
TAX EXEMPTION CERTIFICATE AND AGREEMENT

AMONG

THE COUNTY OF LAKE, ILLINOIS

WHISPERING OAKS ASSOCIATES, L.P.

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE

\$26,000,000

The County of Lake, Illinois
Variable Rate Demand Multifamily Housing Revenue Bonds
(Whispering Oaks Apartments Project)
Series 2008

November __, 2008

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TAX EXEMPTION CERTIFICATE AND AGREEMENT

The undersigned are duly qualified officers of The County of Lake, Illinois (the “*Issuer*”), Whispering Oaks Associates, L.P. (the “*Borrower*”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”). The undersigned officer of the Issuer is charged, with others, with the responsibility for executing and delivering the obligations described on the cover page of this Tax Exemption Certificate and Agreement (the “*Bonds*”). The Bonds were authorized pursuant to a duly adopted Resolution of the Issuer, and are being issued pursuant to that certain Trust Indenture dated as of November 1, 2008 (the “*Indenture*”) by and between the Issuer and the Trustee. Sale Proceeds of the Bonds will be provided to the Borrower pursuant to that certain Financing Agreement dated as of November 1, 2008, by and among the Issuer, the Trustee and the Borrower. Certain terms are defined in Article I of this Tax Exemption Certificate and Agreement. Terms used herein and not defined in Article I hereof shall have the meanings given to them in the Indenture.

One purpose of executing this Tax Agreement is to set forth various facts regarding the Bonds and to establish the expectations of the Issuer, the Borrower and the Trustee as to future events regarding the Bonds and the use of the Bond proceeds. To the extent such facts do not relate directly to the Issuer or the Trustee, the Issuer and the Trustee are relying upon the certifications of the Borrower, which they have no reason to believe are not accurate or may not be relied upon. The certifications, covenants and representations contained herein are made on behalf of the Issuer, the Borrower and the Trustee for the benefit of the owners from time to time of the Bonds.

The Issuer covenants that it will not knowingly, and the Borrower hereby covenants that it will not, take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Issuer acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of the interest on the Bonds, under present rules, the Issuer may be treated as the “taxpayer” in such examination. The Borrower agrees that it will direct the Issuer to respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination, and the Issuer agrees that it will reasonably cooperate with the Borrower (at the expense of the Borrower) in this regard.

The Trustee is executing and delivering this Tax Agreement solely for the purposes of acknowledging the matters set forth herein, and being bound to undertake the duties and responsibilities relating to amounts held under the Indenture set forth with respect to the Trustee in the following Articles and Sections of this Tax Agreement (including all Exhibits and Appendices referred to herein): Section 2.4 Article III, Sections 4.1, 4.2, 4.3, 4.4, 5.2, 5.3, 5.6, 5.7, 6.2, 6.6, 6.7, 6.12, 6.13, 6.14, 6.15, 6.16 and 6.17 of this Tax Agreement. With respect to matters set forth in the remaining Sections of this Tax Agreement, the Trustee has made no investigations, makes no representation and undertakes no duties or responsibilities.

ARTICLE I

DEFINITIONS

In addition to such other words and terms used and defined in this Tax Agreement, the following words and terms used in this Tax Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning is intended:

“*Administration Fund*” means the Administration Fund created pursuant to the Indenture.

“*Bond Counsel*” means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“*Bond Fund*” means the Bond Fund created pursuant to the Indenture.

“*Bond Purchase Fund*” means the Bond Purchase Fund created pursuant to the Indenture.

“*Bonds*” means the Variable Rate Demand Multifamily Housing Revenue Bonds (Whispering Oaks Apartments Project) Series 2008 of the Issuer in the aggregate principal amount of \$26,000,000.

“*Capital Expenditures*” means costs of a type that are properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles taking into account the definition of Placed-in-Service set forth herein in this Tax Agreement.

“*Closing*” means the date of this Tax Agreement, which is the first date on which the Issuer is receiving the purchase price for the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a commingled fund.

“*Control*” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

“*Controlled Entity*” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“*Controlled Group*” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has the Control of the other entities.

“*Controlling Entity*” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Cost of Issuance Fund*” means the Cost of Issuance Fund created pursuant to the Indenture.

“*Costs of Issuance*” means the costs of issuing and carrying the Bonds, including underwriters’ discount or fees, the fees and expenses of the Remarketing Agent, the Tender Agent and the Trustee, and legal fees, but not including the fees for the Credit Facility described in Section 5.8 of this Tax Agreement.

“*Credit Facility*” means the Credit Enhancement Agreement issued by the Credit Facility Provider with respect to the Bonds.

“*Credit Facility Provider*” means Freddie Mac.

“*De minimis Amount of Original Issue Discount or Premium*” means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent (2%) of the stated redemption price at maturity of the Bonds, plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

“*External Commingled Fund*” means a Commingled Fund in which the Issuer, the Borrower and all Related Persons to the Issuer and the Borrower, own, in the aggregate, not more than ten percent of the beneficial interests.

“*Financing Document*” means the Financing Agreement identified in the preamble to this Tax Agreement.

“*Freddie Mac*” means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States, and its successors and assigns.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and (b) any agreement to supply investments on two (2) or more future dates (*e.g.*, a forward supply contract).

“*Gross Proceeds*” means amounts in the funds listed on *Exhibit E* attached to and made a part of this Tax Agreement.

“*Indenture*” means that certain Trust Indenture pursuant to which the Bonds are being issued and identified in the preamble to this Tax Agreement.

“*Issuer*” is defined in the preamble to this Tax Agreement.

“*Net Sale Proceeds*” means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

“*Person*” means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, limited liability company or group of any of the above.

“*Placed-In-Service*” means the date on which, based on all the facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level, and (b) the facility is, in fact, in operation at such level.

“*Preliminary Expenditures*” means architectural, engineering, surveying, soil testing, Costs of Issuance and similar costs that were incurred prior to commencement of the acquisition, construction and installation of the Project, but do not include any costs related to land acquisition, site preparation and similar costs incident to commencement of construction.

“*Principal Reserve Fund*” means the Principal Reserve Fund created pursuant to the Indenture.

“*Project*” means the acquisition of land, buildings, improvements, furnishings, equipment and related personal property, the rehabilitation thereof and the acquisition of furnishings, equipment and personal property to be installed therein, all to constitute a multifamily rental housing facility located in the City of Waukegan, Lake County, Illinois, as described in the Indenture.

“*Project Certificate*” means the Project Certificate dated the date hereof and executed by the Borrower in connection with the issuance of the Bonds.

“*Project Fund*” means the Bond Mortgage Loan Fund created pursuant to the Indenture.

“*Purchaser*” means the purchaser of the Bonds from the Issuer.

“*Qualified Tax Exempt Obligations*” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludible from gross income of the owner thereof for federal income tax purposes; (b) an interest in a regulated investment company to the extent that at least ninety-five percent (95%) of the income to the holder of the interest is interest which is excludible from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. part 344.

“Rebate Fund” means the Rebate Fund created pursuant to the Indenture.

“Rebate Provisions” means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

“Redemption Fund” means the Redemption Fund created pursuant to the Indenture.

“Regulations” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“Reimbursed Expenditures” means amounts, if any, used from Sale Proceeds and investment earnings thereon to reimburse the Borrower for an expenditure paid prior to Closing.

“Reimbursement Allocation” means the act of allocating the amount of Sale Proceeds indicated on *Exhibit A* attached hereto and made a part hereof to reimburse Reimbursed Expenditures.

“Reimbursement Mortgage” means the Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of November 1, 2008, from the Borrower to Freddie Mac, together with all riders and addenda thereto, granting a second priority mortgage and security interest in the Project to the Freddie Mac to secure the obligations of the Borrower under the Reimbursement Agreement and all documents related thereto, and upon the effectiveness of any Alternate Credit Facility, any similar mortgage, deed of trust, deed to secure debt, security interest or other lien or encumbrance granting a mortgage and security interest in the Project to the Alternate Credit Facility Provider to secure similar obligations of the Borrower to the Alternate Credit Facility Provider, as the same may be amended, supplemented or restated.

“Related Person” means (i) in the case of the Issuer, any member of the same Controlled Group as the Issuer, or (ii) in the case of the Borrower or the Credit Facility Provider, any person related to the Borrower or the Credit Facility Provider within the meaning of Section 144(a)(3) of the Code.

“Revenue Fund” means the Revenue Fund created pursuant to the Indenture.

“Sale Proceeds” means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriter’s or placement agent’s discount or compensation and accrued interest, other than accrued interest for a period not greater than one (1) year before Closing but only if it is to be paid within one year after Closing, and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right).

“Tax Agreement” means this Tax Exemption Certificate and Agreement.

“Underwriter” means Banc of America Securities LLC.

“Yield” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation produces an amount equal to the obligation’s purchase price (or in the case of the Bonds, the issue price as established in Section 5.1 hereof), including accrued interest. For purposes of computing the Yield on the Bonds and on investments, the same compounding interval (which must be an interval of not more than one year) and standard financial conventions (such as a 360-day year) must be used.

“Yield Reduction Payment” means a rebate payment or any other amount paid to the United States of America in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

ARTICLE II

DESCRIPTION OF PROJECT

Section 2.1. Purpose of the Bonds. The Bonds are being issued to finance the Project in a prudent manner consistent with the needs of the Borrower. Sale Proceeds of the Bonds will be provided to the Borrower pursuant to the Financing Document. A breakdown of the sources and uses of funds is set forth in *Exhibit A* attached to and made a part of this Tax Agreement.

Section 2.2. The Project — Binding Commitment and Timing. The Borrower has incurred or will, within six (6) months of the date of the Closing, incur a substantial binding obligation (not subject to contingencies within the control of the Issuer, the Borrower or any Related Person to either of them) to a third party to expend at least five percent (5%) of the Net Sale Proceeds on the Project. It is expected that the work of acquiring, rehabilitating and equipping the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through _____, 200_, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

It is expected that the Sale Proceeds deposited into the Project Fund, including investment earnings on the Project Fund will be spent to pay costs of the Project and interest on the Bonds in accordance with the estimated drawdown schedule contained in *Exhibit B* attached to and made a part of this Tax Agreement.

Estimated total investment income as set forth in *Exhibit A* attached hereto and made a part hereof has been calculated on the basis of an expected overall investment rate as set forth therein on amounts in the Project Fund assuming that (a) the costs of the Project are drawn down in accordance with the schedules contained in *Exhibit B* attached hereto and made a part hereof, and (b) the Costs of Issuance will be drawn down during the three-month period after Closing. The foregoing assumptions represent the best estimate of the Borrower, as of this date, of the drawdown schedules of and investment earnings on the Sale Proceeds.

Section 2.3. Reimbursement. Except for Reimbursed Expenditures, as identified on *Exhibit A* attached hereto and made a part hereof, none of the Sale Proceeds or investment earnings thereon will be used to reimburse the Issuer or the Borrower for an expenditure paid

prior to the date of the Closing. The Issuer and the Borrower are making the Reimbursement Allocation to allocate a portion of the Sale Proceeds to the Reimbursed Expenditures incurred in connection with acquiring, constructing and installing the Project and will, after such Reimbursement Allocation, treat such proceeds as being spent. In support of the Reimbursement Allocation, the Issuer and the Borrower hereby represent as follows:

(a) Except as described in (f) below, the Issuer declared an official intent to reimburse such expenditures not later than sixty (60) days after the date such expenditures were paid. At the time the official intent described above was declared, the Borrower and the Issuer (based upon information supplied by the Borrower, upon which it was reasonable and prudent for the Issuer to rely) reasonably expected to reimburse the non-Preliminary Expenditures related thereto with the proceeds of a future borrowing. A copy of the declaration of such intent is attached hereto as *Exhibit I*. With respect to expenditures paid within the sixty (60) day period ending on this date and with respect to which no declaration of intent was previously made, the Issuer and Borrower hereby declare their intent to reimburse such expenditures as identified in *Exhibit A* attached hereto and made a part hereof, and in the description of the Project contained in this Tax Agreement. The Issuer and the Borrower hereby allocate the Sale Proceeds in the amounts indicated on *Exhibit A* attached hereto and made a part hereof, to reimburse the Reimbursed Expenditures.

(b) Except as described in clause (f) below, the date of the Closing is within eighteen (18) months after the later of (i) the first date on which a Reimbursed Expenditure was paid or (ii) the first date on which the property relating to a Reimbursed Expenditure was Placed-in-Service or abandoned, but in no event more than three (3) years after the first date on which a Reimbursed Expenditure was paid.

(c) All Reimbursed Expenditures represent Capital Expenditures or Costs of Issuance.

(d) The Issuer and the Borrower acknowledge that if within one (1) year after the date of the Closing the Issuer or the Borrower deposits any money or other property into any fund or account (other than amounts deposited into a *bona fide* debt service fund) to pay the principal of or interest on the Bonds or any other tax-exempt obligations in an amount corresponding to Gross Proceeds used to reimburse a Reimbursed Expenditure (unless such money or other property constitutes proceeds of a borrowing by the Issuer or the Borrower), it may adversely affect the tax-exempt status of the interest on the Bonds. The Issuer and the Borrower further acknowledge that they have covenanted in this Tax Agreement not to take any action that would cause interest on the Bonds to become includible in the gross income of the holders thereof for federal income tax purposes.

(e) No Reimbursement Allocation will employ any action (i) that results in the Issuer issuing more Bonds, issuing Bonds earlier or allowing Bonds to remain outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Bonds, based upon all of the facts and circumstances, or (ii) that avoids the restrictions of Sections 142 through 147 of the Code.

(f) The restrictions in paragraphs (a) and (b) above do not apply to (i) an amount of Preliminary Expenditures that does not exceed 20% of the Sale Proceeds being used to finance the portion of the Project with respect to which the Preliminary Expenditures were incurred, (ii) Costs of Issuance, or (iii) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the Sale Proceeds.

Section 2.4. Investment of Bond Proceeds. Not more than 50% of the Sale Proceeds and investment earnings thereon are or will be invested in investments (other than Qualified Tax Exempt Obligations) having a Yield that is substantially guaranteed for four (4) years or more. No portion of the Bonds is being issued solely for the purpose of investing a portion of the Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

Section 2.5. No Grants. None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

Section 2.6. Hedges. Except for the Swap, neither the Borrower, the Issuer nor any Related Person to either of them has entered into any hedge (*e.g.*, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds. The Borrower and the Issuer acknowledge that any hedge with respect to the Bonds (including the Swap) will or could affect, among other things, the calculation of Bond Yield under the Regulations. The Internal Revenue Service could recalculate Bond Yield if the failure to account for a hedge fails to clearly reflect the economic substance of the transaction.

The Borrower and the Issuer also acknowledge that if they acquire a hedging contract with an investment element (including *e.g.* an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The Borrower and the Issuer agree not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The Borrower and the Issuer also agree that they will not give any assurances to any Bond holder, the Credit Facility Provider, or any other credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The Borrower and the Issuer recognize that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

(b) The Swap was entered into primarily to modify the risk of interest rate changes with respect to the Bonds. Based on the certifications contained in *Exhibit M*, which the Issuer and Borrower believe to be reasonable, the Swap was negotiated at arm's length and is fairly priced. On _____, 2008, a date that was within three days after the Trade Date, the Issuer identified the Swap as a hedge for the Bonds. The Issuer will note the existence of the Swap on each form that the Issuer files with the Internal Revenue Service with respect to the Bonds, including Form 8038. The Issuer and the Borrower hereby represent and certify as follows:

(i) No payments have been made or will be made with respect to the Swap other than as set forth in the Swap. Neither the Issuer nor the Borrower and their agents

will make or receive any payments with respect to the Swap, other than as set forth in the Swap. The Swap Counterparty is not paying any fees on behalf of or for the benefit either of the Issuer or the Borrower. The Swap is not expected to terminate early.

(ii) The Swap does not contain a significant investment element. No payment to be made by the Borrower or to the Borrower under the Swap relates to a conditional or unconditional obligation by the other party to make a payment on a different date.

(iii) The Swap is between the Borrower and the Swap Counterparty. Neither the Issuer nor the Borrower is a related party to the Swap Counterparty.

(iv) The Swap is primarily interest based. The Bonds, without regard to the Swap, are variable rate bonds. As a result of treating all payments on (and receipts from) the Swap as additional payments on (and receipts from) the Bonds, the resulting bonds would be substantially similar to fixed rate bonds.

(v) The payments received by the Borrower from the Swap Counterparty under the Swap will be received on the same date that interest payments must be made on the Bonds.

(vi) The Borrower expects to make any payments that it must make under the Swap to the Swap Counterparty from the same source of funds that, absent the Swap, is reasonably expected to be used to pay principal of and interest on the Bonds.

(vii) The notional principal amount of the Swap is expected to always equal \$_____ (although, subject to the provisions of this Section 2.6, additional hedging contracts may be entered into with respect to the Bonds). The Borrower does not reasonably expect that the Swap will be modified before its stated termination date, unless the Bonds are retired in full on an earlier date than the stated termination date of the Swap (in which case, the Borrower would expect that the Swap would be terminated on the date the Bonds are refunded in full), or converted to a fixed rate on an earlier date than the stated termination date of the Swap (in which case, the Borrower would expect that the Swap would terminate on the date on which the Bonds stopped bearing interest at a variable rate). The Borrower does not expect to change the interest rate mode on the Bonds from the Weekly Rate (as defined in the Indenture).

(viii) Taking into account all payments made and received under the Swap and all payments on the Bonds (*i.e.* after netting all payments) the Borrower's aggregate payments are fixed and determinable as of the issue date of the Bonds except for variability that may result from the difference between the variable rate on the Bonds and the variable rate on the Swap. Based on the certifications set forth in *Exhibit J*, which the Issuer and Borrower believe to be reasonable, the variable rate on the Bonds and the variable rate on the Swap are substantially the same as, but not identical to, each other. The variable rate on the Swap and the variable rate on the Bonds are reasonably expected to be substantially the same throughout the term of the Swap.

(c) Attached hereto as *Exhibits J, K and L* are the Certificate of Swap Counterparty, Identification Certificate of the Issuer and the Borrower's Request for Identification Certificate of Issuer, respectively, supporting the conclusions contained herein.

(d) The Issuer and the Borrower agree not to change the mode of the Bonds during the term of the Swap, except as permitted under Section 7.9 herein.

(e) Pursuant to the final paragraph of the fair market certificate attached hereto as *Exhibit M*, the Borrower designates Chapman and Cutler LLP as a person that can rely on such fair market certificate.

Section 2.7. Payments to Related Persons. None of the Sale Proceeds or investment earnings thereon will be paid to the Issuer, the Borrower or any Related Person to the Issuer or the Borrower, except for reimbursements to the Borrower for amounts paid to persons other than the Issuer, the Borrower or any Related Person to the Issuer or the Borrower and the Issuer's fee.

Section 2.8. Internal Revenue Service Audits. The Issuer represents that the Internal Revenue Service has not contacted the Issuer regarding any obligations issued by or on behalf of the Issuer the proceeds of which have been or are to be used to finance assets or used for a purpose similar to the assets to be financed with the proceeds of the Bonds or the purpose for which the Bonds are being issued or that are secured by or reasonably expected to be paid from the same or similar source as the Bonds.

The Borrower represents that it has not been contacted by the Internal Revenue Service or any issuer of bonds, the proceeds of which were lent to (or otherwise used for the benefit of) the Borrower regarding any examination of any tax exempt bonds issued for the benefit of the Borrower. To the best of the knowledge of the Borrower, no bonds issued as tax exempt bonds for the benefit of the Borrower are or have been under examination by the Internal Revenue Service.

ARTICLE III

USE OF PROCEEDS; DESCRIPTION OF FUNDS

Section 3.1. Use of Proceeds. (a) *Exhibit A* describes the use of the Sale Proceeds and investment earnings thereon and the funds held under the Indenture on the date of the Closing. No Sale Proceeds will be used to prepay for services or goods to be received over a period of years prior to the date such services or goods are to be received, except for any payment to the Credit Facility Provider.

The Issuer and the Borrower intend to use the proceeds of the Bonds (including all investment earnings thereon) for the purposes set forth on *Exhibit C* attached to and made a part of the Project Certificate and do not intend the Indenture or any other document related in any manner to the Project to be construed to permit proceeds of the Bonds (including all investment earnings thereon) to be used in a manner different than set forth on *Exhibit C* attached to and made a part of the Project Certificate. If, for any reason, proceeds of the Bonds (including

investment earnings) are actually used for a purpose not listed on *Exhibit C* attached to and made a part of the Project Certificate, the Issuer and the Borrower hereby allocate any proceeds of the Bonds (including investment earnings) so used to a use listed on *Exhibit C* attached to the Project Certificate. If the proceeds of the Bonds (including investment earnings) are used to pay interest on the Bonds that is not considered to be a capital expenditure, the Issuer and the Borrower hereby allocate such expenditure to another use on *Exhibit C* attached to and made a part of the Project Certificate.

(b) As shown on *Exhibit A*, only the following funds and accounts will be funded on the date of the Closing: the Project Fund and the Costs of Issuance Fund. Other than the foregoing funds, the only other funds and accounts created under the Indenture are the Bond Fund, the Revenue Fund (which is divided into the General Account and the Credit Facility Account), the Redemption Fund, the Administration Fund, the Principal Reserve Fund and the Rebate Fund. No amounts, regardless of the source, are being deposited into these other funds and accounts on the date of the Closing.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) The Costs of Issuance will be paid from the Cost of Issuance Fund. Any moneys remaining in Costs of Issuance Fund after the payment of all Costs of Issuance permitted to be paid from the Costs of Issuance Fund will be transferred to the Project Fund within ninety (90) days of Closing.

(e) The costs of the Project will be paid from the Project Fund, and no other moneys (except for investment earnings on amounts in the Project Fund) are expected to be deposited therein.

(f) Amounts drawn by the Trustee on the Credit Facility will, except as otherwise provided in the Indenture, be deposited into the Credit Facility Account of the Revenue Fund and will be applied for the purpose for which such draw was made.

(g) Payments made by the Borrower under the Financing Agreement and under the Reimbursement Agreement will be deposited in the Revenue Fund when received by the Trustee to be transferred to the Bond Fund to be used, directly or indirectly, to pay interest on and principal of the Bonds or to the Redemption Fund to be applied to the mandatory sinking fund redemption, mandatory redemption and/or optional redemption of the Bonds in accordance with the provisions of the Indenture.

(h) Amounts from the Borrower will be deposited in the Principal Reserve Fund in accordance with the Principal Reserve Schedule (as defined in the Indenture) attached to the Reimbursement Agreement. Investment income earned on amounts on deposit in the Principal Reserve Fund will be deposited into the Principal Reserve Fund. Amounts in the Principal Reserve Fund will be used to reimburse the Credit Provider for unreimbursed advances under the Credit Facility and to pay, directly or indirectly, other amounts required to be paid by the Borrower under the Bond Mortgage Loan Documents (as defined in the Indenture), to pay amounts owed to the Credit Facility Provider in connection with any loan purchased by the

Credit Facility Provider and secured by the Project, to pay any other amount agreed to in writing by the Borrower and the Credit Facility Provider or as otherwise permitted by the Indenture.

(i) *Rebate Fund.* The Trustee shall hold and apply the Rebate Fund as provided in this Tax Agreement.

Section 3.2. Purpose of Bond Fund. The Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund for the immediately preceding bond year, or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

Section 3.3. Other Funds and Accounts. The Bond Mortgage Loan Fund, the Bond Purchase Fund, the Administration Fund and the Cost of Issuance Fund will not contain any Sale Proceeds or any investment earnings thereon. No amounts in such funds or accounts are expected to be used to pay debt service on the Bonds and no amounts in the Bond Purchase Fund will be used to pay principal or interest on the Bonds. Because amounts in such funds are available for uses other than the payment of debt service on the Bonds, there are no assurances that such amounts would be available to pay principal or interest on the Bonds or the obligations under the Credit Facility or any other credit enhancement or liquidity device with respect to the Bonds, even if the Issuer, the Borrower, the Credit Facility Provider or any Related Person to any of them encounters financial difficulties.

Section 3.4. No Other Gross Proceeds. (a) Except as identified on *Exhibit E* attached hereto and made a part hereof, and except for the Credit Facility, after the issuance of the Bonds, neither the Issuer, the Borrower nor any Related Person to either of them has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

- (i) Sale Proceeds;
- (ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund and amounts in the funds described in Section 3.3 hereof);
- (iii) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);
- (iv) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay the principal of or the interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay the principal of or interest on the Bonds or the obligations under

the Credit Facility or any other credit enhancement or liquidity device with respect to the Bonds, even if the Issuer, the Borrower or any Related Person to either of them encounters financial difficulties;

(v) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the owners of the Bonds, the Credit Facility Provider or any other credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to pay the principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the owners of the Bonds or a guarantor of the Bonds); or

(vi) amounts actually or constructively received from the investment and reinvestment of the amounts described in clause (i) or clause (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes or similar arrangement exists with respect to, in any way, the Bonds, the Financing Document, the Credit Facility or any other credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds because the weighted average maturity of the Bonds does not exceed 120 percent of the average reasonably expected economic life of the Project as evidenced in the Project Certificate.

(d) All property subject to the Reimbursement Mortgage is and will be used by the Borrower in the conduct of its trade or business, and none of such property consists of securities, obligations, annuity contracts or other property held principally as a passive vehicle for the production of income.

ARTICLE IV

ARBITRAGE REBATE; RECORD KEEPING; INVESTMENT DIRECTION

Section 4.1. Compliance with Rebate Provisions. The Borrower covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The Borrower will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law. The Issuer shall be obligated to make such payments only out of amounts available under the Indenture or otherwise provided by the Borrower. Bond Counsel has provided a memorandum attached hereto as *Exhibit D* concerning the principles set forth in the Regulations regarding rebate.

Section 4.2. Rebate Fund. The Issuer is authorized by the Indenture to create and establish a special fund to be known as the Rebate Fund, which, if created, shall be continuously held, invested, expended and accounted for in accordance with the Indenture and this Tax

Agreement. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States of America as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Tax Agreement.

In addition to the amounts provided in this Tax Agreement, the Borrower hereby agrees to pay to the Trustee for deposit in the Rebate Fund for payment to the United States of America any amount which under the Regulations must be deposited in the Rebate Fund for payment to the United States of America with respect to the Bonds, but which is not available under the Indenture for transfer to the Rebate Fund for payment to the United States of America.

Section 4.3. Records. The Trustee (with respect to amounts held under the Indenture) and the Borrower agree to keep and retain or cause to be kept and retained until three (3) years after the Bonds are paid in full adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include:

- (a) purchase price;
- (b) purchase date;
- (c) type of investment;
- (d) accrued interest paid;
- (e) interest rate;
- (f) principal amount;
- (g) maturity date;
- (h) interest payment date;
- (i) date of liquidation; and
- (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

Section 4.4. Fair Market Value; Certificates of Deposit and Investment Agreements. The Borrower will direct the Trustee to, and to the extent the Trustee has investment discretion

the Trustee shall, continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Tax Agreement and the Indenture. In directing the Trustee with respect to such investments, the Borrower shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States of America purchased directly from the United States of America. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States of America, and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public, or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if:

(i) the bid specifications are in writing, include all material terms of the bid, and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have an equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three (3) of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three (3) of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one (1) of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Borrower or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the Borrower or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the Borrower will retain the following records with its bond documents until three (3) years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under paragraph (b)(xi) of this section;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States of America shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically

described in this section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an “established securities market” includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

The Borrower (and the Trustee, to the extent of any investment discretion) agrees that an investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm’s length, and had the rebate or Yield restriction requirements not been relevant. An investment of Gross Proceeds shall be made in a Commingled Fund, other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this Section 4.4.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restrictions.

The foregoing provisions of this Section 4.4 satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this Section 4.4 are contained herein for the protection of the Borrower, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The Borrower will contact Bond Counsel if it does not wish to comply with the provisions of this Section 4.4, and forego the protection provided by the safe harbors provided in this Tax Agreement. Modifications to this Tax Agreement can be made in accordance with Section 6.7 of this Tax Agreement.

Section 4.5. Arbitrage Elections. Attached hereto as *Exhibit G* is a schedule of elections regarding certain matters with respect to arbitrage executed by the Issuer on the date hereof. The elections made by the Issuer on *Exhibit G* are incorporated by reference as if made herein.

ARTICLE V

YIELD AND INVESTMENT LIMITATIONS

Section 5.1. Issue Price. The Underwriter has certified, *inter alia*, in the Certificate of the Underwriter set forth as or referenced in *Exhibit C*, which is attached hereto that the first offering price at which the Bonds were sold is par.

Section 5.2. Yield Limits. (a) Except as provided in paragraph (b) below all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield

Reduction Payments) not in excess of the Yield on the Bonds, plus, if only amounts in the Project Fund are subject to this yield limitation, 1/8th of one percent (1/8 of 1%).

(b) The following may be invested without Yield restriction:

(i) amounts on deposit in the Bond Fund (except for capitalized interest) that have not been on deposit under the Indenture for more than thirteen (13) months, so long as the Bond Fund continues to qualify as a *bona fide* debt service fund as described in Section 3.2 hereof;

(ii) amounts on deposit in the Project Fund that are reasonably expected to pay for the costs of the Project or the interest on the Bonds during the three (3) year period beginning on the date of issue of the Bonds prior to three (3) years after the date of the Closing;

(iii) amounts in the Cost of Issuance Fund prior to the earlier of 90 days after the date of the Closing or the payment of all expenses to be paid from that fund;

(iv) an amount not to exceed the lesser of \$100,000 or five percent (5%) of the Sale Proceeds;

(v) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and the Indenture);

(vi) amounts in the Rebate Fund; and

(vii) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one (1) year from the date received.

Section 5.3. Continuing Nature of Yield Limits. Except as provided in Section 6.7 hereof, once moneys are subject to the Yield limits of Section 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

Section 5.4. Yield on the Financing Document. Payments of repayment installments under the Financing Document will be due not later than the day and in the same amount as payments are due on the Bonds. The earnings and profits of any temporary investments of amounts held under the Indenture, if any, will accrue to the Borrower, not to the Issuer. The Yield on the Financing Document, taking into account the Issuer's fee described in Section 5.5 hereof, does not exceed the Yield on the Bonds by more than one-eighth of one percent (1/8 of 1%).

Section 5.5. Other Payments Relating to the Bonds. Except for (a) the payments under the Financing Document as described above, (b) Costs of Issuance relating to the Bonds, including any underwriter's discount, (c) the fees and expenses of the Trustee, (d) the fees of the Credit Facility Provider, (e) fees for the Tender Agent [and the Servicer] and (f) an Issuer's fee of \$260,000, no consideration, in cash or in kind, is being or will be paid by any person to any

person in connection with or relating to issuing, carrying or redeeming the Bonds or issuing, carrying or repaying the obligations of the Borrower under the Financing Document.

Section 5.6. Federal Guarantees. Except for investments meeting the requirements of Section 5.2(b)(i), (ii) and (iii) hereof, investments of Gross Proceeds shall not be made in federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code).

Section 5.7. Investments After the Expiration of Temporary Periods, Etc. After the expiration of the temporary period set forth in Section 5.2(b)(ii) hereof, amounts in the Project Fund may not be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code), or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States of America [except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips)]. Any other amounts that are subject to the yield limitation in Section 5.2(a) hereof because Section 5.2(b)(i) or (iii) hereof is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b)(iv), (v), (vi) or (vii) hereof, are also subject to the limitation set forth in the preceding sentence.

Section 5.8. Treatment of Certain Credit Facility Fees. Based upon representations made in the Certificate of the Underwriter set forth as or referenced in *Exhibit C* attached hereto and made a part hereof, and based upon representations made in the Certificate of the Credit Facility Provider set forth as or referenced in *Exhibit H* attached hereto and made a part hereof which the Issuer and the Borrower have no reason to believe are untrue, and the representations contained in this Tax Agreement, the fee paid to the Credit Facility Provider with respect to the Credit Facility may be treated as interest in computing Bond Yield.

The Credit Facility is an unconditional obligation of the Credit Facility Provider to pay the interest on and principal and tender price of the Bonds. Neither the Issuer nor the Borrower nor any Related Person to either of them is a Related Person to the Credit Facility Provider. Other than the fee paid to the Credit Facility Provider, neither the Credit Facility Provider nor any person who is a Related Person to the Credit Facility Provider will use any Sale Proceeds or investment earnings thereon. The fee paid for the Credit Facility does not exceed a reasonable, arm's length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk. It is not reasonably expected that the Credit Facility Provider will be called upon to make any payment under the Credit Facility for which it will not be immediately reimbursed. No entity is entitled to a refund in excess of the unearned portion of the fee paid in the event a Bond is returned before its final maturity date.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Project Certificate; Collateral Tax Consequences. (a) The Borrower covenants that it will take all actions within its control that may be necessary to cause all representations and covenants in the Project Certificate with respect to future events to be true.

(b) The Borrower acknowledges that, because interest on the Bonds is excludible from gross income for federal income tax purposes, certain consequences and special rules may result to the Borrower with respect to federal income taxation of the Borrower. These consequences may include the required use of the alternative depreciation system for tax-exempt bond financed property under Section 168(g)(5) of the Code and the loss of the deductibility of interest paid with respect to the Bonds upon a “change in use” under Section 150(b) of the Code. The Borrower acknowledges that Chapman and Cutler LLP was not retained to advise and has no responsibility to advise the Borrower with respect to any of such consequences. The Borrower will consult with its own tax advisors with respect to such matters.

Section 6.2. Termination; Interest of Issuer in Rebate Fund. This Tax Agreement shall terminate at the later of (a) seventy-five (75) days after the Bonds have been fully paid and retired, or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States of America and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States of America. Notwithstanding the foregoing, the provisions of Section 4.3, Section 4.4(c) and Section 6.12 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

Section 6.3. I.R.S. Form 8038. The information contained in the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, attached hereto as *Exhibit F*, is true, correct and complete. The Issuer will file Form 8038 (and all other required information reporting forms) in a timely manner.

Section 6.4. No Common Plan of Financing. Since _____, 2008, neither the Issuer, the Borrower nor any Related Person to either of them has sold any obligations, other than the Bonds, that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the Issuer, the Borrower nor any Related person to either of them will sell within fifteen (15) days after the date upon which the Bonds were sold any obligations, other than the Bonds, that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

Section 6.5. No Sale of the Project. Neither the Project nor any portion thereof has been, is expected to be or will be sold or otherwise disposed of, in whole or in part, prior to the last maturity date of the Bonds.

Section 6.6. Future Events. The Issuer, the Trustee and the Borrower acknowledge that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein and in the memorandum of Bond Counsel attached hereto as *Exhibit D*, and agree to promptly contact Bond Counsel if such changes do occur.

Section 6.7. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in Section 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise

entitled and the Issuer, the Trustee and the Borrower receive an opinion of Bond Counsel to the effect that such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled.

Section 6.8. Public Approval. A notice of public hearing (the “*Notice*”) was published in one or more newspapers of general circulation throughout the jurisdiction of the Issuer (including the location of the Project). At least fourteen (14) days after the publication of the Notice a public hearing (the “*Public Hearing*”) was held at the time and place specified in the Notice. The Public Hearing provided a reasonable opportunity for interested individuals to express their views, both orally and in writing, on the Bonds and the location and nature of the Project. After the Public Hearing, the County Board of the Issuer approved the issuance of the Bonds. The Project is and will be located at the location set forth in the Notice, which is within the jurisdiction of the Issuer, and is and will be as described in the Notice. The following items relating to the approval of the Bonds are contained elsewhere in the transcript of the issuance of the Bonds:

DESCRIPTION	TRANSCRIPT
(i) Minutes of the Public Hearing	Item ____
(ii) Publisher’s Affidavit (including the form of “Notice of Public Hearing”)	Item ____
(iii) Approval	Item ____

Section 6.9. Volume Cap. The Issuer has obtained an allocation of volume cap available under Section 146 of the Code from one or more home rule units of government, valid under applicable State of Illinois law, greater than or equal to the issue price of the Bonds, which the Issuer has irrevocably allocated to the Bonds. Evidence of this allocation is contained in items ____ and ____ of the transcript for the issuance of the Bonds.

Section 6.10. Registered Form. The Issuer and the Borrower each recognize that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Issuer and the Borrower each agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 6.11. First Amendment. The Issuer acknowledges and agrees that it will not knowingly, and the Borrower acknowledges and agrees that it will not, use, or allow the Project to be used, in a manner that is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

Section 6.12. Record Retention. The Issuer, the Trustee and the Borrower will each maintain sufficient records to demonstrate compliance with all covenants set forth herein and in the Project Certificate, to support the continued exclusion of the interest paid on the Bonds from federal income taxation and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to: basic records relating to the Bond transaction (including this Tax Agreement, the Project Certificate, resolutions, the Indenture and the opinion of Bond Counsel); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (including, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under Section 4.3 and Section 4.4 hereof and in particular information related to the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments if any, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for at least as long as the Bonds are outstanding, plus the period ending three (3) years after the latest of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds or for such longer period as may be required by this Tax Agreement.

Section 6.13. Severability. If any clause, provision or section of this Tax Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, sections or provisions of this Tax Agreement; provided, however, that no holding of invalidity shall require the Issuer to make any payments from revenues other than the proceeds derived from the sale of the Bonds issued under the Indenture and the proceeds derived from the Financing Document (except such proceeds as may be derived by the Issuer pursuant to its Reserved Rights, as defined in the Indenture) or impose any personal liability on any past, present or future director, member, elected or appointed officer, official, employee, attorney or agent of the Issuer.

Section 6.14. Counterparts. This Tax Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.15. Notices. All notices, demands, communications and requests which may or are required to be given hereunder or by any party hereto shall be deemed given on the date on which the same shall have been mailed to the addresses and by the methods set forth in the Indenture.

Section 6.16. Successors and Assigns. The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties to the Tax Agreement.

Section 6.17. Headings. The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

Section 6.18. Governing Law. This Tax Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to conflicts of law principles.

Section 6.19. Expectations. The undersigned have reviewed the facts, estimates and circumstances presented by the Borrower and other persons in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the Issuer and the Borrower as to future events, are set forth in summary form in this Tax Agreement. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein and in the Project Certificate, the undersigned have adopted the expectations contained in this Tax Agreement. On the basis of such facts, estimates, circumstances and expectations, and based on the knowledge and belief of the Issuer, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations. To the extent the Issuer is relying on the representations, expectations and covenants of the Borrower, the Issuer has no reason to believe such representations, expectations and covenants of the Borrower are not accurate or may not be relied upon.

Section 6.20. Limitation on Issuer Liability. No pledge, agreement, covenant, representation, obligation or undertaking by the Issuer contained in this Tax Agreement and no other pledge, agreement, covenant, representation, obligation or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or the Bonds shall give rise to any pecuniary liability of the Issuer or charge against its general credit, or shall obligate the Issuer financially in any way except out of payments to be made by the Borrower under the Financing Document, other than payments to be made by the Borrower pursuant to the Unassigned Rights of the Issuer. No failure of the Issuer to comply with any term, condition, covenant, obligation or agreement herein shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge, except to the extent the same is paid by the Borrower; and no execution of any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or other property of the Issuer. Nothing herein shall preclude a proper party in interest from seeking and obtaining specific performance against the Issuer for any failure to comply with any term, condition, covenant, obligation or agreement herein; *provided*, that no costs, expenses or other monetary relief shall be recoverable from the Issuer, except as may be payable by the Borrower. No owner of the Bonds shall have the right to compel any exercise of the taxing power of the Issuer, the State of Illinois or any political subdivision thereof to pay the Bonds or the premium, if any, or interest thereon. The Bonds shall not constitute an indebtedness of the Issuer, the State of Illinois or any political subdivision thereof, within the meaning of any constitutional or statutory provision.

Anything in this Tax Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (a) the Issuer may rely conclusively on the truth

and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer; (b) the Issuer shall not be under any obligation hereunder to perform any recordkeeping or to provide any legal services, it being understood that such services shall be performed either by the Trustee or the Borrower upon request of the Issuer; and (c) none of the provisions of this Tax Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses and liability which may be incurred thereby.

All covenants, stipulations, representations, promises, agreements and obligations of the Issuer contained in this Tax Agreement or in any of the Bonds or in any other document executed in connection herewith or therewith shall be deemed to be limited covenants, stipulations, representations, promises, agreements and obligations of the Issuer, and not of any past, present or future director, member, elected or appointed officer, official, employee, attorney or agent of the Issuer in his or her individual capacity. No recourse shall be had against any such individual, either directly or through the Issuer or otherwise for the payment for or to the Issuer or any sum that may be due and unpaid by the Issuer, upon the Bonds or under any obligation, covenant, stipulation, promise or agreement contained herein, in the Bonds or in any other document executed in connection herewith or therewith and no recourse shall be had against any of such persons on account of the issuance and sale of the Bonds or on account of any representations made in connection therewith. Any and all personal liability or obligation, whether in common law or in equity or by reason of statute or constitution or by the enforcement of any assessment or otherwise, of any such person to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the owner of any of the Bonds or otherwise, of any sum that may remain due and unpaid upon the Bonds or under any of the documents executed in connection with the issuance thereof is hereby expressly waived and released as a condition to and in consideration for the issuance of the Bonds and the execution of this Tax Agreement and related documents.

The Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof or of any related document until it shall have been requested to do so by the Borrower or the Trustee and shall have received from the Borrower, the Trustee or the owners of the Bonds, assurance satisfactory to the Issuer that the Issuer will be reimbursed for its expenses, including attorneys' fees and expenses, incurred or to be incurred in connection with the taking of such action or execution of such instrument.

DATED: November __, 2008

THE COUNTY OF LAKE, ILLINOIS

By _____
Chairman

WHISPERING OAKS ASSOCIATES, L.P.
By ATWO, LLC, its sole general partner

By _____
Manager

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By _____
Its _____

EXHIBIT A

ESTIMATED SOURCES AND USES OF FUNDS*

SOURCES:

Sale Proceeds of Bonds	\$26,000,000
Estimated Investment Earnings (___% rate)	_____
TOTAL	\$_____

USES:

Reimbursement for Acquisition of Project	_____
Rehabilitation Expenditures	
Reimbursement: _____	
Non-Reimbursement: _____	
\$ _____	
Capitalized Interest	_____
Costs of Issuance	_____
Credit Enhancement Costs	_____
TOTAL	\$_____

* Accrued interest is excluded.

EXHIBIT B

DRAWDOWN SCHEDULE OF BOND PROCEEDS

DATE	AMOUNT
Closing	\$

Balance

EXHIBIT C

CERTIFICATE OF UNDERWRITER

The undersigned is an officer of Banc of America Securities LLC (the “*Underwriter*”), and as such officer I hereby certify as follows:

1. The Underwriter, The County of Lake, Illinois (the “*Issuer*”) and Whispering Oaks Associates, L.P. (the “*Company*”) have executed a bond purchase agreement in connection with the Variable Rate Demand Multifamily Housing Revenue Bonds (Whispering Oaks Apartments Project) Series 2008 of the Issuer (the “*Bonds*”) on November __, 2008 (the “*Sale Date*”). Such agreement has not been modified since its execution on the Sale Date.

2. The Underwriter hereby confirms that the first price at which all of the Bonds have been sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) is equal to par, there being no accrued interest. The initial interest rate for the Bonds was the lowest rate necessary to sell the Bonds at par at Closing.

3. All of the Bonds have been the subject of a *bona fide* initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those referred to in paragraph 2 above. Based upon our assessment of then prevailing market conditions, such prices are not less than the fair market value of each Bond as of the Sale Date.

4. The present value of the fees paid and to be paid for the Credit Facility over the term of the Bonds (using as a discount rate the expected Yield on the Bonds treating the fees paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Credit Facility. The fees paid and to be paid for the Credit Facility do not exceed a reasonable, arm’s-length charge for the transfer of credit risk. The fees do not include any payment for any direct or indirect services other than the transfer of credit risk.

5. The Underwriter hereby confirms that the weighted average maturity of the Bonds is not greater than _____ years.

All terms not defined herein shall have the same meanings as in the Tax Exemption Certificate and Agreement with respect to the Bonds, to which this Certificate is attached.

Dated: November __, 2008

Very truly yours,

BANC OF AMERICA SECURITIES LLC

By _____
Vice President

EXHIBIT D

CHAPMAN AND CUTLER

MEMORANDUM

TO: The County of Lake, Illinois
Whispering Oaks Associates, L.P.
The Bank of New York Mellon Trust Company, N.A., as trustee

DATE: November __, 2008

Re: The County of Lake, Illinois
Variable Rate Demand Multifamily Housing Revenue Bonds
(Whispering Oaks Apartments Project)
Series 2008

We have acted as Bond Counsel in connection with the issuance on this date of the Bonds. In a Tax Exemption Certificate and Agreement delivered by you on this date (the "*Tax Agreement*"), you have agreed to comply with the arbitrage rebate requirements (or, in the case of The Bank of New York Mellon Trust Company, N.A., as Trustee, certain of such requirements) of Section 148 of the Internal Revenue Code of 1986, as amended. The purpose of this memorandum is to set out generally the rules that you must follow to comply with the Tax Agreement. This letter does not describe how to compute the amount to be rebated to the United States, and due to the complexity involved, the computation will, in all likelihood, require consultation with an expert.

The Internal Revenue Service has issued regulations relating to arbitrage and rebate matters. This memorandum is based upon these regulations, which are subject to change in the future. Such changes may require future recalculation of rebate amounts. For these reasons, it is very important for you and your tax advisors to keep abreast of developments in this area.

The following advice is based on factual information contained in the Tax Agreement. If the facts or expectations stated therein change, please call us to determine whether this results in a change in the following rules. Please note that the rules governing permissible Yield on investments set forth in the Tax Agreement are in addition to the rebate rules and, although you might be allowed to earn a Yield in excess of Bond Yield under the Yield rules, such excess may still be required to be rebated. In some cases, the payment of rebate may assist in compliance with the Yield restriction requirements. Thus, rebate compliance and Yield restriction compliance may operate together rather than independently. In any case, rebate compliance is essential to the maintenance of tax exemption even if no amounts are subject to Yield restriction. Terms not defined herein shall have the meanings set forth in the Tax Agreement.

General Rule. Except in the case of certain exceptions and elections as summarized below, every five years and at the final retirement of all of the Bonds you must compute and pay (as described below) to the United States the difference (the "*Excess Earnings*") between the

amount earned on all investments and reinvestments of “gross proceeds” (as listed on *Exhibit E* to the Tax Agreement) of the Bonds (“*Actual Earnings*”) and the amount that would have been earned if gross proceeds of the Bonds had been invested at Bond Yield (the “*Allowable Earnings*”). Earnings to be taken into account are *not* determined under normal tax accounting principles. In addition to taking into account earnings received (either actually or constructively), receipts with respect to investments that have not been liquidated are computed by assuming that such investments are, in essence, converted to cash as of each computation date (as such dates are described below). The “cash value” of investments determined in this manner is subject to many special rules. Under many circumstances, the “market value” of an investment may be used. The application of these rules is complex and requires a comprehensive understanding of the rebate regulations.

To properly plan for the eventual payment of rebate to the United States, we suggest that you make annual calculations estimating rebate liability. The Tax Agreement refers to a “rebate fund” into which you may also wish to deposit annual estimates of rebate liability so that the payment to the United States may be made from amounts set aside. Federal tax law does *not*, however, require such set asides. In any event, we strongly encourage you to make an annual estimate of the rebate liability. The calculations can be lengthy and often produce surprising results. Experience in operating our rebate calculation service indicates that the calculation is far more difficult as the period of time for which the calculation is being performed increases.

Phantom Income. With certain exceptions, amounts paid for administrative costs are not treated as increasing earnings for purposes of rebate calculations. Administrative costs that do not increase earnings are reasonable, direct administrative costs, other than carrying costs, and generally include brokerage commissions for the purchase of investment agreements (but only to the extent that the commission does not exceed the lesser of a reasonable amount or the present value of annual payments equal to 0.05 percent of the weighted average amount reasonably expected to be invested each year of the term of the investment agreement) and separately stated brokerage or selling commissions, but not legal and accounting fees, record keeping, custody, and similar costs and expenses.

Computation Dates. Each calculation of Excess Earnings should be made as of a “Computation Date.” The Computation Date should be the same date in each calendar year (except that the final Computation Date should be the date on which all of the Bonds are actually retired). As indicated above, a Computation Date is required at least every five years. The first Computation Date must be on or before the fifth anniversary of the issuance of the Bonds. Each Computation Date, other than the final Computation Date, is the end of a bond year. A bond year ends on any date within one year of the issuance of the Bonds that you choose. If you do not choose an ending date for a bond year, it will be the anniversary date of the issuance of the Bonds.

Excess Earnings on a fixed Yield issue are determined by comparing Actual Earnings as of a Computation Date with Allowable Earnings as of the same date. Allowable Earnings are based on the Bond Yield as of such Computation Date. Bond Yield may change, but for reasons described below under “Bond Yield” it is unlikely to change over the life of the Bonds. If Bond

Yield decreases as of a particular Computation Date, rebate (or additional rebate) may be due with respect to investments that have previously matured and the proceeds thereof spent.

Except as provided below, on a variable Yield issue, Excess Earnings are computed for the period of time between Computation Dates (or from the date of issue of the Bonds in the case of the first Computation Date) by calculating Allowable Earnings based on Bond Yield for that period of time and comparing it with Actual Earnings for the same period. Once calculated for each such period, rebate for that period cannot change—*i.e.*, a snapshot for that period is taken and it never changes. Prior to the first date on which a rebate payment is required, you may choose to treat the end of any bond year as a computation date for purposes of the snapshot approach.

Bond Yield. For fixed Yield issues, generally Bond Yield is calculated based upon expected payments of principal of and interest on the Bonds (including amounts treated as interest). Bond Yield on a fixed Yield issue is generally not required to be recalculated after the date of issuance except under certain limited circumstances. Generally, recomputation is required upon changes in hedging transactions (*e.g.*, purchase or termination of a swap or cap agreement associated with the Bonds) or the transfer of rights associated with the Bonds (*e.g.*, sale of a call option). The actual rules for computing Bond Yield are quite complex, and if Bond Yield must be calculated or recalculated, an expert should be consulted.

For variable Yield issues, as discussed above, Bond Yield is computed as of each Computation Date for the period from the prior Computation Date (or from the date of issue of the Bonds in the case of the first Computation Date) to the current Computation Date, and it is based upon (a) the actual payments of principal and interest on the Bonds (including amounts treated as interest) and (b) the assumed receipt on such date of an amount equal to the value of the outstanding Bonds. As with the calculation of Yield on a fixed Yield issue, the actual rules for computing Bond Yield are quite complex and an expert should be consulted.

Generally, upon conversion of a variable Yield issue to a fixed Yield issue the Yield on the issue after the conversion date will be calculated under the fixed Yield rules discussed above. Certain special rules and elections apply upon such a conversion and an expert should be consulted.

For variable Yield issues, you may select the computation dates, using all information available, so as to minimize rebate liability. Such selection may be made up to the first required payment date (generally five years after the date of issue). Periods as short as one year or as long as five years may be selected. Following the selection, all subsequent periods must be one-year or five-year periods. Use of shorter periods does not accelerate rebate liability.

Gross Proceeds. Based upon the facts and expectations presented in the Tax Agreement, the gross proceeds of the Bonds are all moneys and investments in the funds and accounts (regardless of where held) listed on *Exhibit E* to the Tax Agreement. If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal of or interest on the Bonds, such amounts may also constitute gross proceeds.

Universal Cap. Gross proceeds will cease to be allocated to the Bonds (and will therefore be treated as if spent) to the extent that the amount of gross proceeds exceeds the outstanding amount of the Bonds (the “*Universal Cap*”). Although special rules are applicable in the case of discount bonds, the outstanding amount of bonds is roughly equal to the outstanding principal amount. Generally, but not always, the market value of investments is used to test the amount of gross proceeds. The Universal Cap may cause allocations on the second anniversary of the issue date and as of the first day of each bond year thereafter.

Commingled Funds. Funds allocated to two or more issues, or containing amounts that are not gross proceeds of the Bonds and amounts that are gross proceeds of the Bonds (including, for example, parity reserve funds) in which amounts are invested collectively without regard to source of funds must be treated as commingled funds. Investment earnings on commingled funds must be allocated to the gross proceeds of the Bonds according to a consistently applied reasonable ratable allocation method. Such method, for example, may be based on average daily balances. Investments in commingled funds must be valued annually to properly allocate unrealized gain or loss to the gross proceeds of the Bonds. This mark to market requirement will not apply if the weighted average maturity of all investments held in the commingled fund during a particular fiscal year does not exceed 18 months and does not apply to commingled debt service and debt service reserve funds.

Bona Fide Debt Service Fund Exception to the General Rule. Based upon the information in the Tax Agreement, the Bond Fund constitutes a bona fide debt service fund. If earnings in the Bond Fund in a bond year (as described above under “*Computation Dates*”) are less than \$100,000, they will not be subject to the rebate requirement and you may keep such earnings for that year. If during such period earnings in the Bond Fund are \$100,000 or greater, all such earnings will be subject to rebate. However, if the average annual debt service on the Bonds is no more than \$2,500,000, then you may treat the Bond Fund as satisfying the \$100,000 limitation in each bond year. In addition, the Bond Fund will be exempt from rebate if the accounts qualify as a *bona fide* debt service fund and one of the spending exceptions described below is satisfied. To the extent that the Bond Fund ceases to be a “*bona fide* debt service fund” as described in Section 3.2 of the Tax Agreement, some moneys in the Bond Fund may be subject to the rebate requirement.

Six-Month Exception to the General Rule. If all gross proceeds of the Bonds (including earnings thereon) are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required except as described below in the case of an issue secured by a reasonably required reserve fund or in the case of unexpected gross proceeds arising after the date of Closing. If the Bonds are secured by a reasonably required reserve fund, rebate is required on the reserve fund from the date the Bonds are issued, but not on other funds. To qualify for the six-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date. If this occurs, please call us for advice.

Eighteen-Month Exception to the General Rule. If all gross proceeds of the Bonds, other than those in a reasonably required reserve or replacement fund, or a bona fide debt service fund, are expended in accordance with the spend-down requirements set forth below, then rebate will only be required with respect to a reasonably required reserve or replacement fund or unexpected gross proceeds arising after the date of Closing, if any.

PERIOD	SPEND-DOWN REQUIREMENT
6 months	15%
12 months	60%
18 months	100%
	(except for reasonable retainages up to 5%)
30 months	all reasonable retainages must be spent

To test these percentages for the six-month and 12-month periods, earnings reasonably expected at closing are used to calculate the total to which the percentages are applied. Actual earnings are used for the 18-month period test. If you exercise due diligence to complete the financed project and an amount not exceeding the lesser of three percent of the issue price of the Bonds or \$250,000 remains unspent as of the end of the 18th month, you will be treated as satisfying the final expenditure requirement. If the issue is secured by a reasonably required reserve fund, rebate is required on the reserve fund from the date the Bonds are issued, but not on the other funds. To qualify for the 18-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date.

Qualified Tax-Exempt Obligation Exception to the General Rule. To the extent that any gross proceeds are invested in Qualified Tax Exempt Obligations (as defined in Article I of the Tax Agreement), the earnings thereon would not be considered when calculating Excess Earnings. To the extent that 100% of gross proceeds are continually invested in Qualified Tax Exempt Obligations, there would be no rebate requirement.

Investment of Rebate Fund and Other Funds. Investments of moneys in the Rebate Fund and any other fund must be made in arm's-length transactions in a manner that does not reduce the amount to be rebated to the United States. Investment decisions (other than the decision to invest in Qualified Tax Exempt Obligations to avoid rebate) must be made on the basis of normal investment criteria of safety, Yield, and when the money will be needed. All interest rates and Yields must be market rates and Yields. Money must not be allowed to remain uninvested except for small amounts or for short periods of time, as provided in Section 4.4 of the Tax Agreement. Specific rules exist for certificates of deposit and investment agreements (including repurchase agreements) as set forth in Section 4.4 of the Tax Agreement.

Rebate Payments. Within 60 days after the Computation Date that is the end of the fifth bond year and every fifth bond year thereafter, at least 90% of the Excess Earnings and all earnings on the Excess Earnings (net of an appropriate credit depending on whether unexpended

gross proceeds continue to exist) must be paid to the United States. Within 60 days of final payment of all principal and interest on the Bonds to the owners of the Bonds, all Excess Earnings and all earnings on the Excess Earnings (net of the credit) must be paid to the United States. All payments to the United States must be mailed to the address provided in the instructions to Form 8038-T or such other form specified by the Internal Revenue Service. Form 8038-T or such other form specified by the Internal Revenue Service must be signed by the Issuer.

EXHIBIT E

GROSS PROCEEDS*

Administration Fund

Project Fund

Bond Fund

Cost of Issuance Fund

Credit Facility Account and General Account of the Revenue Fund

Redemption Fund

Principal Reserve Fund

Any amounts under the Bond Mortgage Loan Documents (as defined in the Indenture) that are reasonably expected to be used, directly or indirectly, to pay principal or interest on the Bonds or for which there are reasonable assurances that such amounts will be available to pay, directly or indirectly, principal or interest on the Bonds

Amounts held under the Reimbursement Agreement or under other Reimbursement Security Documents (as defined in the Reimbursement Agreement) that are reasonably expected to be used to reimburse the Credit Facility Provider for payments under the Credit Facility or for which there are reasonable assurances that such amounts will be available to reimburse the Credit Facility Provider for payments under the Credit Facility

* If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal of or interest on the Bonds, any amounts are derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right), or the Issuer enters into any agreement to maintain certain levels of types of assets for the benefit of a holder of a bond or any credit enhancement with respect to the Bonds, such amounts may also constitute gross proceeds. Further, if any Bond-financed property is sold or otherwise disposed of, contrary to the expectations described in the Tax Agreement, any amounts received from such sale or other disposition may also constitute gross proceeds. Please call us if any of these events occur.

EXHIBIT F

— FORM 8038 —

[TO BE ATTACHED]

EXHIBIT G

SCHEDULE OF ELECTIONS

With regard to the Bonds, the Issuer hereby makes the elections indicated below with an “X”. Any election below that has not been marked with an “X” has *not* been made:

A. Waiver of Program Investment Treatment

The Issuer hereby waives under Treas. Reg. Section 1.148-1(b) the characterization of its purpose investment as a qualified program investment. *This waiver may be made at any time.*

B. Election to Waive Temporary Periods or Reasonably Required Reserve or Replacement Fund

The Issuer hereby waives under Treas. Reg. Section 1.148-2(h) or Treas. Reg. Section 1.148-9(g) its right to invest amounts in the following funds or accounts in higher yielding investments:

This waiver applies to any exceptions to Yield restriction that might otherwise apply to such amounts for a temporary period or as part of a reasonably required reserve fund. *This election is being made on or before the issue date of the Bonds.*

C. Waiver of Minor Portion

The Issuer hereby waives under Treas. Reg. Section 1.148-2(h) or Treas. Reg. Section 1.148-9(g) described below its right to invest amounts in the funds or accounts described below in higher yielding investments as a result of any available minor portion.

This waiver may be made at any time.

D. Election to Treat Portions of the Issue Separately

The Issuer hereby elects under Section 148(f)(4)(C)(v) of the Internal Revenue Code of 1986 (the “Code”), and Treas. Reg. Section 1.148-7(j)(1) to treat a portion of the issue (the “Construction Portion”) with an issue price of \$ _____ (which portion contains 100 percent of the Bonds to be used for construction expenditures, plus an amount for non-construction expenditures, not to exceed 25 percent of the entire Construction Portion, with respect to property owned by a governmental unit or a Section 501(c)(3) organization and the entire remaining portion of the Bonds (other than any portion of the Bonds being used for refunding purposes) as separate issues for purposes of Section 148(f)(4)(C) of the Code and Treas. Reg. Section 1.148-7(e). The Issuer reasonably expects, as of this date, that the construction portion will finance all of the construction expenditures to be financed by the Bonds. *This election is being made on or before the issue date of the Bonds.*

E. Election to Rebate on Earnings on Reserve

The Issuer hereby elects under Section 148(f)(4)(C)(vi)(IV) of the Internal Revenue Code of 1986 (the “Code”), and Treas. Reg. Section 1.148-7(i)(2) to exclude from available construction proceeds earnings on the _____ (a reasonably required reserve or replacement fund) and apply the rebate requirements of Section 148(f)(2) of the Code to such earnings. *This election is being made on or before the issue date of the Bonds.*

F. Election-Out of Reasonable Expectations

The Issuer hereby elects under Treas. Reg. Section 1.148-7(f)(2) to apply the provisions of Treas. Reg. Sections 1.148-7(e) through 1.148-7(m), relating to the two-year construction expenditure rule based on actual facts rather than based on the Issuer’s reasonable expectations. *This election is being made on or before the issue date of the Bonds (except in the case of certain in pooled financings).*

G. Election to Pay Penalty Instead of Rebate (the “1.5 Percent Penalty”)

The Issuer hereby irrevocably elects under Section 148(f)(4)(C)(vii) of the Internal Revenue Code of 1986, and Treas. Reg. Section 1.148-7(k) to pay a 1.5 Percent Penalty in lieu of rebate. *This election is being made on or before the issue date of the Bonds (except in the case of certain pooled financings).*

H. Election to Terminate 1.5 Percent Penalty After the End of the Initial Temporary Period

Under Section 148(f)(4)(C)(viii) of the Internal Revenue Code of 1986 (the “Code”), and Treas. Reg. Section 1.148-7(l)(1), the Issuer hereby irrevocably elects to terminate (and pay a three percent penalty in lieu thereof) the 1.5 Percent Penalty previously elected under Section 148(f)(4)(C)(vii) of the Code and Treas. Reg. Section 1.148-7(k). *This election is being made not later than 90 days after the earlier of the end of the initial temporary period or the date on which construction is substantially completed.*

I. Election to Terminate the 1.5 Percent Penalty Before the End of the Initial Temporary Period

Under Section 148(f)(4)(C)(ix) of the Internal Revenue Code of 1986 (the “Code”), and Treas. Reg. Section 1.148-7(l)(2), the Issuer hereby irrevocably elects to terminate (and pay the three percent penalty in lieu thereof) the 1.5 Percent Penalty previously elected under Section 148(f)(4)(C)(vii) of the Code and Treas. Reg. Section 1.148-7(k). The amount of available construction proceeds that will not be spent for the governmental purposes of the issue is equal to \$_____. *This election is being made before the close of the initial temporary period and not later than 90 days after construction was substantially completed.*

J. Election to Treat Certain Bonds as Part of Separate Issues.

The issuer hereby allocates bonds to particular uses under Treas. Reg. Section 1.150-1(c)(3), so as to treat the following Bonds as part of separate issues for purposes of Sections 103, 141 through 150 of the Code, other than Sections 141(b)(5), 141(c)(1), 141(d)(1), 144(a), 148, 149(d) and 149(g):

Purpose 1:

Description of Bonds:

Purpose 2:

Description of Bonds:

The aggregate proceeds, investments will be allocated between each of the separate issues, using a reasonable consistently applied allocation method, as follows:

Each of the separate issues finance a separate purpose, and the Bonds of each portion would have been tax exempt if sold as a separate issue. The aggregate proceeds, investments, and bonds have been allocated between each of the separate issues using a reasonable, consistently applied allocation method, which does not achieve more favorable results under sections 103 and 141 to 150 than could be achieved with actual separate issues. If any of the Bonds are refunding bonds, the allocations described above meet the rules of Treas. Reg.

Section 1.148-9(h). *All allocations under this election have been made in writing on or before the issue date.*

All terms not defined herein shall have the same meaning as in the Tax Exemption Certificate and Agreement with respect to the Bonds, to which this exhibit is attached.

No Elections Made

Authorized Representative of Issuer

EXHIBIT H

CERTIFICATE OF CREDIT FACILITY PROVIDER

[FREDDIE MAC FORM TO BE PROVIDED]

EXHIBIT I

DECLARATION OF INTENT TO REIMBURSE

[TO BE INSERTED]

EXHIBIT J

CERTIFICATE OF SWAP COUNTERPARTY

The undersigned being an officer of _____ (the “*Swap Counterparty*”) is authorized to execute this certificate on behalf of the Swap Counterparty and does hereby certify as follows:

1. The Swap Counterparty entered into an ISDA Master Agreement (the “*Master Agreement*”) and Schedule (the “*Schedule*”), dated as of _____, and a Confirmation (the “*Confirmation*”), dated as of and executed on _____ (the “*Trade Date*”) (together, the Master Agreement, the Schedule, and the Confirmation are the “*Swap*”) between the Swap Counterparty and Whispering Oaks Associates, L.P. (the “*Borrower*”), pursuant to which, absent an early termination event, (i) the Borrower will make payments based upon a fixed rate of ____% (the “*Fixed Rate*”), as specified in the Confirmation and, in exchange, (ii) the Swap Counterparty will make payments based upon a floating rate equal to the SIFMA Index (the “*Swap Rate*”). In each case, payments will be made on a net basis and will be based on a notional amount as set forth in the Swap. We have been informed by the Borrower that the Borrower is entering into the Swap in connection with the issuance of The County of Lake, Illinois Variable Rate Demand Multifamily Housing Revenue Bonds (Whispering Oaks Apartments Project), Series 2008 (the “*Bonds*”) by The County of Lake, Illinois.

2. The Swap was negotiated at arm’s length and it is fairly priced.

3. The Swap Counterparty is also the purchaser of the Bonds (the “*Underwriter*”).

4. The Underwriter purchased the Bonds. As part of its role as Underwriter, the Underwriter also structured the Bonds and related transactions for the Issuer and the Borrower.

5. The terms of the Swap, including the Fixed Rate, were not adjusted to provide any compensation to the Swap Counterparty (or to the Underwriter) for services provided by the Underwriter as purchaser of the Bonds or as structuring agent to the Issuer or Borrower of related transactions, as advisor to the Issuer or Borrower, or for any services other than the Swap Counterparty’s performance of its obligations under the Swap. The terms of the Swap are the same as they would have been had the Swap Counterparty and the Underwriter (and any related person to the Swap Counterparty) not been involved in the transaction other than as swap counterparty.

6. The Fixed Rate is the fixed rate that the Swap Counterparty would have quoted to receive from other persons to enter into a reasonably comparable interest rate swap on the Trade Date, taking into full account the terms and conditions of the Swap, with a counterparty similarly situated to the Issuer, taking into full account the security and sources of payment provided for payments to the Swap Counterparty, the amortization of the notional principal amounts under the Swap, the risk profile of such counterparty, and other terms inherent under the Swap.

7. No payments have been or are expected to be made by the Swap Counterparty, directly or indirectly, to the Issuer, the Borrower or any person providing services to the Issuer, the Borrower or to be made by any person to the Swap Counterparty in connection with the Swap except as set forth in the Swap and in this certificate. Neither the Swap Counterparty nor any of its affiliates has made or expects to make any payments to third parties for the benefit of the Issuer in connection with the Swap.

8. No significant portion of any payment by either party will relate to a conditional or unconditional obligation by the other party to make a payment on a different date. There are no up front payments in either direction. The Fixed Rate is an on market swap rate for the period being swapped.

9. As of this date, the initial Swap Rate is ____%. The initial rate on the Bonds is ____%. As of the Trade Date, the rate on the Bonds would have been ____% had the Bonds been issued and the Swap Rate would have been ____%

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[SWAP COUNTERPARTY]

By _____
Its _____

Dated: November __, 2008

EXHIBIT K

IDENTIFICATION CERTIFICATE OF ISSUER

THE COUNTY OF LAKE, ILLINOIS

Identification of Qualified Hedge Pursuant to Treas. Reg. Sec. 1.148-4(h)

At the direction of, and relying on information provided by, Whispering Oaks Associates, L.P., an Illinois limited partnership (the “*Borrower*”), The County of Lake, Illinois (the “*Issuer*”) hereby identifies the interest rate exchange agreement (the “*Swap*”) summarized in all material respects on the draft confirmation attached hereto as *Appendix A* (the “*Confirmation*”) entered into by the Borrower and _____ (the “*Swap Counterparty*”) on November __, 2008 (which is no more than three days prior to the date hereof) as a qualified hedge under Treasury Regulation Section 1.148-4(h) with respect to the prospective issuance of the Issuer’s Variable Rate Demand Multifamily Housing Revenue Bonds (Whispering Oaks Apartments Project), Series 2008 (the “*Bonds*”). This identification is being made to satisfy the identification requirements of Treasury Regulation Sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5)(iv).

With respect to the Swap, the Borrower has informed the Issuer that:

1. The Swap requires the Borrower to pay a fixed payment amount monthly at a fixed rate of ____% until expiration or termination of the Swap (the “*Fixed Rate*”).
2. The Swap requires the Swap Counterparty to pay a variable payment amount monthly based on a variable rate set forth in the Confirmation until the expiration or termination of the Swap (the “*Variable Rate*”).
3. The Swap has been entered into primarily to modify the risk of interest rate changes with respect to a portion of the Bonds. The Bonds are reasonably expected to be issued for the purpose of financing certain capital expenditures of the Borrower, and are reasonably expected to have an issue price of approximately \$26,000,000, a maturity date of November 1, 2045, and an issue date on or about November __, 2008. Interest on the Bonds is reasonably expected to be computed at a variable rate, reset periodically to the lowest rate necessary to sell the Bonds at par.
4. The Swap is not expected to be terminated substantially contemporaneously with the issue date of the Bonds.
5. The Swap does not include any up-front payment. The Swap does not contain a significant investment element under Treasury Regulation Section 1.148-4(h)(2)(ii) and it does not contain non-periodic payments. The Swap has been entered into between the Borrower, which will be the borrower of the proceeds of the

Bonds, and a party that is not related to the Borrower. The Swap covers the anticipated amount of the Bonds, all of which will be substantially identical. Without regard to the Swap, the Bonds will be variable rate bonds within the meaning of Treasury Regulation Section 1.1275-5. The payments received by the Borrower under the Swap will be received on the same date that interest payments must be made on the Bonds. Payments, if any, to the Swap Counterparty by the Borrower under the Swap are reasonably expected to be paid from the same source of funds that, absent the Swap, would be reasonably expected to be used to pay principal and interest on the Bonds.

6. The Confirmation is attached as *Appendix A* hereto. The Issuer will maintain this certificate and the attachment with its books and records relating to the Bonds and the existence of the Swap will be noted on the first form relating to the Bonds that is filed with the Internal Revenue Service.

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Dated: November __, 2008

THE COUNTY OF LAKE, ILLINOIS

By _____
Suzi Schmidt
Chairman

APPENDIX A

SWAP CONFIRMATION

EXHIBIT L

**BORROWER'S REQUEST FOR IDENTIFICATION
CERTIFICATE OF ISSUER**

**WHISPERING OAKS ASSOCIATES, L.P.
REQUEST FOR
Identification of Qualified Hedge
Pursuant to Treas. Reg. Sec. 1.148-4(h)**

Whispering Oaks Associates, L.P., an Illinois limited partnership (the "*Borrower*"), hereby request that The County of Lake, Illinois (the "*Issuer*") identify the interest rate exchange agreement (the "*Swap*") summarized in all material respects on the draft confirmation attached hereto as *Appendix A* (the "*Confirmation*") entered into by the Borrower and _____ (the "*Swap Counterparty*") on November __, 2008, as a qualified hedge under Treasury Regulation Section 1.148-4(h) with respect to the prospective issuance of the Issuer's Variable Rate Demand Multifamily Revenue Bonds (Whispering Oaks Apartments Project), Series 2008 (the "*Bonds*"). Such identification is being requested to satisfy the identification requirements of Treasury Regulation Sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5)(iv).

With respect to the Swap, the Borrower hereby informs the Issuer that:

1. The Swap requires the Borrower to pay a fixed payment amount monthly at a fixed rate of ____% until expiration or termination of the Swap (the "*Fixed Rate*").
2. The Swap requires the Swap Counterparty to pay a variable payment amount monthly based on a variable rate set forth in the Confirmation until the expiration or termination of the Swap (the "*Variable Rate*").
3. The Swap has been entered into primarily to modify the risk of interest rate changes with respect to a portion of the Bonds. The Bonds are reasonably expected to be issued for the purpose of financing certain expenditures of the Borrower, and are reasonably expected to have an issue price of approximately \$26,000,000, a maturity date of November 1, 2045, and an issue date on or about November __, 2008. Interest on the Bonds is reasonably expected to be computed at a variable rate, reset periodically to the lowest rate necessary to sell the Bonds at par.
4. The Swap is not expected to be terminated substantially contemporaneously with the issue date of the Bonds.
5. The Swap does not include any up-front payment. The Swap does not contain a significant investment element under Treasury Regulation Section 1.148-4(h)(2)(ii) and it does not contain non-periodic payments. The Swap has been entered into between the Borrower, which will be the borrower of the proceeds of the Bonds, and a party that is not related to the Borrower. The Swap covers a portion of

the anticipated amount of the Bonds, all of which will be substantially identical. Without regard to the Swap, the Bonds will be variable rate bonds within the meaning of Treasury Regulation Section 1.1275-5. The payments received by the Borrower under the Swap will be received on the same date that interest payments must be made on the Bonds. Payments, if any, to the Swap Counterparty by the Borrower under the Swap are reasonably expected to be paid from the same source of funds that, absent the Swap, would be reasonably expected to be used to pay principal and interest on the Bonds.

6. The Confirmation is attached as *Appendix A* hereto. The Borrower requests the Issuer to maintain this certificate and the attachment with its books and records relating to the Bonds and to note the existence of the Swap on the first form relating to the Bonds that is filed with the Internal Revenue Service.

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Dated: November __, 2008

WHISPERING OAKS ASSOCIATES, L.P.,
an Illinois limited partnership

By: ATWO, LLC, a California limited liability
company, its sole general partner

By: 1755 EFM 3 , LLC, a California limited
liability company, its Manager

By: _____
Tim English, Managing Member

APPENDIX A

SWAP CONFIRMATION

EXHIBIT M
FAIR MARKET CERTIFICATE