maturity date of the GNMA Security.

If Trustee has not acquired the GNMA Security on the first Business Day after the GNMA Security Delivery Date, the Trustee shall immediately transfer all remaining money on deposit in the Series A Account and Series B Account of the Mortgage Loan Fund and the Revenue Fund to the Special Mandatory Redemption Account. That amount must be used by the Trustee for special mandatory redemption of the Bonds. The Trustee shall immediately notify the Owners of that redemption.

Holding of GNMA Security. If the GNMA Security is in book-entry only form (if the GNMA Security is not in book-entry only form, it will be held by the Trustee), then the following shall apply:

the GNMA Security must be registered in the name of the Trustee or the participant acting on behalf of the Trustee at the depository for such book-entry designation at the time of purchase of the GNMA Security by the Trustee and the Trustee or the participant acting on behalf of the Trustee shall have a first-lien position perfected security interest in the GNMA Security; and

arrangements for payments through such depository shall be in accordance with HUD regulations.

Investment. Amounts in the Series A Account and Series B Account of the Mortgage Loan Fund shall be invested in Qualified Investments.

Refunding Account. The Trustee shall on Bond Closing, deposit into the Refunding Account of the Mortgage Loan Fund the amounts specified in the Indenture. Such moneys shall be held by the Trustee in trust and shall be applied or distribution in accordance with this Section and the Financing Agreement to refund the Prior Bonds.

(Section 3.04)

Cost of Issuance Fund. The Trustee shall deposit into the Cost of Issuance Fund any amounts deposited with the Trustee by the Borrower for such purpose. Moneys on deposit in the Cost of Issuance Fund shall be applied to pay Issuance Costs or to reimburse the Borrower for certain costs, if necessary. Such costs shall be payable upon submission of a written request, in the form attached hereto as Exhibit B, from a duly authorized officer or agent of the Issuer and the Borrower to the Trustee stating that the amount indicated thereon is justly due and owing, has not been the subject of another written request which has been paid, and is a proper cost of issuing the Bonds or implementing the financing for the Project. Any moneys remaining in the Cost of Issuance Fund on the 180th day following Bond Closing shall be transferred to the Borrower; provided, that any requests for payments of additional fees and costs incurred in connection with the issuance of the Bonds received after the 180th day following Bond Closing shall be immediately paid by the Borrower on a pro rata basis. Upon the transfer of moneys remaining in the Cost of Issuance Fund as set forth above, the Cost of Issuance Fund shall be closed. Investment income (including interest) on investments in the Cost of Issuance Fund shall be deposited in the Revenue Fund. Costs of Issuance may not be paid by the Mortgage Lender from amounts under the Mortgage Note.

(Section 3.05)

Revenue Fund.

Deposit and Application of Revenues. The Issuer shall immediately pay to the Trustee any Revenues received by it under the Mortgage Note, and the Trustee shall deposit all such Revenues received by it into the Revenue Fund. As to any Rebate Amount, on or before each May 20 and November 20, commencing November 20, 2006, all payments received on the Mortgage Note or pursuant to the Indenture shall be transferred by the Trustee to the Accounts of the Revenue Fund as follows, in the following order of priority, the requirements of each such Account at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

Series A Interest Account. The Trustee shall deposit into the Series A Interest Account an amount which, together with the amount then on deposit in the Series A Interest Account, is sufficient to pay the interest becoming due and payable on the Series A Bonds on the next Interest Payment Date. Moneys on deposit in the Series A Interest Account shall be applied solely to pay the interest on the Series A Bonds as the same becomes due and payable.

Series B Interest Account. The Trustee shall deposit into the Series B Interest Account an amount which, together with the amount then on deposit in the Series B Interest Account, is sufficient to pay the interest becoming due and payable on the Series B Bonds on the next Interest Payment Date. Moneys on deposit in the Series B Interest Account shall be applied solely to pay the interest on the Series B Bonds as the same becomes due and payable.

Series A Principal Account. The Trustee shall deposit into the Series A Principal Account an amount which, together with the amount then on deposit in the Series A Principal Account, is sufficient to pay the principal becoming due and payable on the Series A Bonds on the next Interest Payment Date, whether upon the maturity of Series A Bonds or by application of the sinking fund installments. Moneys on deposit in the Series A Principal Account shall be applied solely to pay the principal of the Series A Bonds as the same shall become due and payable at scheduled maturity or by sinking fund redemption, subject to the provisions of Section 6.02 hereof. On each date on which any principal becomes payable on the Series A Bonds (whether at maturity or upon sinking fund redemption), the Trustee shall set aside and hold in trust, an amount from the Series A Principal Account sufficient to pay the amount of principal of the Series A Bonds becoming due and payable on such date.

Series B Principal Account. The Trustee shall deposit into the Series B Principal Account an amount which, together with the amount then on deposit in the Series B Principal Account, is sufficient to pay the principal becoming due and payable on the Series B Bonds on the next Interest Payment Date, whether upon the maturity of Series B Bonds or by application of the sinking fund installments. Moneys on deposit in the Series B Principal Account shall be applied solely to pay the principal of the Series B Bonds as the same shall become due and payable at scheduled maturity or by sinking fund redemption, subject to the provisions of Section 6.02 hereof. On each date on which any principal becomes payable on the Series B Bonds (whether at maturity or upon sinking fund redemption), the Trustee shall set aside and hold in trust, an amount from the Series B Principal Account sufficient to pay the amount of principal of the Series B Bonds becoming due and payable on such date.

General Fund. The Trustee shall deposit into the General Fund.

Balances. Any remaining amounts shall be held in the Revenue Fund provided any amounts in the Revenue Fund not in any account therein in excess of the minimum balance on Exhibit C shall be transferred to the Borrower.

Special Mandatory Redemption Account. The Trustee shall deposit into the Special Mandatory Redemption Account (1) all amounts transferred from the Series A Account of the Mortgage Loan Fund and the Revenue Fund pursuant to the Indenture all amounts attributable to the receipt by the Trustee of payments under the GNMA Security exceeding regularly scheduled payments of principal and interest thereon, including payments representing (A) casualty insurance proceeds or condemnation awards applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project (or transfer of title under threat of condemnation); (B) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan or the GNMA Security upon the occurrence of an event of default under the Mortgage Loan; (C) a prepayment of the Mortgage Loan or the GNMA Security required by the applicable rules, regulations, policies and procedures of HUD or GNMA; (D) prepayment on the Mortgage Loan made in part or in full without prepayment penalty if HUD determines that such prepayment avoids a mortgage insurance claim and is therefore in the best interest of the federal government; (E) prepayments on the Mortgage Loan or the GNMA Security made without notice; or (F) any other reason other than an optional prepayment of the Mortgage Note. The Trustee shall use such amounts, as soon as practicable after each such deposit, solely to redeem Bonds pursuant to the Indenture.

Available Money Account. If the Borrower shall deposit with the Trustee moneys to be used to pay the redemption premium on the Bonds, the Trustee shall establish an Available Money Account in the Revenue Fund and a separate subaccount therein for each such deposit. Moneys on deposit in the Available Money Account which represent Available Money shall be transferred to the Series A Principal Account to the extent necessary to pay the premium, if any, on the Bonds as the same shall become due and payable by redemption. Such moneys shall be paid to the Bondowners only if they constitute Available Money. Any excess moneys in the Available Money Account shall be paid to the Borrower that deposited such funds with the Trustee.

Investment. Amounts in the Revenue Fund and all accounts therein shall be invested in Permitted Investments, at the instruction of the Borrower delivered to the Trustee from time to time.

(Section 3.06)

Rebate Fund. If the Trustee shall receive amounts determined in accordance with the Tax Certificate to be Rebate Amounts and specified as such by the Rebate Analyst, the Trustee shall establish a Rebate Fund and deposit such amounts therein. The Trustee shall withdraw such amounts to pay the Rebate Amount required to be paid to the United States of America as specified in writing by the Rebate Analyst or the Issuer. The Trustee shall not be responsible for calculating Rebate Amounts, for the adequacy or correctness of any rebate report, or for enforcing compliance with rebate filing or reporting requirements. The Trustee shall be deemed conclusively to have complied with the provisions of the Indenture if it follows the written directions of the Rebate Analyst, the Issuer or the Borrower.

Moneys in the Rebate Fund shall be invested only in Government Obligations or a mutual fund fully invested solely in Government Obligations. Investment income (including interest) on such investment shall be retained in the Rebate Fund.

(Section 3.07)

General Fund. On each May 20 and November 20, commencing November 20, 2006, the Trustee shall deposit into the General Fund, from Revenues in the priority specified in the Indenture, any Trustee Fee or Rebate Monitoring Fee then due. The Trustee shall apply such moneys at the appropriate times solely for such purposes. Investment Revenue income (including interest) on investments in the General Fund shall be deposited in the Revenue Fund.

Final Balances. Upon the deposit with the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Issuer hereunder or under the Financing Agreement, including all fees, charges and expenses of the Trustee and the Issuer which are properly due and payable hereunder or under the Financing Agreement, or upon the making of provisions satisfactory to the Trustee for the payment of such amounts as permitted hereby, all moneys remaining in all Funds and Accounts, except moneys necessary to pay principal of, premium, if any, and interest on the Bonds, which moneys shall be held and disbursed by the Trustee pursuant to the Indenture, and moneys in the Rebate Fund necessary to pay any Rebate Amount, shall be remitted to the Borrower.

(Section 3.09)

Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay the principal and interest accrued thereon to such date shall have been made available to the Trustee for the benefit of the Owner thereof, the Trustee shall hold such principal and interest accrued thereon to such date without liability to the Bondowner for further interest thereon, for the benefit of the Owner of such Bond, until such moneys have remained unclaimed for the period after which such funds are treated as abandoned property pursuant to the provisions of the Illinois Compiled Statutes. Such amounts shall then be remitted by the Trustee to an escheat fund created under the Illinois Revised Statutes and thereafter Bondowners shall look only to the escheat fund for payment and the Issuer, the Trustee, and the Borrower shall have no liability for such moneys. After the payment as herein provided, the Trustee's liability for payment to the Owner of such Bond shall forthwith cease, terminate and be completely discharged and thereafter the Owner shall be restricted exclusively to his or her rights of recovery to amounts held by the Issuer.

(Section 3.10)

Program Covenants

No Disposition of the GNMA Security. Without the consent of the Owners of 100% of the Series A Bonds, neither the Issuer nor the Trustee shall sell or otherwise dispose of the GNMA Security (other than delivery of the GNMA Security to the Mortgage Lender in accordance with its terms) after its acquisition for an amount less than an amount sufficient, together with other amounts then held under the Indenture and available for the payment of the Series A Bonds, to effect the defeasance of the Series A Bonds in accordance with Article XII of the Indenture on the first date following such sale on which the Series A Bonds may be optionally redeemed.

(Section 4.01)

Claims for Payment Under GNMA Security. If the Trustee does not receive a payment due on the GNMA Security by 5:00 p.m. on the 17th day (fifteenth day, if the GNMA Security is held in certificated form) of a month, or if such day is not a Business Day, on the next succeeding Business Day, the Trustee shall first notify the Mortgage Lender, by telephone or facsimile, of such nonpayment, and if payment has not been made by 4:00 p.m. on the Business Day following notice to the Mortgage Lender, the Trustee shall immediately notify, and seek payment from, GNMA.

(Section 4.04)

GNMA and FHA Requirements to Control: Limited Liability of Borrower, No Recourse Against Project Assets.

(a) To the extent that there is any conflict, inconsistency or ambiguity between or among the Indenture and (1) any applicable FHA mortgage insurance, or other applicable FHA or GNMA statutory, regulatory, administrative requirements, (2) any of the documents which have been or are required by FHA and/or the Mortgage Lender to be executed by the Borrower, FHA and/or the Mortgage Lender in connection with the subject transaction (each a "FHA Loan Document," or collectively, the "FHA Loan Documents" as the context may require) or (3) any of the documents which have been or are required by GNMA to be executed by the Borrower, FHA, GNMA, the Trustee and/or the Mortgage Lender in connection with the subject transaction (each a "GNMA Document" or collectively, the "GNMA Documents" as the context may require), said FHA mortgage insurance and other applicable FHA and GNMA statutory, regulatory and administrative requirements and said FHA Loan Documents and GNMA Documents will be deemed to be controlling and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the FHA mortgage insurance, and other applicable FHA and GNMA statutory, regulatory and administrative requirements and the terms of the FHA Loan Documents and GNMA Documents, as applicable. For purposes of the Indenture, the reference to FHA's statutory, regulatory or administrative requirements shall be deemed to include, but shall not limited to, any statutory, regulatory or administrative requirements pertaining to Section 8 of the United States Housing Act of 1937, as may be applicable. The parties agree to amend the Indenture as may be necessary or required by FHA, GNMA or the Mortgage Lender to conform to the above-cited requirements and FHA Loan Documents and GNMA Documents; provided the Issuer is not obligated to agree to any amendment creating any liability for the Issuer or placing further obligations on the Issuer. In addition, it is understood and agreed that any default under the Indenture shall not constitute a default under the FHA Loan Documents or the GNMA Documents; and further, that nothing herein contained shall be construed to limit or affect the Mortgage Lender's rights under the FHA Loan Documents or the GNMA Documents.

(b) The Indenture shall not be constructed to restrict or adversely affect the duties and obligations of the Mortgage Lender under the Contract of Mortgage Insurance between the Mortgage Lender and HUD with respect to the Mortgage Loan.

(c) Any Project funds held by the Mortgage Lender for or on behalf of the Borrower shall be maintained separate and apart from the funds established and held by the Trustee for the holders of the Bonds and the various escrows and funds, if any, under the Indenture.

(d) Neither the Issuer, the Trustee nor any of the Bondowners has or shall be entitled to assert any claim against the Project, the Mortgage proceeds, any reserve or deposit required by HUD in connection with the Mortgage Loan, or the rents or income of the Project other than Residual Receipts (as defined in the HUD Regulatory Agreement) or as otherwise permitted by HUD; provided, however, the foregoing shall not restrict any rights of the Issuer, the Trustee, the Mortgage Lender or any of the Bondowners against any guarantor of the obligations of the Borrower, if any, with respect to the Indenture.

(e) Notwithstanding anything contained in the Indenture to the contrary, neither the Issuer nor the Trustee may assert any claim arising hereunder against the Borrower's interest in the Project, the proceeds of the Mortgage Loan on the Project, any reserve of deposit made with the Mortgage Lender or in the rents or other income of the Project for the payment of any charge due hereunder except to the extent available from Residual Receipts.

(f) Notwithstanding any provisions in the Indenture to the contrary, enforcement of the provisions of the Indenture shall not result in any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD or the Mortgage Lender in connection with the Mortgage Loan, or the rents or other income from the Project (other than available Residual Receipts or distributions thereof).

(g) If the Indenture contains any provision requiring the Borrower or other party to the transaction to take any action necessary to preserve the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes, or prohibiting the Borrower or any other party to the transaction from taking any action that might jeopardize such tax status, such provision is qualified to except any actions required (or prohibited) by FHA, GNMA or the Mortgage Lender pursuant to (1) the National Housing Act, as amended, including, but not limited to, any applicable FHA mortgage insurance or other FHA or GNMA statutory, regulatory or administrative requirements therein contained or promulgated thereunder, (2) Section 8 of the United States Housing Act of 1937 and the administrative regulations and guidelines promulgated thereunder, or (3) any of the FHA Loan Documents and the GNMA Documents, as applicable.

(h) All covenants herein, if any, with respect to the Project shall terminate upon foreclosure under the Deed of Trust or a transfer of title by deed in lieu of foreclosure.

(Section 4.05)

Tax Covenant. The Issuer shall not use or permit the use of any proceeds of Series A Bonds or any other funds of the Issuer, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any Revenues in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series A Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code, or which would otherwise affect the exclusion of interest on the Series A Bonds from gross income for federal income tax purposes.

The Issuer shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Issuer on the Series A Bonds shall, for federal income tax purposes, be excluded from the gross income of the recipients thereof. In furtherance of this covenant, the Issuer and the Borrower shall execute, deliver and perform the Tax Certificate.

Notwithstanding any provision of the Indenture or the Financing Agreement to the contrary, unless otherwise specifically agreed in the Tax Certificate or in a separate written agreement, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with, or for the purpose of complying with, Section 148 of the Code, or any successor statute or any regulation, ruling or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid to the United States of America or the determination of the maximum amount which may be invested in nonpurpose obligations having a yield higher than the yield on the Bonds, and the Trustee shall not be liable or responsible for monitoring the compliance by the Borrower or the Issuer with any of the requirements of Section 148 of the Code or any applicable regulation, ruling or other judicial or administrative interpretation thereof except as specifically provided in the Tax Certificate.

(Section 4.07)

Events of Default and Remedies

Events of Default. The occurrence of any one of the following events is defined as an Event of Default:

(a) Failure to make payment of any installment of interest upon any Bond when the same shall have become due and payable;

(b) Failure to make due and punctual payment of the principal or premium, if any, on any Bond, whether at the stated maturity thereof or, upon proceedings for redemption thereof, or upon the maturity thereof; and

(c) Any material representation or warranty made by the Issuer in the Indenture or the Bonds shall have been untrue when made or any failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed and performed under the Indenture or the Bonds shall continue for a period of 60 days after written notice specifying such breach or failure and requesting that it be remedied, given to the Issuer, the Borrower and the Bondowners by the Trustee or to the Issuer, the Borrower and the Trustee by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, unless (1) the Trustee shall agree in writing to an extension of such time prior to its expiration, (2) if the breach or failure be such that it cannot be corrected within the applicable period, corrective action is instituted by the Issuer, or by the Borrower if such action can be taken by the Borrower, within the applicable period and is being diligently pursued, or (3) the breach or failure does not have an adverse impact on the exclusion of interest on the Bonds from gross income for federal income tax purposes and does not impair the validity or enforceability of the Bonds, the Indenture, the Financing Agreement, the Tax Certificate, the Mortgage Loan or the GNMA Security.

NOTWITHSTANDING ANYTHING ELSE HEREIN TO THE CONTRARY, (1) THERE SHALL BE NO EVENT OF DEFAULT WITH RESPECT TO THE SERIES B BONDS UNLESS THERE IS AN EVENT OF DEFAULT WITH RESPECT TO THE SERIES A BONDS, AND (2) AFTER ANY EVENT OF DEFAULT, NO PAYMENT ON THE SERIES B BONDS SHALL BE MADE UNTIL AFTER FULL PAYMENT OF THE SERIES A BONDS

(Section 8.01)

Acceleration of Maturities. Upon the occurrence of an Event of Default, the Trustee shall, subject to the provisions of the Indenture, notify Bondowners and declare the aggregate principal amount of the Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided, that interest on such accelerated Bonds shall continue to accrue until the date fixed for payment of the principal thereof.

Upon the occurrence of an Event of Default specified in the Indenture and so long as such event is continuing, the Trustee, upon receipt of notice given by the Owners of not less than one hundred percent (100%) of the aggregate principal amount of Bonds then Outstanding, shall declare the aggregate principal amount of the Bonds then Outstanding and the interest accrued thereon (to the date fixed for payment of such principal) immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

The foregoing provisions are subject to the condition that if at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered as hereinafter provided, there shall be paid or deposited with the Trustee a sum sufficient to pay all principal of the Bonds matured (or due upon mandatory redemption) prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate borne by the Bonds on such overdue principal and premium, if any, and (to the extent legally enforceable) on such overdue installments of interest (other than amounts of principal of and interest on the Bonds due and payable solely by reason of such declaration), and the reasonable fees and expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefore, then and in every case, the holders of at least a majority of the Bonds, by written notice to the Trustee and the Issuer, may direct the Trustee on behalf of the holders of all the Bonds to rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon. Nothing in the Indenture shall be construed to obligate the Issuer to make a payment or deposit referred to herein from any revenues other than the revenues derived from the Trust Estate.

(Section 8.02)

Remedy. Upon the occurrence of an Event of Default, the Trustee shall have the power to proceed with any right or remedy granted by the laws of the State, as it may deem best, including, but not limited to, any suit, action or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law. The Trustee shall not be obligated to bring any action arising under any state or federal securities law.

(Section 8.03)

Application of Moneys. During the continuance of an Event of Default resulting in an acceleration of the maturities of all Bonds, all moneys received by the Trustee pursuant to any right given or action taken, after payment to the Trustee of its fees and expenses then due and owing, including its reasonable extraordinary fees and expenses (including reasonable attorneys' fees) incurred in exercising its rights and remedies under Article VIII of the Indenture, shall be transferred, to the extent necessary to pay the principal of and interest on all Outstanding Bonds, to the Revenue Fund, with such moneys to be deposited in the Accounts thereof in the order provided therein; provided that all Available Money (after notice of redemption) shall be used only to pay the principal of or, premium, if any, and interest on Bonds.

(Section 8.05)

Supplemental Indentures of Trust

Supplemental Indentures Generally. The Issuer and the Trustee may enter into supplemental indentures.

Supplemental Indentures Not Requiring Consent of Owners. The Indenture and the rights and obligations of the Issuer, the Bondowners and the Trustee may be modified or amended at any time by a Supplemental Indenture, without the consent of any Bondowners, which amendment shall become effective upon execution (or such later date as may be specified in such Supplemental Indenture), but only to the extent permitted by law and only for any one or more of the following purposes:

to add to the covenants and agreements of the Issuer contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Issuer, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Bondowners;

to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Issuer may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Bondowners;

to modify, amend or supplement the Indenture in such manner as to permit the qualification under the Indenture Act or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Bondowners;

to modify, amend or supplement the Indenture in any other way which shall not materially adversely affect the interests of the Bondowners;

to provide for certificated bonds; or

to comply with state or federal securities laws.

In addition, the Indenture may be amended in any manner which affects the Series B Bonds without any adverse effect on the Series A Bondholders with the consent of all the holders of the Series B Bonds.

(Section 10.02)

Supplemental Indentures Requiring Consent of Owners. The Indenture and the rights and obligations of the Issuer, the Bondowners and the Trustee may be modified or amended at any time by a Supplemental Indenture which shall become effective when signed by the parties hereto and the written consents of the Owners of 51 percent or more of the aggregate principal amount of Bonds Outstanding shall have been filed with the Trustee; provided, that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Indenture. No such modification or amendment shall (a)(1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (2) reduce the aforesaid percentage of the aggregate principal amount of Bonds then Outstanding the consent of the Owners of which is required to effect any such modification or amendment, or (3) permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Bondowners of the lien created by the Indenture upon such Revenues and other assets (except as expressly provided in the Indenture), or (4) amend Section 4.01 of the Indenture, without the consent of the Bondowners of all of the Bonds then Outstanding, or (b) adversely affect the Bonds without the consent of the holders thereof.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes allowed, the Trustee shall, at the request of the Issuer and upon being indemnified to its satisfaction with respect to costs, cause notice of the proposed execution of such Supplemental Indenture to be given in substantially the manner provided in the Indenture with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondowners. If, within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Owners of 51 percent or more of the aggregate principal amount of Series A Bonds then Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. The Issuer shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondowners.

(Section 10.01)

Consent of Borrower to Supplemental Indentures. A Supplemental Indenture which adversely affects any rights of the Borrower in any manner not contemplated by the Financing Documents shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such Supplemental Indenture.

(Section 10.03)

Amendment of Financing Documents

Amendments to Financing Documents Not Requiring Consent of Bondowners. With the written consent of the Mortgage Lender and the Trustee, but without the consent of or notice to any of the Bondowners, the respective parties thereto may enter into any amendment, change or modification of the Financing Documents as may be required (a) by the provisions of the Financing Documents or the Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of the Financing Documents, (d) in connection with any other change therein which is not to the material prejudice of the Trust Estate or the Owners of the Bonds. In making a determination under (d) above, the Trustee may rely on the advice of Counsel. The Issuer and the Trustee shall, without the consent of or notice to any of the Bondowners enter into any amendment, change or modification of the Financing Documents as may be necessary, in the opinion of Bond Counsel to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under the Code.

(Section 11.01)

Amendments to Financing Documents Requiring Consent of Bondowners. Except for the amendments, changes or modifications stated above, neither the Issuer nor the Borrower shall enter into any other amendment, change or modification of the Financing Documents without mailing of notice and the written approval or consent of the Owners of not less than 51 percent or more of the aggregate principal amount of Bonds then Outstanding given and procured as provided in the Indenture; provided, however, that nothing therein shall permit or be construed as permitting (a)(1) an extension of the time of the payment of any amounts payable under the GNMA Security or (2) a reduction in the amount of any payment or in the total amount due under the GNMA Security without the consent of the Owners of all Bonds then Outstanding, or (b) any adverse effect on the Bonds with the consent of the Owners thereof. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Documents, the Trustee shall, at the request of the Issuer and upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in the Indenture with respect to redemption of Bonds; provided, that the Trustee shall not be required to consent to any amendment that materially adversely affects its rights or responsibilities hereunder or under the Financing Documents. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instruments modifying the same are on file with the Trustee for inspection by all Bondowners.

If, within 60 days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Owners of 51 percent or more of the aggregate principal amount of Bonds then Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Borrower or the Issuer from executing the same or from taking any action pursuant to the provisions thereof, or the Trustee from consenting thereto.

The Issuer shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondowners. Upon the execution of any such amendment, change or modification as in this section permitted and provided, the Financing Documents shall be and be deemed to be modified, changed and amended in accordance therewith.

(Section 11.02)

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a brief summary of certain provisions of the Financing Agreement. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Financing Agreement, a copy of which is on file with the Trustee.

The Mortgage Loan

The Mortgage Loan:

shall be insured by HUD under Section 221(d)(3), pursuant to Section 223(a)(7) of the National Housing Act and applicable regulations thereunder, as evidenced by the endorsement by HUD of the Mortgage Note;

shall have a maximum principal amount equal to $_________;*

shall bear interest at the rate of [5.50%] per annum;

shall have a final maturity of May 1, 2034, shall have principal payments commencing on June 1, 2006, and shall thereafter have scheduled level payments of principal and interest taken together;

shall be secured on a nonrecourse basis pursuant to the Mortgage Loan Documents; and

shall not be subject to prepayment prior to June 1, 2016, except that

the Mortgage Note shall be subject to mandatory prepayment as a whole or in part at any time upon 30 days' prior written notice to Mortgage Lender, without premium or penalty, from the proceeds of any casualty insurance or condemnation awards received following a partial or total destruction or condemnation of the Project (or transfer of title under threat of condemnation) in the event and to the extent that such casualty proceeds or condemnation awards are not applied to the repair or restoration of the Project in accordance with the Mortgage Loan Documents;

the Mortgage Note shall be subject to prepayment in whole or in part, at the option of the Borrower, on June 30, 2016, or on the last day of any month thereafter, upon at least 30 days' advance written notice to the Mortgage Lender, and upon payment of the principal amount of the Mortgage Note to be prepaid together with the applicable prepayment premium plus all other sums then due and owing under the Mortgage Note or the Deed of Trust plus interest to the end of the month in which the prepayment is made;

notwithstanding any prepayment prohibition imposed and/or penalty required by the Mortgage Note, the indebtedness may be prepaid in part or in full

* Preliminary, subject to change.

without the consent of the Mortgage Lender and without prepayment penalty if HUD determines that prepayment will avoid an FHA insurance claim and is therefore in the best interest of the United States Government;

the Mortgage Note shall be subject to prepayment in whole or in part to the extent, if any, required by applicable rules, regulations, policies and procedures of HUD and GNMA; and

the Mortgage Note shall be subject to prepayment in whole or in part if required by a trustee in a bankruptcy proceeding with respect to the Borrower pursuant to a final, nonappealable order of a bankruptcy court.

Payments by Borrower

Subject to the provisions of the Financing Agreement, the Borrower agrees that it shall pay or cause to be paid all fees and expenses of the Mortgage Lender, and all expenses incurred by the Borrower in connection with the issuance of the Bonds and the origination of the Mortgage Loan and GNMA Security.

Indemnification

The Borrower shall and hereby does indemnify and hold harmless the Issuer, the Trustee and all members, officers, directors, agents, and employees thereof against all losses, costs, damages, expenses and liabilities (collectively referred to hereinafter as "Losses") of whatsoever nature (including but not limited to reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to one or more Claims, as hereinafter defined, excluding any such Loss or Claim that arises out of an act of gross negligence or willful misconduct of any member, officer, director, agent, or employee of the Issuer or the Trustee. The word "Claims" as used herein shall mean all claims, lawsuits, causes of action and other legal actions and proceedings of whatsoever nature, including but not limited to claims, lawsuits, causes of action and other legal actions and proceedings involving bodily or personal injury or death of any person or damage to any property (including but not limited to persons employed by the Issuer, the Trustee, the Borrower and any other person) brought against the Issuer or the Trustee or to which the Issuer or the Trustee is a party, that directly or indirectly result from, arise out of or relate to (a) the transfer, sale, operation, use, occupancy, maintenance or ownership of the Project or any part thereof, (b) the execution, delivery or performance of this Agreement, the Indenture or any related instruments or documents or (c) the filing of Internal Revenue Service Form 8038-T by the Issuer. The obligations of the Borrower shall apply to all Losses or Claims, or both, that result from, arise out of, or are related to any event, occurrence, condition or relationship prior to termination of this Agreement, whether such Losses or Claims, or both, are asserted prior to termination of this Agreement or thereafter. The Issuer or the Trustee, as the case may be, shall reimburse the Borrower for payments made by the Borrower to the extent of any proceeds, net of all expenses of collection, actually received by the Issuer, the Trustee or the [LGC?] from any insurance covering such Claims with respect to the Losses sustained. The Issuer, the Trustee and the LGC shall have the duty to claim any such insurance proceeds and the Issuer, the Trustee and the LGC shall assign their respective rights to such proceeds, to the extent of such required reimbursement, to the Borrower.

In case any action shall be brought against the Issuer, the Trustee or the LGC in respect of which indemnity may be sought against the Borrower, then the Issuer, the Trustee or the LGC, as the case may be, shall promptly notify the Borrower in writing. Failure to notify the Borrower shall not relieve it from any liability that it may have other than on account of this Agreement. The Borrower shall have the right to assume the investigation and defense thereof, including the employment of counsel, which counsel shall be satisfactory to the indemnified parties, and the payment of all expenses. The Issuer and the LGC shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, and the reasonable fees and expenses of such counsel shall be paid by the Borrower. The Trustee shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by the Trustee unless the employment of such counsel has been authorized by the Borrower or the Trustee has reasonably objected to a joint defense by the Borrower on the ground that there may be legal defenses available to it that are different from or in addition to those available to the Borrower, in which case the Trustee shall have the right to designate and retain separate counsel in such action and the reasonable fees and expenses of such counsel shall be paid by the Borrower. If no reasonable objection is made and the Borrower assumes the defense of such action, the Borrower shall not be liable for the fees and expenses of any counsel for the Trustee incurred thereafter in connection with such action. In no event shall the Borrower be liable for the fees and expenses of more than one counsel for the Trustee in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, unless the retaining of additional counsel has been specifically authorized by the Borrower.

Notwithstanding anything in the Financing Agreement to the contrary, the Borrower shall not be liable for any Losses or Claims of the Trustee resulting from the negligent act of, or negligent failure to take action by, the Trustee.

The Borrower shall pay, and shall indemnify the Issuer and the Trustee against, all costs and charges, including reasonable counsel fees, lawfully and reasonably incurred in enforcing any covenant or agreement of the Borrower contained in this Agreement.

Obligations of Borrower

The obligation of the Borrower to make payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee, the Mortgage Lender or any other person. Subject to prepayment of the Mortgage Note in full and termination of this Agreement as provided herein, the Borrower shall not suspend or discontinue any such payment hereunder or on the Mortgage Note or fail to perform and observe any of its other agreements and covenants contained herein or terminate this Agreement for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may deprive the Borrower of the use and enjoyment of the Project, failure of consideration or commercial frustration of purpose, any damage to or destruction of the Project or any part thereof, the taking by eminent domain of title to or the right to temporary use of all or any part of the Project, any change in the tax or other laws of the United States of America, the State or any political or taxing subdivision of either thereof, or any failure by the Issuer to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

Notwithstanding any provisions in this Agreement or any of the other Financing Documents to the contrary, enforcement of the provisions of this Agreement or any of the other Financing Documents shall not result in any claim against any Project, Mortgage Loan proceeds, any reserve or deposit required by HUD or the Mortgage Lender in connection with the Mortgage Loan, or the rents or other income from the Project (other than available Surplus Cash which have been approved for distribution by HUD), and the liability of the Borrower for any breach or default by or obligation of the Borrower under this Agreement or any of the other Financing Documents shall be limited to the undistributed Surplus Cash which have been approved for distribution by HUD and to the collateral given now or in the future by the Borrower pursuant to the Indenture or otherwise for the Borrower's obligations hereunder. By execution hereof, each of the Issuer and Trustee affirms that no pledge has been made and that it has no claim, and will not later assert any claim, against the Project, the Mortgage Loan proceeds, any reserve or deposit made with the Mortgage Lender or required by HUD in connection with the Mortgage Loan transaction or against the income from the Project for payment of any obligation contained herein or in any of the other Financing Documents other than the Surplus Cash Note; provided, however, that nothing in this provision or elsewhere in this Agreement or any of the other Financing Documents shall alter, affect or diminish the rights of the Mortgage Lender under the Mortgage Loan Documents.

Events of Default

Subject to the terms of the Financing Agreement, each of the following shall be an "Event of Default":

the Borrower shall fail to pay or cause to be paid amounts required to pay principal of, premium, if any, or interest on the Mortgage Note on the dates required under the Financing Agreement; or

the Borrower shall fail to pay amounts required to be paid to the Trustee and ten Business Days shall have elapsed after notice of such event has been sent by fax with hard copy immediately following to the Borrower; or

the Borrower shall fail to perform or observe any of its other obligations, covenants or agreements contained in this Agreement, including a failure to repay any amounts which have been previously paid but are recovered, attached or enjoined pursuant to any insolvency, receivership, liquidation or similar proceedings; or

an Event of Default shall occur under the Indenture; or any representation or warranty of the Borrower shall be determined by the Trustee to have been materially false when made, and the Trustee has received written notice from the Issuer of such determination.

Notwithstanding anything else herein to the contrary, no violation of Section 6.16 hereof shall constitute an Event of Default so long as GNMA and HUD are in compliance with their obligations with respect to the GNMA Security and the Mortgage Loan.

Remedies

Whenever any Event of Default under the Financing Agreement shall have occurred and be continuing, subject to the Financing Agreement, the Trustee and the Issuer, at the written request or consent of the Trustee, shall take whatever action at law or in equity may appear necessary or desirable to collect the payments required to be made by the Borrower under this Agreement or to enforce performance and observance of any obligation or agreement of the Borrower under the Financing Documents, but in no event shall the Issuer or the Trustee be obligated to take any such action which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until indemnity satisfactory to it as provided in the Indenture has been furnished.

Amendments, Changes and Modifications

Except as otherwise provided in the Financing Agreement or in the Indenture, subsequent to the issuance of Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Financing Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the all parties hereto.

Limitation of Liability of Issuer

The Issuer shall not be obligated to pay the principal of premium, if any, or interest on the Bonds, except from Revenues, as defined in the Indenture.

Any obligation or liability of the Issuer created by or arising out of the Financing Agreement (including without limitation any liability created by or arising out of the representations, warranties or covenants set forth herein or otherwise) shall not impose a debt or pecuniary liability upon the Issuer or a charge upon its general credit, but shall be payable solely out of the Revenues. Neither the issuance of the Bonds nor the delivery of the Financing Agreement shall, directly or indirectly or contingently, obligate the Issuer to make any appropriation for their payment. Nothing in the Bonds or in the Indenture or the Financing Agreement or the proceedings of the Issuer authorizing the Bonds or in the Act or in any other related document shall be construed to authorize the Issuer to create a debt of the Issuer within the meaning of any constitutional or statutory provision of the State of Illinois. No breach of any pledge, obligation or agreement of the Issuer hereunder may impose any pecuniary liability upon the Issuer or any charge upon its general credit.

NEITHER THE MEMBERS, OFFICERS OR EMPLOYERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE

BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND OTHER OBLIGATIONS OF THE ISSUER ARE NOT A DEBT OF THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE BONDS, INCLUDING THE PRINCIPAL OF, PREMIUM, IF ANY, AND THE INTEREST THEREON, AND ALL OTHER OBLIGATIONS OF THE ISSUER UNDER THE FINANCING DOCUMENTS, ARE PAYABLE SOLELY FROM THE TRUST ESTATE IN ACCORDANCE WITH THE PROVISIONS OF THE FINANCING DOCUMENTS, NOT FROM INCOME OR REVENUES OF OTHER PROJECTS AND NOT FROM THE ISSUER'S REVENUES GENERALLY.

APPENDIX C

FORM OF BOND COUNSEL OPINION

____________, 2006

The City of Pekin, Tazewell County
Pekin, IL

J.P. Morgan Trust Company, National Association
Chicago, IL

CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS
$4,990,000*
MORTGAGE REVENUE BONDS
(GNMA COLLATERALIZED – UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006A

AND

$350,000*
TAXABLE MORTGAGE REVENUE REFUNDING BONDS
(GNMA COLLATERALIZED UNITED AUTO WORKERS SENIOR CITIZENS' CENTER, INC. PROJECT)
SERIES 2006B

Ladies and Gentlemen:

We have acted as bond counsel to The City of Pekin, Tazewell County, Illinois (the "Issuer"), a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, in connection with the issuance by the Issuer of its $4,990,000* aggregate principal amount of Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006A (the "Series A Bonds") and $350,000* aggregate principal amount of Taxable Mortgage Revenue Refunding Bonds (GNMA Collateralized – United Auto Workers Senior Citizens' Center, Inc. Project), Series 2006B (the "Series B Bonds," and together with the Series A Bonds, the "Bonds").

The Bonds are issued by the Issuer pursuant to the provisions of the home rule powers of government providing Article VII, Section 6 of the Illinois Constitution (the "Act"), (ii) the Trust Indenture dated as of April 1, 2006 (the "Indenture"), between the Issuer and J.P. Morgan Trust Company, National Association, as trustee (the "Trustee"), and (iii) an ordinance duly adopted by the Issuer on April 3, 2006. The Bonds are being issued for the purpose of refinancing the Issuer's Prior Bonds (as defined in the Indenture) the proceeds of which were used for financing the acquisition of a project, which, as now reconfigured, consists of the refinance of a 215-unit multifamily rental apartment project located at 444 Parkway Drive, Pekin, Illinois 61554 (the "Project"). The Project is subject to the terms of a Tax Agreement (the "Tax Agreement") dated as of April 1, 2006, among the Issuer, the Trustee and the Borrower. Capitalized terms used herein which are not otherwise defined shall have the meanings ascribed thereto in the Indenture.

The Series A Bonds are issuable as fully registered Bonds in denominations of $5,000 or any integral multiple thereof, and with respect to the Series B Bonds, $100,000, or any integral multiple of $5,000 in excess thereof. The Bonds are dated and mature as set forth in the Indenture.

The proceeds from the sale of the Bonds, other than accrued interest paid by the initial purchasers thereof, will be loaned to the Borrower pursuant to a Financing Agreement dated as of April 1, 2006 (the "Financing Agreement"), between the Issuer, the Trustee, Capstone Realty Advisors, LLC and the Borrower. The Bonds are secured by the Indenture.

As Bond Counsel, we have examined and relied on originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the record of proceedings with respect to the issuance of the Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination we have assumed the genuineness of all signatures (except those of the Issuer), the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies, with the exception of any such documents executed by the Issuer in connection with the issuance and delivery of the Bonds. As to any facts material to our opinion, we have relied upon the aforesaid instruments, certificates and documents.

Based on the foregoing, we are of the opinion that:

1. The Financing Agreement, the Tax Agreement and the Indenture have been duly authorized, executed and delivered by, are in full force and effect and constitute legal, valid and binding agreements of, the Issuer and are enforceable in accordance with their terms. The Indenture creates a valid lien, to secure the payment of the principal of, premium, if any, and interest on the Bonds, on the Trust Estate (as defined in the Indenture), subject to the provisions of the Indenture.

2. The Bonds have been duly authorized and issued by the Issuer in accordance with applicable law, and are valid and binding special limited obligations of the Issuer, the principal of, premium, if any, and interest on which are payable solely from the revenues and other moneys of the Issuer pledged therefore pursuant to the Indenture. The Bonds are enforceable in accordance with their terms and are entitled to the benefit of the Act.

3. The Bonds do not constitute general obligations of the Issuer nor a debt or pledge of the faith and credit or taxing power of Tazewell County or the State of Illinois or the United States or of any agency or instrumentality thereof. The Issuer is not obligated to pay the Bonds or the interest or any premium thereon except out of the revenues and other moneys pledged therefore pursuant to the Indenture.

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of computing the alternative minimum tax imposed on corporations, interest on the Bonds will be included in the "adjusted current earnings" of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporation's

adjusted current earnings over its alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

5. The interest on the Bonds is not exempt from Illinois income taxes.

6. It is not necessary in connection with the offering and sale of the Bonds to register the Bonds under the Securities Act of 1933, as amended, or to qualify any document under the Trust Indenture Act of 1939, as amended.

The opinions set forth in paragraph 4 above assume continuing compliance by the Issuer and the Borrower with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted in the Indenture, the Financing Agreement, and the Tax Certificate to comply with such requirements. Failure to comply with certain of such requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

For purposes of paragraph 4 above we have also relied on the opinion of Katz, Friedman, Eagle, Eisenstein & Johnson, PC, counsel to the Borrower, dated the date hereof, that (a) the Borrower is an organization described in Section 501(c)(3) of the Code, (b) the Borrower is not a "private foundation" (as defined in Section 509(a) of the Code) and (c) the Project is not being used in an unrelated trade or business of the member. The possible modification or repeal of certain existing federal income tax laws, the change of Internal Revenue Service policies or positions, the change of the Borrower's method of operations, purposes or character or other factors could result in loss by the Borrower of its tax-exempt status. The failure of the Borrower to remain so qualified could result in the loss of the exemption of interest on the Bonds from federal income taxation.

Although we have rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of any other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property and casualty insurance companies, banks, thrifts or other financial institutions, recipients of Social Security or Railroad Retirement benefits, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Bonds.

The foregoing opinion is qualified to the extent that the enforceability of the Bonds, the Indenture and the other instruments enumerated above may be subject to bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt and other laws affecting creditors' rights generally and laws affecting the remedies for the enforcement of the rights and security provided for therein, including the remedy of specific performance, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State of Illinois, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

WILDMAN, HARROLD, ALLEN & DIXON LLP

APPENDIX D

SUMMARY OF THE CONTINUING DISCLOSURE AGREEMENT

The following is a summary, which does not purport to be comprehensive or definitive, of certain provisions of the Continuing Disclosure Agreement, which is qualified in its entirety by reference to the Continuing Disclosure Agreement.

The Disclosure Agreement constitutes the written undertaking for the benefit of the holders of the Bonds required by Section (d)(2)(ii) of Securities and Exchange Commission ("SEC") Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, 240.15c2-12) (the "Rule"). The Disclosure Agreement is entered into for the benefit of the owners of the Bonds with the right to enforce the Disclosure Agreement directly.

The Borrower agrees to provide, on or before _______ 1 of each year commencing __________ 1, 2006, annual reports to the Trustee, each Nationally Recognized Municipal Securities Information Repository and any State Repository (collectively, the "Repositories"), as designated for purposes of the Rule. Each annual report of the Borrower shall consist of (a) the annual financial statements of the Borrower and (b) information under the heading "THE PROJECT – Results of Operations".

The Borrower will agree in the Continuing Disclosure Agreement to provide timely notice to each Repository of any of the events listed below, unless the listed event is deemed not to be material by the Borrower. The following events are subject to disclosure:

(A) Principal and interest payment delinquencies;

(B) Non-payment related defaults;

(C) Unscheduled draws on debt service reserves reflecting financial difficulties;

(D) Unscheduled draws on credit enhancements reflecting financial difficulties;

(E) Substitution of credit or liquidity providers, or their failure to perform;

(F) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(G) Modifications to rights of Bondholders;

(H) Bond calls;

(I) Defeasances;

(J) Release, substitutions, or sale of property securing repayment of the Bonds; and

(K) Rating changes.

Any failure by the Borrower to perform in accordance with the Continuing Disclosure Agreement will not constitute an "Event of Default" under the Financing Agreement and the rights and remedies provided by the Financing Agreement upon the occurrence of an "Event of Default" will not apply to any such failure. The sole remedy under the Disclosure Agreement in the event of any failure to comply shall be an action to compel performance.

AGREEMENT

WHEREAS, UNITED AUTO WORKERS SENIOR CITIZEN CENTER, INC., an Illinois not-for-profit corporation ("OWNER"), is the owner of the following described premises and the improvements thereon:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE INCORPORATED HEREIN

the ("PREMISES); and

WHEREAS, the CITY OF PEKIN ("CITY") is a home rule unit of government under the Constitution of the State of Illinois; and

WHEREAS, OWNER and CITY entered into an agreement ("AGREEMENT") dated the 28th day of May, 1982, a copy of which is attached hereto as Exhibit "B" and incorporated herein by reference thereto; and

WHEREAS, pursuant to said AGREEMENT certain bonds were issued and refinanced for the purpose of providing permanent financing for the PREMISES; and

WHEREAS, OWNER is requesting CITY to issue additional bonds to refinance the previous bonds issued pursuant to the AGREEMENT; and

WHEREAS, to induce CITY to issue the bonds, OWNER is willing to agree to extend the term of the AGREEMENT to 2034 and to affirm all of the other terms and conditions contained in said AGREEMENT.

NOW, THEREFORE, in consideration of the terms and covenants herein set forth, it is herewith agreed by and between OWNER and CITY as follows:

1. The recitals set forth above are made a material part of this agreement.

2. Subject to being duly authorized and empowered by law, CITY agrees to exercise its best efforts to issue $5,340,000 of mortgage revenue bonds secured by the PREMISES.

3. That Paragraph 3 of the AGREEMENT dated May 28, 1982 is amended to read as follows:

> "OWNER shall not take any action of any type whatsoever to obtain, establish or assert that OWNER or the PREMISES are exempt from any form of real estate or other form of taxation in the State of Illinois which would result in the loss of tax revenue for CITY for any year prior to the date of the AGREEMENT or through the year 2034 and shall not cause or seek to remove the PREMISES from the tax rolls of Tazewell County during said period, whether or not the Bonds to be issued by CITY have been fully redeemed during said period."

4. All other terms and conditions of the AGREEMENT dated May 28, 1982 shall remain in full force and effect.

5. OWNER warrants that all necessary resolutions have been passed by OWNER authorizing this agreement and that the undersigned signatories on behalf of OWNER are duly authorized and that said persons have been directed to execute this agreement for and on behalf of OWNER.

DATED this ______ day of ____________________, 2006.

UNITED AUTO WORKERS SENIOR CITIZEN CENTER, INC., an Illinois not-for-profit corporation,

By____
Its President

ATTEST:

____
Its Secretary

CITY OF PEKIN, an Illinois municipal corporation,

By______________________________________

Its Mayor

ATTEST:

____

CITY Clerk

EXHIBIT "A"

Legal Description of Premises

Parcel "A", a part of the Southwest Quarter of the Northeast Quarter of Section 1, Township 24 North, Range 5 West of the Third Principal Meridian, in the City of Pekin, Tazewell County, Illinois, and more particularly described as follows:

Commencing at the Southwest corner of said Southwest Quarter of the Northeast Quarter of Section 1; thence North 0° 36' 20" West along the West line of said Northeast Quarter of Section 1, a distance of 156.73 feet; thence North 87° 57' 40" East along a parallel to the South line of said Northeast Quarter, a distance of 180.06 feet to the Place of Beginning of the tract to be described herein; thence continuing Easterly along an extension of the last described line, a distance of 404.02 feet; thence North 0° 36' 20" West, a distance of 216.27 feet; thence South 87° 57' 40" West, a distance of 372.44 feet; thence South 4° 49' 45" West, a distance of 187.55 feet; thence South 87° 57' 40" West, a distance of 13.81 feet; thence South 0° 36' 20" East, a distance of 30.01 feet to the Place of Beginning - commonly known as 444 Parkway Drive, Pekin, IL 61554

PIN: 04-10-01-201-003
04-10-01-201-004
04-10-01-201-005

EXHIBIT "B"

<u>Agreement dated May 28, 1982</u>

WHEREAS, UNITED AUTO WORKERS SENIOR CITIZEN CENTER, INC, an Illinois not-for-profit corporation (Owner), is the owner of the following described premises and the improvements thereon:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE INCORPORATED HEREIN.

the (Premises); and

WHEREAS, the City of Pekin (City) is a home rule unit of government under the Constitution of the State of Illinois; and

WHEREAS, Owner has requested City to issue $6,465,000 of mortgage revenue bonds (Bonds) for the purpose of providing the permanent financing of the housing for elderly and handicapped persons of low income now constructed and so occupied on the Premises and for the costs of securing such permanent financing; and

WHEREAS, to induce the City to issue the Bonds, Owner is willing to agree to certain terms regarding the taxation of the Premises by the City, Tazewell County, and the appropriate governmental units, districts, bodies and authorities within the said City, County of Tazewell and State of Illinois;

NOW THEREFORE, in consideration of the terms and covenants herein set forth, it is herewith agreed by and between the parties hereto as follows:

1. Subject to being duly authorized and empowered by law, City agrees to exercise its best efforts to issue $6,475,000 of mortgage revenue bonds secured by the Premises and otherwise, all as set forth in the Official Statement pertaining thereto and dated the 28th day of May, 1982, for the purposes and uses therein set forth.

2. Upon execution hereof, Owners shall dismiss, withdraw and terminate all pending actions or proceedings wherein Owner is seeking to have its exemption from real estate taxes in Tazewell County, Illinois, in the State of Illinois established, including, but not limited to those proceedings in docket No. 8090-34 pending before the Illinois Department of Revenue, and shall seek no further such exemption for the period hereafter specified.

3. Owner shall not take any action of any type whatsoever to obtain, establish, or assert that Owner or the Premises are exempt from any form of real estate or other form of taxation within the State of Illinois which would result in the loss of tax revenue to City for any year prior to the date of the agreement or through the year 2021 and shall not cause or seek to remove the Premises from the tax rolls of Tazewell County during said period whether or not the Bonds to be issued by City have been fully redeemed during said period.

4. During the term specified in paragraph 3 above and for all years prior thereto, Owner shall make no objection to the assessment of any real estate taxes levied against the premises other than any objections which relate to the fair market value of the Premises, and do herewith waive all other legal defenses thereto.

5. Owner's default in any of the terms and conditions herein shall not be deemed to constitute such a default as would accelerate any mortgage payment securing the Bonds or otherwise have any effect on the Bonds.

6. The terms, covenants and conditions herein shall run with the land and be binding on all those successes in title to the premises herein and the successors and assignees of Owner.

7. In the event Owner defaults in any of the terms and conditions herein, Owner herewith consents to the entry of a restraining order by a Court of competent jurisdiction restraining it from the actions herein covenanted against and does herewith waive service of notice and process and consents to the immediate entry of said order and all such other orders as the Court deems proper and necessary to give effect to the terms of this agreement.

8. If for any reason during the period set forth in paragraph 3, the premises herein are removed from the taxable property in the City of Pekin or Owner is declared to be exempt from real estate taxes, Owner shall pay at the same time as the real estate taxes would have become due a sum in like amount as if the City of Pekin and other applicable taxing bodies had extended their tax levies to the Premises, and which said

payments shall be then due in lieu of the real estate taxes.

8. This Agreement and covenants herein shall be binding on the successors and assigns of the parties hereto.

9. Owner warrants that all necessary resolutions have been passed by Owner authorizing this Agreement and that the undersigned signatories on behalf of Owner are duly authorized and that said persons have been directed to execute this Agreement for and on behalf of Owner.

DATED this 28TH day of MAY, 1982.

UNITED AUTO WORKERS SENIOR CITIZEN CENTER, INC., an Illinois not-for-profit Corporation,

By James B. O'Connor
Its President

ATTEST:

Its Secretary

CITY OF PEKIN

By
Its Mayor

ATTEST:

James J. Kautz
City Clerk

EXHIBIT "A"

PARCEL "A", A PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 1, TOWNSHIP 24 NORTH, RANGE 5 WEST OF THE THIRD PRINCIPAL MERIDIAN IN THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 1; THENCE NORTH 0° 36'20" WEST ALONG THE WEST LINE OF SAID NORTHEAST QUARTER OF SECTION 1, A DISTANCE OF 156.73 FEET; THENCE NORTH 87° 57'40" EAST ALONG A LINE PARALLEL TO THE SOUTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 180.06 FEET TO THE PLACE OF THE BEGINNING OF THE TRACT TO BE DESCRIBED HEREIN, THENCE CONTINUING EASTERLY ALONG AN EXTENSION OF THE LAST DESCRIBED LINE, A DISTANCE OF 404.02 FEET; THENCE NORTH 0° 36'20" WEST, A DISTANCE OF 216.27 FEET; THENCE SOUTH 87° 57'40" WEST, A DISTANCE OF 372.44 FEET; THENCE SOUTH 4° 49'45" WEST, A DISTANCE OF 187.55 FEET; THENCE SOUTH 87° 57'40" WEST, A DISTANCE OF 13.81 FEET; THENCE SOUTH 0° 36'20" EAST, A DISTANCE OF 30.01' FEET TO THE PLACE OF BEGINNING.

CONTAINING 83,124.66 SQ. FT. OR 1.908 ACRES

McMillan, Sue

From: Pagliaro, Dave
Sent: Thursday, March 30, 2006 3:51 PM
To: McMillan, Sue
Subject: Recommendation:

It is my recommendation that we re-bid the 2006 Street Maintenance Contract.

David Pagliaro
Supt. of Streets & Sewer Operations
Vehicle Maintenance
City of Pekin
1208 Koch St.
Pekin, IL 61554
309-477-2325
309-477-2322 fax

Illinois Department of Transportation

Tabulation of Bids

County	AZEWELL	Date	3/22/2006
Municipality or Road District	PEKIN	Time	9:00 A.M
Section	2006-0000-01-GM	Appropriation $	725,000.00
Estimate $	797,712.60	Attended By	

	Name and Address of Bidders	JOHNSON TRUCKING & BLACKTOPPING INC P.O. BOX 51 GILSON, IL 61472	R A CULLINAN & SON P.O. BOX 166 TREMONT, IL 61568	
Proposal Guarantee	**Approved Engineers Estimate**			
Terms				

Item No. or Group	Items	Delivery	Unit	Quantity	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
	SEAL COAT AGGREGATE		TONS	6,031.000	$65.00	$392,015.00	$60.00	$361,860.00	$72.67	$438,272.77		
	BITUMINUS MATERIALS		GALS	219,296.000	1.85	$405,697.60	1.78	$390,346.88	1.74	$381,575.04		
			Total Bid	As Read								
				As Corrected		$797,712.60		$752,206.88		$819,847.81		

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