NEW ISSUE - Book-Entry-Only **Rating: [Fitch: A/F1]**

In the opinion of Benesch, Friedlander, Coplan & Aronoff LLP, Bond Counsel, under existing law, assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. (For a more complete discussion of the tax aspects of this issue, see "TAX MATTERS" herein.)

$5,000,000
CITY OF WEST ALLIS, WISCONSIN
VARIABLE RATE DEMAND LIMITED OBLIGATION REVENUE BONDS, SERIES 2010
(CLEVELAND GEAR COMPANY, INC., MILWAUKEE MACHINE WORKS DIVISION PROJECT)
CUSIP NO. _____

Dated: Date of Initial Delivery **Price: 100%** **Due: [April 1, 2030]**

The Bonds, when, as and if issued, will be limited obligations of the City of West Allis, Wisconsin (the "Issuer") payable, except to the extent paid out of the proceeds of the Bonds, from payments provided for under a Loan Agreement between Cleveland Gear Company, Inc., a Delaware corporation (the "Obligor") and the Issuer. The Bonds are not general obligations and do not constitute a debt or pledge of the general credit of the Issuer or the credit or taxing power of the City of West Allis, Wisconsin, the State of Wisconsin or any agency or subdivision thereof, but are payable solely as described herein. The Bonds, while bearing interest at the Daily Rate or the Weekly Rate, will be payable from payments drawn by U.S. Bank National Association, as trustee in such capacity (the "Trustee") under an irrevocable direct pay letter of credit (the "Letter of Credit") relating to the Bonds issued by

KEYBANK NATIONAL ASSOCIATION

(the "Bank"), or any successor issuer of a Substitute Credit Facility, as described herein. The initial Letter of Credit expires no later than April __, 2011.

The Letter of Credit will permit the Trustee to draw up to (a) the principal amount of the Bonds outstanding to enable the Trustee to pay (i) the principal amount of the Bonds when due upon maturity or any optional or mandatory redemption, or upon acceleration on the occurrence of an Event of Default, and (ii) an amount equal to the principal portion of the purchase price of any Bonds tendered or deemed tendered for purchase by owners thereof and not remarketed on any optional or mandatory tender date, plus (b) an amount not to exceed 45 days' maximum accrued interest calculated at the Maximum Rate of 12% to enable the Trustee to pay interest on the Bonds. The Obligor may provide for a Substitute Credit Facility under the terms described herein to replace the Letter of Credit or any subsequent Substitute Credit Facility. THE LETTER OF CREDIT DOES NOT COVER ANY REDEMPTION PREMIUM WHICH MAY BE PAYABLE WITH RESPECT TO THE BONDS.

The Bonds are issuable as fully registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of $100,000 or any integral multiple of $5,000 in excess thereof. Beneficial owners will not receive certificates representing their ownership interest in the Bonds purchased. See "THE BONDS -- Book-Entry System" herein. The principal of and the redemption premium, if any, on the Bonds and the purchase price of the Bonds will be payable at the designated corporate trust office of the Trustee. Interest on the Bonds will be payable by wire transfer to DTC which will, in turn, remit such payment to DTC's Participants for subsequent disbursement, directly or indirectly, to the beneficial owners of the Bonds.

The Bonds will bear interest at a Weekly Rate, a Daily Rate or a Fixed Rate, as determined from time to time in accordance with the Indenture, as described herein. This Private Placement Memorandum provides information with respect to the Bonds only bearing interest at the Daily Rate or the Weekly Rate.

Initially, the Bonds will bear interest at the [Daily/Weekly][1] Rate, with interest payable on the first Business Day of each calendar month, commencing May 1, 2010. While Bonds bear interest at a Weekly Rate or a Daily Rate, interest is payable on the first Business Day of each calendar month. In the event of a conversion to a Fixed Rate, the Bonds will thereafter cease to be subject to demand purchase upon tender, as described herein.

The Bonds are being offered solely on the basis of the financial strength of the Bank and not on the financial strength of the Obligor or other security. The information regarding the Obligor in this Private Placement Memorandum is not, and is not intended to be, complete and does not fully describe the Obligor or its business and financial affairs. The Bonds are subject to acceleration of maturity upon the occurrence of an Event of Default under the Reimbursement Agreement securing the Letter of Credit.

The Bonds are subject to optional redemption, mandatory redemption on expiration of the Credit Facility, mandatory redemption from surplus bond proceeds and mandatory redemption on determination of taxability prior to maturity as described herein. In addition, the Bonds may be tendered for purchase at the option of the owners thereof on any Business Day selected by the owner (unless the Bonds are bearing interest at the Fixed Rate), upon notice and delivery thereof to the Trustee, as more fully described herein. The Bonds are subject to mandatory tender and purchase upon a conversion to a Fixed Rate or upon delivery by the Obligor of a Substitute Credit Facility unless a Holder elects to retain its Bonds as described herein.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Private Placement Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as, and if issued, by the Issuer and accepted by the Placement Agent, subject to prior sale, withdrawal or modification without notice, and the approval of legality by Benesch, Friedlander, Coplan & Aronoff LLP, as Bond Counsel. Certain legal matters will be passed upon for the Obligor, by its counsel, Benesch, Friedlander, Coplan & Aronoff LLP, Columbus, Ohio, for the Issuer by Quarles & Brady LLP, Milwaukee, Wisconsin, for the Bank, by its counsel, Squire, Sanders & Dempsey L.L.P., Cleveland, Ohio, and for the Placement Agent by its counsel, Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan. It is expected that delivery of the Bonds will be made in book-entry form through the facilities of DTC on or about April 1, 2010 against payment therefor.

COMERICA SECURITIES
Placement Agent

The Date of this Private Placement Memorandum is April 7, 2010.

[1] TBD

This Private Placement Memorandum does not constitute an offering of any security other than the original offering of the Bonds identified on the cover hereof. No person has been authorized to give any information or to make any representations, other than those contained in this Private Placement Memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized. This Private Placement Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the securities offered hereby or any offer or solicitation of such offer of the securities offered hereby to any person in any jurisdiction wherein such offer or solicitation of such offer or sale of such securities would be unlawful. Neither the delivery of this Private Placement Memorandum nor the sale of any issue of the Bonds implies that the information herein is correct as of any time subsequent to the date hereof.

Information herein has been obtained from the Obligor and the Bank and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a representation by, the Placement Agent or the Issuer.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the exemption contained in Section 3(a)(2) of the Securities Act, and will not be listed on any stock or other securities exchange. The Indenture has not been qualified under the Trust Indenture Act of 1939, as amended (the "Indenture Act"), in reliance upon an exemption contained in the Indenture Act. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency will have passed upon the adequacy of this Private Placement Memorandum or approved the Bonds for sale.

SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Private Placement Memorandum. The offering of the Bonds to potential investors is made only by means of this entire Private Placement Memorandum. No person is authorized to detach this Summary Statement from this Private Placement Memorandum or to otherwise use it without this entire Private Placement Memorandum.

Issuer	City of West Allis, Wisconsin
Obligor	Cleveland Gear Company, Inc., a Delaware corporation
Trustee	U.S. Bank National Association
Bonds	$5,000,000 principal amount of Issuer's Variable Rate Demand Limited Obligation Revenue Bonds, Series 2010 (Cleveland Gear Company, Inc., Milwaukee Machine Works Division Project). The Bonds are limited obligations of the Issuer as described in this Private Placement Memorandum. The Bonds will be issuable as registered Bonds without coupons in the denominations of $100,000 or integral multiples of $5,000 in excess thereof.
Interest on Bonds	The Bonds will bear interest at a Daily Rate, at a Weekly Rate or at a Fixed Rate. While the Bonds bear interest in the Daily Rate Mode, the Bonds bear interest in such mode for a 1-day period. While Bonds bear interest in the Weekly Rate Mode, the Bonds bear interest in such mode for a 7-day period commencing on Thursday of each week. Initially the Bonds will bear interest at the Daily Rate. The interest on Bonds in a Daily Rate Mode or Weekly Rate Mode is payable on the first Business Day of each calendar month, commencing on the date set forth on the cover hereof. While Bonds bear interest in the Daily Rate Mode or Weekly Rate Mode, such interest shall be calculated on the basis of a 365/366 day year.
Redemption	The Bonds are subject to redemption and acceleration prior to maturity under the circumstances described herein.
Remarketing Agent	Comerica Securities, Detroit, Michigan
Security	The security for the Bonds consists of the right of the Trustee to draw upon an irrevocable direct pay Letter of Credit issued by KeyBank National Association, or any Substitute Credit Facility, and of the unconditional obligation of the Obligor under the Loan Agreement to make the Loan Repayments in amounts sufficient to make payments of the principal of, premium, if any, and interest due on the Bonds. The Letter of Credit will permit the Trustee to draw up to (a) the principal amount of the Bonds outstanding to enable the Trustee to pay (i) the principal amount of

	the Bonds when due upon maturity or any optional or mandatory redemption, or upon acceleration on the occurrence of an event of default, and (ii) an amount equal to the principal portion of the purchase price of any Bonds tendered or deemed tendered for purchase by owners thereof and not remarketed on any optional or mandatory tender date, plus (b) an amount not to exceed 45 days' maximum accrued interest calculated at the Maximum Rate of 12% to enable the Trustee to pay interest on the Bonds. The Letter of Credit does not cover any redemption premium which may be payable with respect to the Bonds.
Book-Entry System	The Bonds will be registered under a book-entry system in the name of The Depository Trust Company or its nominees as described herein.
Tax Matters	In the opinion of Benesch, Friedlander, Coplan & Aronoff LLP, Bond Counsel, under existing laws, assuming compliance with certain covenants by the Obligor and the Issuer, the interest on the Bonds will be excludable from the gross income of the owners of the Bonds for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "Tax Matters" herein.

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PRIVATE PLACEMENT MEMORANDUM
Relating to the Original Issuance of

$5,000,000
CITY OF WEST ALLIS, WISCONSIN
VARIABLE RATE DEMAND LIMITED OBLIGATION
REVENUE BONDS, SERIES 2010
(CLEVELAND GEAR COMPANY, INC.,
MILWAUKEE MACHINE WORKS DIVISION PROJECT)

INTRODUCTORY STATEMENT

This Private Placement Memorandum is provided to furnish information in connection with the issuance and sale by the City of West Allis, Wisconsin (the "Issuer") of its Variable Rate Demand Limited Obligation Revenue Bonds, Series 2010 (Cleveland Gear Company, Inc., Milwaukee Machine Works Division Project) (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Issuer to provide funds to pay all or part of the costs associated with an economic development project (the "Project") for the benefit of Cleveland Gear Company, Inc., a Delaware corporation (the "Obligor"), all as described herein under the caption "THE OBLIGOR AND THE USE OF PROCEEDS."

The Bonds will be issued under a Trust Indenture, dated as of April 1, 2010 (the "Indenture"), between the Issuer and U.S. Bank National Association, a national banking association, as Trustee (the "Trustee"). The Bonds shall initially bear interest at a variable rate, subject to conversion to a fixed rate, as determined from time to time in accordance with the Indenture, as described herein. This Private Placement Memorandum provides information with respect to the Bonds only bearing interest at the Daily Rate or the Weekly Rate.

Contemporaneously with the issuance of the Bonds, the Issuer and the Obligor will enter into a Loan Agreement, dated as of April 1, 2010 (the "Loan Agreement"), and the Issuer, pursuant to the Loan Agreement, will agree to loan the proceeds from the sale of the Bonds to the Obligor for the purpose of paying all or a part of the costs of the Project, as described herein under the caption "THE OBLIGOR AND THE USE OF PROCEEDS." Pursuant to the terms of the Loan Agreement, the Obligor will make or cause to be made loan payments to the Issuer in an amount equal to the interest, principal and premium, if any, due or to become due on the Bonds.

All rights of the Issuer under the Loan Agreement, except certain rights to indemnification and other Reserved Rights as defined in the Indenture, will be pledged and assigned by the Issuer to the Trustee. HOWEVER, BOND OWNERS SHOULD RELY ON THE LETTER OF CREDIT HEREINAFTER DESCRIBED AS IF IT WERE THE SOLE SECURITY FOR THEIR BONDS.

Concurrently with the delivery of the Bonds, the Obligor will cause KeyBank National Association, a national banking association (together with any issuer of a Substitute Credit Facility as hereinafter described, the "Bank") to issue its irrevocable direct pay letter of credit (alternatively, the "Letter of Credit" or "Credit Facility") to the Trustee with respect to, and for the benefit of the owners of, the Bonds. Under the Letter of Credit, the Trustee is permitted to draw amounts sufficient to pay the principal of (but not premium unless the Letter of Credit is amended or supplemented to cover premium) and up to 45 days' accrued interest on the Bonds (except Bonds which have been pledged to the Bank pursuant to the Bond Pledge Agreement, as hereinafter defined), subject to the terms of the Letter of Credit upon the acceleration or redemption or maturity of the Bonds as described below or to enable the Trustee to pay the purchase price of any Bonds tendered for demand purchase or mandatory purchase on a Bond Purchase Date, a proposed Conversion Date, the Conversion Date or a Substitution Date (as these terms are hereinafter defined) and not remarketed (See "THE BONDS -- Purchase of Bonds on Demand of Owners" and "THE BONDS -- Mandatory Purchase of Bonds"). The Letter of Credit is being issued and the Obligor will be obligated to reimburse the Bank for all payments under the Letter of Credit pursuant to the terms of the Letter of Credit Reimbursement Agreement among Industrial Manufacturing Company LLC, the Obligor and the Bank dated as of April __, 2010 (the "Reimbursement Agreement"). **THE INITIAL LETTER OF CREDIT EXPIRES BY ITS TERMS NO LATER THAN APRIL __, 2011 (the "Stated Expiration Date").** (See "THE LETTER OF CREDIT" and "THE REIMBURSEMENT AGREEMENT.") The Obligor may provide for the issuance of a Substitute Credit Facility under the conditions described in "THE BONDS - Substitute Credit Facility" herein.

Certain information regarding KeyBank National Association is included herein. No financial statements of the Obligor are included herein. Without the information which such financial statements would provide, Bondholders will not be able to assess the likelihood that payment of the Bonds will be accelerated before the stated maturity thereof because of an "Event of Default" under the Reimbursement Agreement, upon which acceleration the Bonds would be paid at par with a draw upon the Letter of Credit and in such event, the Bondholders may not be able to invest monies received on acceleration of the Bonds in investments comparable as to credit quality, interest rate and maturity. (See "THE REIMBURSEMENT AGREEMENT -- Events of Default.") Bondholders are cautioned that the Letter of Credit should be relied upon as if it were the sole source for payment of principal of and interest on the Bonds. The Letter of Credit, as initially issued, may not be drawn upon to satisfy any premium which may become payable on the Bonds. Prior to exercising any remedy contained in the Indenture, the Loan Agreement or any other remedy available to the Trustee for payment of the principal of or interest on the Bonds (other than Bonds which have been purchased by the Obligor), the Trustee is required to present a drawing certificate under the Letter of Credit.

The Bonds are limited obligations of the Issuer as described in this Private Placement Memorandum. The Bonds and interest due thereon shall not be a general obligation, debt or liability of the Issuer, and do not constitute or give rise to any pecuniary liability or charge against the credit or taxing powers of City of West Allis, Wisconsin, the State of Wisconsin or any agency or subdivision thereof. No director or officer of the Issuer or any person executing the Bonds on behalf of the Issuer shall be personally liable thereon. The Bonds are limited obligations of the Issuer payable solely from payments to be made by the Obligor under the Loan

Agreement and from moneys held by the Trustee under the Indenture, including amounts drawn under the Letter of Credit. No holder of any Bond shall have the right to demand payment of the principal of, redemption premium, if any, purchase price or interest on that Bond out of any funds to be raised by taxation.

THE BONDS ARE BEING OFFERED ON THE BASIS OF THE CREDIT OF THE BANK AND NOT ON THE BASIS OF THE CREDIT OF THE OBLIGOR.

Brief descriptions of the Project, the Bonds, the Letter of Credit, the Loan Agreement, the Indenture, the Bond Pledge Agreement and the Reimbursement Agreement, as such terms are hereinbefore or hereinafter defined, are included in this Private Placement Memorandum. Said descriptions and summaries do not purport to be comprehensive or definitive. All references to the Letter of Credit, the Loan Agreement, the Indenture, the Bond Pledge Agreement and the Reimbursement Agreement are qualified in their entirety by reference to such documents, and all references to the Bonds are qualified in their entirety by the definitive forms thereof. The information set forth herein under "THE OBLIGOR AND THE USE OF PROCEEDS" and all information with respect to the Obligor and its operations contained in this Private Placement Memorandum have been furnished by the Obligor. Appendix A has been furnished by KeyBank National Association.

The Trustee by acceptance of its duties as Trustee under the Indenture has not reviewed this Private Placement Memorandum and has made no representations as to the information contained herein (other than information with respect to the Trustee itself), including but not limited to, any representations as to the financial feasibility of the Project or related activities.

Terms capitalized and not otherwise defined in this Private Placement Memorandum have the same definitions as contained in the Loan Agreement and the Indenture.

THE ISSUER

The Issuer is a body corporate and politic and a political subdivision of the State of Wisconsin (the "State"). The Bonds are authorized and issued by the Issuer pursuant to the provisions of the Constitution and statutes of the State of Wisconsin, particularly Section 66.1103 of the Wisconsin Statutes (the "Act"), and pursuant to a resolution adopted by the Common Council of the Issuer on April 6, 2010 (the "Bond Resolution")

The Bonds are limited obligations of the Issuer and are payable solely out of the revenues and other amounts derived from the Loan Agreement or the Letter of Credit or in the event of default of such agreement as otherwise authorized by the Bond Resolution or the Indenture and permitted by law (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Bonds or to income from the temporary investment thereof). The Bonds do not constitute an indebtedness of the Issuer, within the meaning of any Wisconsin constitutional provision or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers.

THE OBLIGOR AND THE USE OF PROCEEDS

The following paragraphs set forth certain information concerning the Obligor and the use of proceeds of the Bonds. Under the Loan Agreement, the Obligor is obligated to pay from funds other than Bond proceeds all costs of issuance of the Bonds in an amount in excess of 2% of the Bond proceeds.

The Obligor is a Delaware corporation and has a primary address of 8223 Brecksville Road, Suite 100, Brecksville, Ohio 44141. The Obligor manufactures a broad range of power transmission equipment, including open gearing, helical and bevel gears, speed reducers and custom drives.

The Project to be financed with Bond proceeds consists primarily of the acquisition and renovation of an approximately 74,000 square-foot manufacturing facility located at 404 South 116th Street, in the City of West Allis, Wisconsin (the "Facility") and the acquisition and installation of equipment at the Facility.

The information related to the Obligor and the Project contained in this Private Placement Memorandum has been furnished by the Obligor. No representation is made by the Issuer, the Trustee, the Bank or the Placement Agent as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

Neither the Issuer, the Trustee nor the Placement Agent has made any investigation of or determination as to the financial condition of the Obligor or of the Obligor's overall performance or capabilities in the business in which it is engaged. The summaries contained herein are not intended to furnish all the information available concerning the Obligor and the Project.

THE BONDS

The following is a summary of certain terms of the Bonds. The references to the Loan Agreement, the Indenture, the Bonds, the description of the Bonds and other documents are qualified in their entirety by reference to such documents.

General

The Bonds will be issuable as registered Bonds without coupons in the denominations of $100,000 or integral multiples of $5,000 in excess thereof ("Authorized Denominations"), will be dated the Date of Initial Delivery, and will mature on [April 1, 2030], subject to redemption prior to maturity as described herein under the captions "Optional Redemption," "Mandatory Redemption on Expiration of Credit Facility," "Mandatory Redemption from Surplus Bond Proceeds," and "Mandatory Redemption on Determination of Taxability."

The Bonds will be subject to optional and mandatory purchase as described herein under the captions "Purchase of Bonds on Demand of Owners" and "Mandatory Purchase of Bonds."

The principal of and premium, if any, on the Bonds delivered for redemption or at maturity or for purchase as described herein under the captions "Purchase of Bonds on Demand

of Owners" or "Mandatory Purchase of Bonds" will be payable at the designated corporate trust office of the Trustee.

As used herein "Business Day" shall mean any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions in the city in which the corporate trust office of the Trustee (or its bond registrar, paying agent or tender agent offices) designated for payment of the principal, interest and Purchase Price of the Bonds is located or the principal office of the Remarketing Agent is located or the office of the Bank at which action is to be taken to realize moneys under the Credit Facility are required or authorized by law or executive order to be closed, (iv) a day on which the New York Stock Exchange is closed, or (v) a day on which interbank wire transfers cannot be made on the Fedwire System.

When the Bonds are in the Variable Rate Mode, the Record Date is the day prior to any Interest Payment Date. Interest on the Bonds will be payable by the Trustee by check or draft mailed on the Interest Payment Date (or if such Interest Payment Date is not a Business Day, on the next succeeding Business Day) to the registered owners as of the close of business on the Record Date preceding the Interest Payment Date. An owner of $500,000 or more in aggregate principal amount of Bonds in the Variable Rate Mode may submit to the Trustee not less than 5 days before a Record Date a written request that interest on such Bonds be payable by wire transfer to the domestic bank account designated in the request.

The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of, premium, if any, or interest on the Bonds shall be made only to or upon the account of the owner thereof. Bonds may be transferred or exchanged upon surrender of such Bonds at the designated corporate trust office of the Trustee accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of a signature satisfactory to the Trustee, duly executed by the owner or by its attorney or legal representative duly authorized in writing. Neither the Issuer nor the Trustee shall be required to transfer or exchange any Bond selected for redemption in whole or in part.

Remarketing Agent

Comerica Securities has been appointed Remarketing Agent under the Indenture (the "Remarketing Agent"). Its principal office is in Detroit, Michigan. The Remarketing Agent will determine the interest rates on the Bonds, will use its best efforts to remarket Bonds and will effect purchases of Bonds, all in accordance with and pursuant to the Indenture. The Remarketing Agent may resign upon 30 days' notice to the Issuer, the Trustee, the Obligor and the Bank, or may be removed at the direction of the Obligor as provided in the Indenture and the Remarketing Agreement.

Interest on the Bonds

The Bonds will bear interest at a Variable Rate (the "Variable Rate Mode") or at a Fixed Rate (the "Fixed Rate Mode"). (The Daily Rate Mode and the Weekly Rate Mode are referred to, individually and collectively, as the "Variable Rate Mode" and the Variable Rate Mode and

the Fixed Rate Mode are referred to collectively as "Interest Rate Modes.") The Interest Rate Modes are described below.

"Interest Period" as used herein means (a) when used with reference to any Daily Rate Bond, the period from and including each day which is a Business Day to, but excluding, the next succeeding day which is a Business Day, and (b) when used with reference to any Weekly Rate Bond, a 7-day period commencing on Thursday of each week regardless of whether such Thursday is a Business Day and ending on the following Wednesday. The Remarketing Agent determines the rate for a particular period each "Interest Determination Date" which means (a) with respect to Daily Rate Bonds, each Business Day, and (b) with respect to the Weekly Rate Bonds Wednesday of each week (or the immediately preceding Business Day if such Wednesday is not a Business Day).

Initially the Bonds will bear interest at the Daily Rate, with interest payable on the first Business Day of each calendar month, commencing as set forth on the cover hereof. The initial interest rate period for the Bonds shall commence on the date of the initial delivery of the Bonds. The Bonds may be converted to the Weekly Rate or the Fixed Rate, as described in this Official Statement.

While Bonds bear interest in a Variable Rate Mode, such interest shall be calculated on the basis of a 365/366 day year and the number of days actually elapsed.

Daily Rate Mode

While the Bonds bear interest in the Daily Rate Mode, the interest rate for a particular Interest Period is determined by the Remarketing Agent on the applicable Interest Determination Date. Such interest rate is effective from and including such Interest Determination Date to, but excluding the next succeeding Interest Determination Date.

The maximum rate of interest on the Daily Rate Bonds will be the lesser of 12% per annum or the maximum rate permitted by law (the "Maximum Rate").

The interest rate determined by the Remarketing Agent on the Interest Determination Date is to be that rate of interest per annum determined and confirmed in writing to the Trustee on the Interest Determination Date by the Remarketing Agent to be the lesser of the Maximum Rate or the minimum interest rate per annum necessary, in the opinion of the Remarketing Agent, to remarket the Bonds in a secondary market transaction on the next succeeding Rate Adjustment Date at a price equal to the principal amount thereof plus accrued interest thereon, if any; provided that any interest rate so determined shall not exceed the Maximum Rate.

If, by 9:45 a.m. Eastern prevailing time, on any Interest Determination Date with respect to any Daily Rate Bonds, the Remarketing Agent has failed to determine the Daily Rate, the Daily Rate Bonds shall continue to bear interest at the Daily Rate in effect for the immediately preceding Interest Period.

If the Remarketing Agent notifies the Trustee in writing that for any reason the interest rate on the Variable Rate Bonds cannot be established, or the Trustee is notified in writing by

either the Remarketing Agent or the Obligor that the interest rate on the Variable Rate Bonds has been held to be invalid or unenforceable by a court of competent jurisdiction for any period, the interest rate for such period shall be the SIFMA Municipal Index plus 50 basis points as of the Interest Determination Date.

On the Interest Determination Date, the Remarketing Agent will give the Obligor, the Trustee, and the Bank notice of the interest rate to be borne by the Bonds for the following Interest Period. After any Interest Determination Date, any owner of Bonds may contact the Trustee at (513) 632-2077 or the Remarketing Agent at (313) 222-5760 Attention: Municipal Bond Trading, in order to be advised of the applicable interest rate. No notice of the applicable interest rate will be sent to the owners of Bonds.

The interest rate finally determined and announced by the Remarketing Agent is binding and conclusive upon the owners of the Bonds, the Issuer, the Obligor, the Trustee and the Bank.

Weekly Rate Mode

While the Bonds bear interest in the Weekly Rate Mode, the interest rate for a particular Interest Period is determined by the Remarketing Agent on the applicable Interest Determination Date. Such interest rate is effective on Thursday of each week for the succeeding Interest Period, regardless of whether such Thursday is a Business Day (the "Weekly Rate Adjustment Date") for the succeeding Interest Period.

The maximum rate of interest on the Weekly Rate Bonds will be the Maximum Rate.

The interest rate determined by the Remarketing Agent on the Interest Determination Date is to be that rate of interest per annum determined and confirmed in writing to the Trustee on the Interest Determination Date by the Remarketing Agent to be the lesser of the Maximum Rate or the minimum interest rate per annum necessary, in the opinion of the Remarketing Agent, to remarket the Bonds in a secondary market transaction on the next succeeding Rate Adjustment Date at a price equal to the principal amount thereof plus accrued interest thereon, if any; provided that any interest rate so determined shall not exceed the Maximum Rate.

If, by 5:00 p.m. Eastern prevailing time, on any Interest Determination Date with respect to any Weekly Rate Bonds, the Remarketing Agent has failed to determine the Weekly Rate, the Weekly Rate Bonds shall continue to bear interest at the Weekly Rate in effect for the immediately preceding Interest Period.

If the Remarketing Agent notifies the Trustee in writing that for any reason the interest rate on the Variable Rate Bonds cannot be established, or the Trustee is notified in writing by either the Remarketing Agent or the Obligor that the interest rate on Variable Rate Bonds has been held to be invalid or unenforceable by a court of competent jurisdiction for any period, the interest rate for such period shall be the SIFMA Municipal Index plus 50 basis points as of the Interest Determination Date.

On the Interest Determination Date, the Remarketing Agent will give the Obligor, the Trustee, and the Bank notice of the interest rate to be borne by the Bonds for the following

Interest Period. After any Interest Determination Date, any owner of Bonds may contact the Trustee at (513) 632-2077 or the Remarketing Agent at (313) 222-5760 Attention: Municipal Bond Trading, in order to be advised of the applicable interest rate. No notice of the applicable interest rate will be sent to the owners of Bonds.

The interest rate finally determined and announced by the Remarketing Agent is binding and conclusive upon the owners of the Bonds, the Issuer, the Obligor, the Trustee and the Bank.

Conversion of Bonds Among Weekly Rate and Daily Rate

Prior to the Fixed Rate Conversion Date, the Obligor, on behalf of the Issuer, with the prior written approval of the Bank (which approval shall be governed by the Reimbursement Agreement), may elect to convert all (but not less than all) of the Bonds from the Weekly Rate to the Daily Rate, or from the Daily Rate to the Weekly Rate. To initiate such conversion, the Obligor shall deliver to the Issuer, the Trustee, the Remarketing Agent and the Bank at least 25 days prior to the applicable Conversion Date, a certificate signed by the Obligor stating (1) that the Bonds shall be converted to the Daily Rate or the Weekly Rate, as the case may be, and (2) the applicable Conversion Date.

Not later than 20 days prior to the Daily Rate Conversion Date or Weekly Rate Conversion Date, as the case may be, the Trustee shall give written notice by registered or certified mail, return receipt requested, to all Holders of Bonds being converted stating (1) the Daily Rate Conversion Date or Weekly Rate Conversion Date, as applicable, (2) that on the Daily Rate Conversion Date or Weekly Rate Conversion Date, the Bonds are subject to mandatory tender for purchase, (3) that all Holders of such Bonds shall be deemed to have tendered such Bonds for purchase on the Daily Rate Conversion Date or Weekly Rate Conversion Date, as applicable, and that such Bonds shall be deemed tendered if not delivered to the Trustee, and (4) that if for any reason the conversion to the Daily Rate or Weekly Rate does not occur, the Bonds will continue to be subject to mandatory purchase on the proposed Daily Rate Conversion Date or Weekly Rate Conversion Date, as the case may be.

ALL BONDHOLDERS SHALL BE REQUIRED TO TENDER THEIR BONDS ON THE DAILY RATE CONVERSION DATE, WEEKLY RATE CONVERSION DATE, PROPOSED DAILY RATE CONVERSION DATE, OR PROPOSED WEEKLY RATE CONVERSION DATE, AS THE CASE MAY BE, AND SHALL NOT HAVE THE OPTION TO WAIVE SUCH TENDER.

In the event any condition precedent to a conversion of any Bond to the Daily Rate or the Weekly Rate is not fulfilled (including the establishment of a Daily Rate or Weekly Rate by the Remarketing Agent for the initial Interest Period of a Daily Rate Bond or Weekly Rate Bond) the Bonds shall continue to be subject to mandatory tender for purchase, shall not be converted, and shall continue to bear interest at the Weekly Rate or Daily Rate established for such Bonds immediately prior to the proposed Conversion Date (until a new interest rate is established in accordance with provisions of the Indenture).

Conversions of Bonds From a Variable Rate to a Fixed Rate

The Obligor, on behalf of the Issuer, with the prior written consent of the Bank, may elect to convert all (but not less than all) of the Bonds to a Fixed Rate effective on any Daily Rate Interest Payment Date or Weekly Rate Interest Payment Date (the "Fixed Rate Conversion Date"), as more fully described in the Indenture.

ALL BONDHOLDERS SHALL BE REQUIRED TO TENDER THEIR BONDS ON THE FIXED RATE CONVERSION DATE OR PROPOSED CONVERSION DATE AND SHALL NOT HAVE THE OPTION TO WAIVE SUCH TENDER.

ON AND AFTER THE DATE OF CONVERSION TO THE FIXED RATE, THE BONDS WILL NO LONGER BE SUBJECT TO CERTAIN PROVISIONS OF THE INDENTURE, INCLUDING THE PROVISIONS RELATING TO PURCHASE DEMAND RIGHTS.

THE OWNER OF ANY BOND, BY ITS PURCHASE AND ACCEPTANCE OF THE BOND, IRREVOCABLY APPOINTS THE TRUSTEE AS ITS DULY AUTHORIZED ATTORNEY-IN-FACT FOR THE PURPOSES OF ASSIGNMENT, ENDORSEMENT, CERTIFICATION, EXECUTION OR ACKNOWLEDGEMENT THAT THE OWNER IS HOLDING THE BOND FOR THE BENEFIT OF THE PURCHASER, REGISTRATION OF TRANSFER AND DELIVERY OF THE BOND IN THE EVENT OF A MANDATORY OR OPTIONAL PURCHASE OF THE BONDS. SUCH POWER OF ATTORNEY IS COUPLED WITH AN INTEREST. THE TRUSTEE SHALL NOTIFY BY FIRST CLASS MAIL THE HOLDER OF AN UNDELIVERED BOND THAT THE TRUSTEE HAS ACTED PURSUANT TO SUCH POWER OF ATTORNEY TO TRANSFER THE UNDELIVERED BOND.

IN THE EVENT OF A MANDATORY OR OPTIONAL PURCHASE OF THE BONDS, ANY UNDELIVERED BOND SHALL NO LONGER EVIDENCE THE DEBT OF THE ISSUER, AND THE OWNER THEREOF SHALL BE ENTITLED ONLY TO PAYMENT OF THE PURCHASE PRICE FOR THE UNDELIVERED BOND FROM THE FUNDS HELD IN THE BOND PURCHASE FUND MAINTAINED BY THE TRUSTEE AND SHALL NOT BE ENTITLED TO ANY FURTHER INTEREST THEREON.

Redemption Provisions

The Bonds are callable for redemption prior to maturity in the circumstances and in the manner described below under the captions "Optional Redemption," "Mandatory Redemption on Expiration of Credit Facility," "Mandatory Redemption on Determination of Taxability" and "Mandatory Redemption from Surplus Bond Proceeds."

Optional Redemption

So long as the Bonds bear interest in a Variable Rate Mode, the Bonds are subject to optional redemption at the option of the Obligor, in whole on any date, or in part (in such manner so that following the redemption only Bonds in Authorized Denominations remain outstanding in accordance with the Indenture), on any Interest Payment Date, at a redemption price equal to

100% of the principal amount to be redeemed plus accrued and unpaid interest to the date set for redemption, without premium. Under the Indenture the Trustee shall redeem Bonds to assure that the minimum denominations are preserved.

Mandatory Redemption on Expiration of Credit Facility

The Bonds are subject to mandatory redemption prior to maturity in whole, on the Interest Payment Date next preceding the stated expiration date of the Credit Facility or Substitute Credit Facility then in effect, in the event that, at least 45 days prior to the Interest Payment Date next preceding the stated expiration date of the Credit Facility or any Substitute Credit Facility then in effect, the Trustee has not been provided with (i) satisfactory evidence that the Credit Facility or Substitute Credit Facility then in effect has been renewed or extended or (ii) a Substitute Credit Facility satisfying the requirements under the Indenture. (See also "THE BONDS -- Substitute Credit Facility").

Mandatory Redemption on Determination of Taxability

The Bonds are subject to mandatory redemption prior to maturity by the Issuer in connection with a "Determination of Taxability" as described herein.

As used herein, a "Determination of Taxability" shall mean either (a) the entry by a court of a final judgment or order or the promulgation by the Internal Revenue Service of a final ruling or decision, in either such case, to the effect that the interest on the Bonds is includable for federal income tax purposes in the gross income of all recipients thereof subject to federal income taxes (as distinguished from inclusion in a corporate holder's adjusted current earnings for purposes of the alternative minimum tax or inclusion in effectively connected earnings and profits for purposes of computing tax on foreign corporations doing business in the United States or treatment as a preference item for purposes of the alternative minimum tax on corporations and individuals) or (b) the receipt by the Trustee of an opinion by an attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds selected by a registered owner or beneficial owner, as the case may be, to the effect that interest on the Bonds is includable in the gross income of any registered owner or beneficial owner, as the case may be, for federal income tax purposes (as distinguished from inclusion in a corporate holder's adjusted current earnings for purposes of the alternative minimum tax or inclusion in effectively connected earnings and profits for purposes of computing tax on foreign corporations doing business in the United States or treatment as a preference item for purposes of the alternative minimum tax on corporations and individuals or interest on Bonds which are held by a "substantial user" of the Project or a person deemed related thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended ("the Code")). For purposes of this definition, a judgment or order of a court or a ruling or decision of the Internal Revenue Service shall not be considered final during the pendency of any appeal or other action for judicial or administrative review which may be filed within the time allowed therefor, provided that the Trustee shall have received an opinion of nationally recognized bond counsel to the effect that such appeal or action for judicial or administrative review is not without merit.

If at any time a Determination of Taxability occurs, then within 5 Business Days of confirmation by the Trustee of such Determination of Taxability as provided in the Indenture, the

Trustee shall notify the registered owners by mail of the Determination of Taxability and all of the Bonds then outstanding shall be redeemed no later than 30 days after the date the Trustee confirmed the occurrence of such Determination of Taxability or, if such day is a not a Business Day, the immediately succeeding Business Day. The Bonds shall be redeemed at a price equal to 100% of the principal amount plus accrued interest to such redemption date.

Mandatory Redemption from Surplus Bond Proceeds

The Bonds are subject to mandatory redemption in part on any Business Day for which notice of such redemption can be given, in an amount equal to the surplus proceeds of the Bonds, if any, at the earliest time following the deposit in the Surplus Bond Proceeds Account within the Bond Fund at a redemption price of 100% of the principal amount of the Bonds so redeemed, together with interest accrued to the redemption date, to the extent of the greatest amount equal to an integral multiple of $5,000 in such Account (provided all Bonds outstanding after the redemption shall remain in Authorized Denominations).

Notice of Redemption and Payments

In selecting Bonds for redemption, the Trustee may treat Bonds purchased at the demand of the registered owner pursuant to the Indenture and Bonds delivered pursuant to the Indenture in replacement therefor during the 15 days next preceding the notice by mailing of any proposed redemption of Bonds as though such purchase and delivery had not occurred. If a Bond selected for redemption shall have been purchased pursuant to the Indenture and a new Bond shall have been delivered in replacement therefor pursuant to the Indenture on or after the 15th day immediately preceding the notice by mailing of any proposed redemption of Bonds, then the Bond delivered in replacement for the Bond so purchased shall be deemed to be the Bond selected for redemption. Any Bonds selected for redemption which are deemed to be paid in accordance with the provisions of the Indenture will cease to bear interest on the redemption date. Upon presentation and surrender of such Bonds at the designated corporate trust office of the Trustee, such Bonds shall be paid and redeemed.

Except in the case of a Mandatory Redemption on Determination of Taxability, the notices of redemption shall be given by the Trustee by mail not less than 30 days prior to the date set for redemption, to each registered owner of a Bond to be so redeemed at the address shown on the registration books of the Issuer maintained by the Trustee. If less than all the Bonds are to be redeemed, the notice shall identify the Bonds or portions thereof to be redeemed by reference to the serial numbers or other identifying designation of each such Bond. Failure to mail any such notice, or any defect in such notice, as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond.

Substitute Credit Facility

The Obligor may, from time to time, deliver to the Trustee a Substitute Credit Facility (the effective date of the substitution being referred to herein as the "Substitution Date"), which may be a letter of credit, insurance policy, surety bond, guaranty or similar commitment, the terms of which are in all material respects the same as the existing Credit Facility except with respect to the stated expiration date which, in the case of Fixed Rate Bonds shall be at least as

long as the stated expiration date of the existing Credit Facility, and, in the case of Variable Rate Bonds shall be at least one year from the Substitution Date, provided that the Trustee, the Remarketing Agent and the Bank each are given notice thereof at least 45 days prior to the Interest Payment Date next preceding the Substitution Date prior to delivery of such Substitute Credit Facility (and a commitment to issue a Substitute Credit Facility from the issuer of the Substitute Credit Facility accompanies such notice to the Trustee and the Remarketing Agent) and provided further that such Substitute Credit Facility is accompanied by (i) a written opinion of Bond Counsel acceptable to the Issuer and the Trustee stating that the delivery of such Substitute Credit Facility to the Trustee is authorized under the Indenture and complies with the terms thereof, (ii) a written opinion of counsel to the issuer of the Substitute Credit Facility addressed to the Trustee that the Substitute Credit Facility is binding and enforceable in accordance with its terms, subject as to enforceability to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights as they relate to the issuer of the Substitute Credit Facility and the exercise of judicial discretion in accordance with general principles of equity, the Substitute Credit Facility is not subject to registration under the Securities Act of 1933, as amended, or has been so registered, (iii) a written opinion of Bond Counsel to the effect that the exclusion of the interest on the Bonds from gross income for federal income tax purposes will not be impaired due to the substitution, (iv) if the Bonds are Fixed Rate Bonds, written evidence that with respect to the long term indebtedness of the issuer of the Substitute Credit Facility, or with respect to securities supported by similar credit instruments issued by such issuer, the rating thereof by a Rating Agency is not less than the ratings for similar instruments of the then current issuer of the Credit Facility and in no event less than "A" or its equivalent, and (v) written confirmation by the Bank that all sums owed by the Obligor to the Bank have been paid in full. Upon receipt of such documentation, the Trustee shall accept such Substitute Credit Facility and promptly surrender the previous Credit Facility to the issuer thereof for cancellation.

Not less than 30 days prior to any Substitution Date, the Trustee shall give notice of the Substitution Date to the Holders by first class mail, return receipt requested, which notice shall specify the Substitution Date, the issuer of the Substitute Credit Facility, and state that all Holders will be required to tender their Variable Rate Bonds to the Trustee for purchase on the Substitution Date unless a Holder elects to retain its Variable Rate Bonds (which election is not available if the Substitution Date is also a proposed Conversion Date or Conversion Date) in accordance with the procedure described in the Indenture and the Bonds for such election.

Acceleration of the Bonds Prior to Maturity

PRINCIPAL AND INTEREST ON THE BONDS MAY BE DECLARED TO BE IMMEDIATELY DUE AND PAYABLE PRIOR TO MATURITY AT THE OPTION OF THE BANK IN THE EVENT THAT AN EVENT OF DEFAULT OCCURS UNDER THE TERMS OF THE REIMBURSEMENT AGREEMENT AND OTHERWISE AS PROVIDED IN THE INDENTURE.

Purchase of Bonds on Demand of Owners

Each registered owner of a Variable Rate Bond has the right to have any or all of such owner's Bonds purchased and such Variable Rate Bonds shall be purchased at 100% of the par

amount plus accrued and unpaid interest thereon, if any (the "Purchase Price"), so long as a Credit Facility is in effect, upon:

(1) (A) in the case of Weekly Rate Bonds, delivery by the registered owner not later than 11:00 a.m., Eastern prevailing time, on a Business Day that is at least 7 calendar days prior to the Purchase Date to the Remarketing Agent at its principal office and the Trustee of irrevocable notice by facsimile (promptly confirmed in writing) which (i) states the aggregate principal amount (in Authorized Denominations) of such Bonds to be purchased; (ii) states the date (which must be a Business Day) on which such Bonds are to be purchased (the "Purchase Date") and (iii) appoints the Trustee as its duly authorized attorney-in-fact for purposes of transfer if the Bonds are not presented in a timely fashion; or

(B) in the case of Daily Rate Bonds, delivery by the registered owner not later than 10:00 a.m., Eastern prevailing time, on a Business Day, to the Remarketing Agent at its principal office and the Trustee of irrevocable notice by facsimile (promptly confirmed in writing) which (i) states the aggregate principal amount (in Authorized Denominations) of such Bonds to be purchased; (ii) states the date (which must be a Business Day) on which such Bonds are to be purchased (the "Purchase Date") and (iii) appoints the Trustee as its duly authorized attorney-in-fact for purposes of transfer if the Bonds are not presented in a timely fashion; and

(2) delivery to the Trustee, on or prior to the Business Day immediately preceding the Purchase Date designated in the notice described in (1) above, of such Bonds to be purchased with an appropriate endorsement for transfer or accompanied by a blank power of attorney duly executed. In the event such Bonds are not presented for purchase, they are deemed tendered and the registered owner thereof shall only be entitled to the Purchase Price of the Undelivered Bond upon surrender thereof to the Trustee.

So long as the Book-Entry System (see "Book-Entry System" below) is then in effect, such notice may be given, or caused to be given, by any beneficial owner of Bonds (through its Participant, as defined under the heading "Book-Entry System" below, in the Book-Entry System) to the Trustee and delivery of Bonds shall be effected by causing such Participant to transfer its interest in the Bonds equal to such beneficial owner's interest on the records of The Depository Trust Company ("DTC") to the particular account of the Trustee with DTC.

Mandatory Purchase of Bonds

All Variable Rate Bonds must be tendered by the Holders thereof to the Trustee for purchase on the Conversion Date, a proposed Conversion Date, or a Substitution Date (unless a Holder elects to retain its Bonds in accordance with the procedure described below and in the Bonds).

Except as described in the immediately following paragraph, any Variable Rate Bonds tendered or required to be tendered for purchase shall be delivered to the Trustee, on or before the Conversion Date, proposed Conversion Date or Substitution Date, and any Bonds required to

be tendered for purchase that are not delivered for which there has been irrevocably deposited in trust with the Trustee an amount of money sufficient to pay the Purchase Price thereof shall be deemed to have been purchased and shall be Undelivered Bonds. In the event of a failure by a Holder to tender Bonds on or prior to the required date, such Holder shall not be entitled to any payment (including any interest to accrue subsequent to the required purchase date) other than the Purchase Price for such Undelivered Bonds, and any Undelivered Bonds shall no longer be entitled to the benefits of the Indenture, except for the payment of the Purchase Price therefor from such moneys. Any moneys held by the Trustee for the purchase of any Undelivered Bonds shall be separated and held uninvested in the Purchase Fund for the exclusive benefit of the Holders of such Undelivered Bonds.

Each Holder of Variable Rate Bonds may elect to waive the mandatory tender and purchase of its Variable Rate Bonds on a Substitution Date which is not also a Conversion Date or proposed Conversion Date by delivering notice to the Trustee of such election not later than 11:00 a.m., Eastern prevailing time, on the eighth Business Day prior to the Substitution Date. Such notice must state that (i) such Holder acknowledges that the Credit Facility is being replaced with a Substitute Credit Facility, (ii) such Holder acknowledges that its Variable Rate Bonds will remain subject to optional and mandatory tender following the substitution on the same terms prior to the substitution, (iii) such Holder acknowledges that any rating on the Bonds may be reduced or withdrawn as a result of such substitution, and (iv) such Holder affirmatively elects to retain its Variable Rate Bonds; provided, that, if the Substitution Date is also a proposed Conversion Date or Conversion Date, the foregoing provisions of this paragraph shall not apply and no Holder may elect to waive the mandatory tender and purchase of its Variable Rate Bonds.

Book-Entry System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding

company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission" or "SEC"). More information about DTC can be found at www.dtcc.com and www.dtc.org. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

THE PRECEDING INFORMATION IN THIS SECTION HAS BEEN FURNISHED BY DTC. NO REPRESENTATION IS MADE BY THE ISSUER, THE TRUSTEE, THE OBLIGOR, THE BANK OR THE PLACEMENT AGENT AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF. NO ATTEMPT HAS BEEN MADE BY THE ISSUER, THE BANK, THE OBLIGOR, THE TRUSTEE OR THE PLACEMENT AGENT TO DETERMINE WHETHER DTC IS OR WILL BE FINANCIALLY OR OTHERWISE CAPABLE OF FULFILLING ITS OBLIGATIONS. NEITHER THE ISSUER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR

OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS, OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL, PREMIUM, IF ANY, OR INTEREST PAYMENT THEREON.

THE ISSUER, THE OBLIGOR, THE TRUSTEE, THE BANK, THE PLACEMENT AGENT AND THE REMARKETING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF THE PRINCIPAL OF, OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS, (ii) CONFIRMATION OF THEIR OWNERSHIP INTERESTS IN THE BONDS, OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR ITS PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS PRIVATE PLACEMENT MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE ISSUER, THE OBLIGOR, THE TRUSTEE, THE BANK, THE PLACEMENT AGENT NOR THE REMARKETING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (ii) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (iii) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO BONDHOLDERS UNDER THE TERMS OF THE INDENTURE; (iv) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (v) ANY OTHER ACTION TAKEN BY DTC AS OWNER OF THE BONDS.

SOURCES OF PAYMENT AND SECURITY

Limited Obligation

The Bonds are limited obligations of the Issuer, payable as to principal and interest solely and only from the Security (as hereafter defined), including Loan Repayments the Obligor is obligated to make under the Loan Agreement, the moneys available to be drawn under the Credit Facility, and any other revenues or funds received under the Loan Agreement. The Bonds and the interest payable thereon do not constitute a debt or liability of the Issuer, the State of

Wisconsin or any other political subdivision thereof, but shall be payable solely from the funds pledged therefor in accordance with the Indenture.

Security for the Bonds

The security for the Bonds consists of the right of the Trustee to draw upon the Credit Facility (see "THE LETTER OF CREDIT") or any Substitute Credit Facility (see "THE BONDS -- Substitute Credit Facility"), and of the unconditional obligation of the Obligor under the Loan Agreement to make the Loan Repayments in amounts sufficient to make payments of the principal of, premium, if any, and interest due on the Bonds. As a practical matter, the Credit Facility or any Substitute Credit Facility should be regarded as if it were the sole security for the payment of principal of and interest but not premium (except to the extent the Credit Facility is amended or supplemented to cover payment of any redemption premium). Neither the Trustee nor the Bondholders will have any security interest in any real or personal property of the Obligor.

The Issuer in the Indenture will pledge and assign to the Trustee for the payment of the Bonds all of the following:

(i) all Loan Repayments which the Obligor is obligated to make under the Loan Agreement;

(ii) all moneys in the Bond Fund and Project Fund, each established pursuant to the Indenture, and the security interest granted by the Obligor therein, including the proceeds of the Bonds pending disbursement;

(iii) all of the Issuer's rights and interest in the Loan Agreement (reserving certain rights of the Issuer and certain related parties) (see "THE TRUST INDENTURE - - -Assignment and Security"); and

(iv) all of the proceeds of the foregoing, including Investment Income (as defined in the Indenture).

The Credit Facility or any Substitute Credit Facility and the Issuer's rights, title and interest in the foregoing are deemed a part of and are collectively referred to as the "Security," provided, that the Credit Facility will not secure payment of any premium (except to the extent the Credit Facility is amended or supplemented to cover premium).

The rights of the owners of the Bonds and the Trustee as to payment of the Bonds are subject to all applicable bankruptcy, insolvency, fraudulent conveyance and similar laws and principles of equity and public policy affecting creditors' rights generally including those relating to equitable subordination, now existing or hereafter enacted.

Discharge of Lien

If and when all principal of, premium, if any, and interest on, the Bonds shall become due and payable in accordance with their terms or through redemption proceedings as provided in the

Indenture, or otherwise, and the whole of such amounts shall be paid, or provision shall have been made for such payment, and if the Issuer shall pay or cause to be paid or make provision for payment of all other sums payable by the Issuer or the Obligor under the Indenture or under the Loan Agreement, including any necessary and proper fees, compensation and expenses of the Trustee and the Bank, and the Obligor shall pay or cause to be paid to the Bank all amounts drawn under the Credit Facility and other amounts payable under the Reimbursement Agreement, then the Security for the Bonds and the rights granted under the Indenture shall cease and be void, and the Trustee shall take such actions, at the request of the Issuer or the Obligor, as may be necessary to evidence the cancellation and discharge of the lien of the Indenture.

Bonds for the payment or redemption of which Available Moneys shall have been held by the Trustee at the maturity or redemption date thereof shall be deemed to be paid within the meaning and with the effect provided in the Indenture. Any Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the Indenture if: (i) in case such Bonds are to be redeemed on any date prior to their maturity, the Obligor, on behalf of the Issuer, shall have given to the Trustee, in form satisfactory to the Trustee, irrevocable instructions to mail, on a date in accordance with the provisions of the Indenture, notice of redemption of such Bonds on such redemption date, such notice to be given in accordance with the provisions of the Indenture; and (ii) there shall have been deposited with the Trustee either Available Moneys in an amount that shall be sufficient, or Government Obligations (as defined in the Indenture) purchased exclusively with Available Moneys that are not subject to prepayment or call, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys that, together with Available Moneys, if any, deposited with or held by the Trustee, shall be sufficient to pay when due (A) the principal of, and premium, if any, and interest due and to become due on such Bonds until the first available redemption date or maturity date, as the case may be (unpaid interest on Bonds bearing interest at the Variable Rate being computed at the actual rate established at the time the Bonds are defeased for the current interest rate period until the end of such interest rate period and thereafter until the redemption date or maturity date at the Maximum Rate), and (B) in the case of Bonds bearing interest at a Variable Rate, the Purchase Price of all Bonds on all potential optional tender dates and mandatory tender dates until the first available redemption date or the maturity date, as the case may be. Neither the securities or moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, and premium, if any, and interest on, such Bonds.

In the event cash and/or Government Obligations shall be deposited with and held by the Trustee as provided in the Indenture, the applicable provisions of the Indenture pertaining to the payment of the principal, premium, if any, and Purchase Price, of and on the Bonds, to registration and transfer of Bonds, and to redemption of Bonds shall be continued in force until such Bonds and other obligations have been fully paid.

Prior to providing for the defeasance of any portion of the Bonds as provided in the Indenture, the Obligor shall deliver to the Trustee and the Issuer, prior to the effective date of any such defeasance, written evidence from the Rating Agency to the effect that such rating agency has reviewed the proposed defeasance and that such defeasance will not, by itself, result

in a reduction, suspension or withdrawal of the rating assigned by such rating agency to the Bonds. Such rating evidence shall not be required if all of the Bonds are being defeased.

THE LETTER OF CREDIT [2]

The following is a summary of certain provisions of the Letter of Credit, to which document in its entirety reference is made for the detailed provisions thereof.

The Letter of Credit is an irrevocable obligation of the Bank to pay the Trustee, upon receipt of the Trustee's drawing certificate presented in accordance with the terms of the Letter of Credit, sums up to the principal amount of the Bonds plus up to 45 days' interest on the Bonds at the Maximum Rate.

The Letter of Credit, as initially issued, does not cover any premium due on redemption of the Bonds prior to maturity.

In addition to draws for scheduled interest payments with respect to the Bonds, the Trustee will be entitled to draw on the Letter of Credit upon maturity and upon an Event of Default (as defined in the Indenture) and acceleration of the maturity of the Bonds (see "THE TRUST INDENTURE -- Events of Default") or upon a Mandatory Redemption on Expiration of Credit Facility, Mandatory Redemption on Determination of Taxability, Mandatory Redemption From Surplus Bond Proceeds, or Optional Redemption. Finally, the Trustee will be entitled to draw to pay the purchase price of the Bonds tendered for purchase by the owner thereof as described under the captions "THE BONDS -- Purchase of Bonds on Demand of Owners" and "THE BONDS -- Mandatory Purchase of Bonds."

The Bank's obligation under the Letter of Credit will be reduced to the extent of all drawings of principal and interest thereunder and to the extent of all drawings to pay the purchase price of Bonds tendered for purchase and will terminate after a final drawing. With respect to a drawing by the Trustee to pay interest on the Bonds, the amount available to be drawn for interest shall be automatically reinstated for such interest amount, effective on the sixth calendar day from the date the Bank honors the interest drawing, unless, within 5 calendar days from the date the Bank honors such interest drawing, the Trustee receives notice that the Bank will not reinstate such amount.

In addition, with respect to a drawing by the Trustee to pay the Purchase Price of Bonds following a tender by Bondholder(s), amounts available for drawing under the Letter of Credit will be reinstated if the Bonds which were purchased by the Obligor with the proceeds of a draw on the Letter of Credit for such purpose are remarketed or sold, such reinstatement to be in an amount equal to the principal amount of the Bonds so remarketed or sold (plus up to 45 days' interest at the Maximum Rate on such principal amount) at the time such proceeds of any such remarketing or sale are delivered to the Bank. Any such reinstatement shall only be effective upon receipt by the Bank of the proceeds of such remarketing or sale accompanied by a notice of reinstatement by the Bank to the Trustee.

[2] To be conformed by Bank Counsel.

The Letter of Credit expires, and the Bank's obligation thereunder ends, upon the earliest of (i) the Stated Expiration Date (ii) the Trustee surrendering the Letter of Credit to the Bank for cancellation, (iii) the Bank honoring principal and interest drawings for all Outstanding Bonds, (iv) the fifteenth day following receipt by the Trustee of notice from the Bank directing the Trustee to accelerate the Bonds, or (v) the day after any Conversion Date. (See "THE BONDS -- Substitute Credit Facility" for a description of the circumstances under which the Obligor may replace the Letter of Credit with a Substitute Credit Facility).

The Indenture permits the Obligor to arrange for extension of the Letter of Credit or any Substitute Credit Facility by depositing such extension with the Trustee no later than 45 days prior to the Interest Payment Date which next precedes the expiration of the Letter of Credit or the Substitute Credit Facility then in effect. (See also "THE BONDS -- Mandatory Redemption on Expiration of Credit Facility").

Prior to the giving of notice to Holders of the conversion of the Bonds to Fixed Rate Bonds, if a Credit Facility is to remain in effect from and after the Conversion Date, the Bank must have agreed to increase the coverage for interest under the Letter of Credit from, or a Substitute Credit Facility shall have been provided with interest coverage equal to, 45 days at the Maximum Rate to 210 days at the Fixed Rate or Fixed Rates. Any decision to increase the stated amount of the Letter of Credit is entirely within the Bank's discretion and the Bank has no obligation to consent to any such increase.

THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement not previously discussed to which document in its entirety reference is made for the detailed provisions thereof.

The Loan Agreement provides for the loan by the Issuer to provide financing for the Project. Under the Loan Agreement, the Issuer, at the request of the Obligor, will obtain the funds necessary to finance the Project through the issuance and sale of the Bonds and, concurrently therewith, lend the proceeds derived by the Issuer from the sale of the Bonds to the Obligor.

Issuance of the Bonds and Application of the Proceeds

Pursuant to the Loan Agreement, the Issuer has agreed to issue the Bonds to provide funds for the costs of the Project and certain costs of issuing the Bonds and to deposit the proceeds of the Bonds with the Trustee. An amount equal to any accrued interest, if any, to be paid for the Bonds will be deposited in the Bond Fund established under the Indenture. The balance of the proceeds from the sale of the Bonds will be deposited in the Project Fund established under the Indenture, which is the property of the Obligor, subject to a security interest therein granted to the Issuer and assigned by the Issuer to the Trustee and the Bank. Pursuant to the terms of the Loan Agreement and the Indenture, the Issuer has authorized and directed the Trustee to pay from the Project Fund the cost of the Project upon proper requisition by the Obligor.

Terms of Loan Agreement and Loan Repayments

The Loan Agreement will be effective upon the first delivery of the Bonds and, unless sooner terminated as provided in the Loan Agreement, will expire on the date that all of the Bonds and all fees and charges of the Issuer and related parties and of the Trustee have been fully paid.

The Obligor is required under the Loan Agreement to pay the Trustee periodically, for the account of the Issuer, moneys for the payment of principal and Purchase Price of, premium, if any, and interest on the Bonds, whether by maturity, redemption, acceleration or otherwise (the "Loan Repayments").

The obligation of the Obligor to make Loan Repayments under the Loan Agreement is absolute and unconditional, and in the event the Obligor should fail to make any payments, the item or installment so in default will continue as an obligation of the Obligor until the amount in default shall have been fully paid.

During the term of the Loan Agreement, the Obligor will pay the fees, costs, expenses and advances of the Trustee and the fees and expenses of the Issuer related to the issuance of the Bonds and the financing of the Project and will indemnify the Issuer and Trustee with respect to certain liabilities. There are, however, specific limitations and qualifications on the Obligor's duty to indemnify and hold the Issuer and the Trustee harmless which are set forth in the Loan Agreement.

The Obligor shall proceed with reasonable dispatch to complete the Project substantially in accordance with the Plans. In the event moneys in the Project Fund are insufficient to pay all Project Costs, the Obligor will complete the Project and pay the Project Costs in excess of the sum of moneys available in the Project Fund.

So long as no Event of Default shall have occurred and be continuing under the Loan Agreement, the Project may be conveyed and transferred and the Loan Agreement assigned to a new owner which assignment must be in compliance with the General Limitations (as defined in the Loan Agreement) and with the consent of the Bank (which consent may be granted or withheld in the Bank's sole discretion), and without the consent of the Trustee or any Bondholder; provided that (i) the new owner shall be a partnership, limited liability company or corporation duly organized and validly existing in good standing under the laws of any state and qualified to do business in Wisconsin and shall assume in writing the obligations of the Obligor under the Loan Agreement and the other documents contemplated thereby and (ii) the Obligor shall, at least 30 days prior to any such assignment or transfer, provide the Issuer and the Trustee with written notice of such transfer accompanied by a copy of the assumption agreement and an opinion of nationally recognized bond counsel that such transfer will not cause or result in interest on the Bonds to be included in gross income for federal income tax purposes.

Certain Covenants of the Obligor in the Loan Agreement

The Obligor has covenanted that it shall not take or permit to be taken by its agents or assigns any action which, or fail to take any reasonable actions the omission of which would, (i)

adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, (ii) affect the validity of the Bonds under the Act or (iii) materially alter the scope, character, value, operation or utility of the Project. (See "TAX MATTERS").

The Obligor at its expense will maintain the Project in good condition, repair and working order, ordinary wear and tear and obsolescence excepted. The Obligor is required to maintain such insurance as is required under the Reimbursement Agreement. All taxes, assessments and similar charges levied by any governmental unit upon the Project or the use thereof or the income therefrom, whether imposed on the Obligor or the Issuer, will be paid by the Obligor.

The Obligor agrees to maintain its existence and qualification to do business in the State of Wisconsin, as provided in the Reimbursement Agreement.

The Obligor shall not assign or transfer its rights or obligations under the Loan Agreement, except as permitted in the Loan Agreement or consented to by the Bank.

Event of Default

The Loan Agreement provides that any one or more of the following events will constitute an "Event of Default":

(1) Failure by the Obligor to pay the Loan Repayments in the amounts and at the times provided in the Loan Agreement, but if and only if the Bank has, after demand under the Credit Facility, failed to pay the amount of such Loan Repayment as and when due.

(2) Failure by the Obligor to observe and perform any other obligations in the Loan Agreement on its part to be observed or performed for a period of 30 days after written notice specifying such failure and requesting that it be remedied, given to the Obligor by the Issuer, the Bank or the Trustee; provided, however, that if such Default shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the Default is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Obligor within such period and is diligently pursued until the Default is corrected.

(3) Any representation or warranty made by the Obligor in any document delivered by the Obligor to the initial purchasers, the Trustee, the Bank or the Issuer in connection with the issuance, sale and delivery of the Bonds is untrue in any material adverse respect.

(4) The occurrence of an Event of Default under the Indenture.

The Events of Default described in paragraph (2) above are also subject to the following limitation: If the Obligor by reason of force majeure is unable to carry out or observe the obligations described in such paragraph (2), the Obligor shall not be deemed to be in breach or violation of the Loan Agreement or in default during the continuance of such inability. The term

"force majeure" as used herein shall include, without limitation, acts of public enemies; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; civil disturbances; labor disturbances or strikes; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event other than financial inability not reasonably within the control of the Obligor. The Obligor agrees in the Loan Agreement, however, insofar as possible, to remedy with all reasonable dispatch the causes preventing it from carrying out its agreement; provided, however, that the settlement of strikes, lockouts and other commercial disturbances shall be entirely within the exercise of the reasonable discretion of the Obligor.

Remedies

Whenever any Event of Default under the Loan Agreement shall have occurred and be continuing, the Issuer, with the consent of the Trustee, or the Trustee acting alone, will have and may exercise any one or more of the following remedial powers:

(a) If the principal and interest accrued on the Bonds shall have been declared immediately due and payable pursuant to the Indenture, to declare all Loan Repayments payable under the Loan Agreement for the remainder of the term of the Loan Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable; provided, however, that if the Trustee shall annul any such declaration of acceleration of the Bonds pursuant to the Indenture, the declaration of acceleration of the Loan Repayments described in this clause shall be deemed annulled;

(b) If the principal of and interest accrued on the Bonds shall have been declared immediately due and payable pursuant to the Indenture, to institute any actions or proceedings at law or in equity for the collection of Loan Repayments or other sums due and unpaid under the Loan Agreement, to prosecute any such action or proceeding to judgment or final decree, and to enforce any such judgment or final decree and collect in the manner provided by law any moneys adjudged or decreed to be payable;

(c) In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Obligor under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Obligor, to file and prove a claim or claims for the whole amount owing under the Loan Agreement plus interest owing and unpaid in respect thereof and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Obligor, its creditors, or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses.

In addition to the remedial powers described above, the Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the Loan Agreement or the Bonds or to enforce the performance and observance of any other obligation or agreement of the Obligor under those instruments, without limitation, exercise the remedies of mandamus or the appointment of a receiver in equity

with the power to charge and collect rents, purchase price payments and loan payments and to apply revenues from the Project in accordance with the terms of the Loan Agreement and the Indenture.

Any amounts collected pursuant to action taken upon the happening of an Event of Default will be paid into the Bond Fund and applied in accordance with the Indenture, except amounts collected for the benefit of the Issuer or the Issuer's Agents, which will be paid to and retained by the Issuer.

Amendments, Changes and Modifications

As provided in the Indenture, no amendment, change or modification of the Loan Agreement is permissible without the written consent of the Trustee, Issuer, the Obligor and the Bank. Pursuant to the provisions of the Indenture, the consent of the Holders of not less than a majority of the aggregate principal amount of all Bonds then outstanding under the Indenture is also required for any amendment, change or modification of the Loan Agreement, except for the following purposes:

(a) To make any amendment required by the terms of the Loan Agreement;

(b) To cure any ambiguity or formal defect or omission in the Loan Agreement, which in the judgment of the Trustee acting in reliance on an opinion of counsel is not prejudicial to the rights of the Bondholders or the Trustee;

(c) To grant or pledge to the Trustee and for the benefit of the Bondholders any additional security;

(d) To make any change requested by the Rating Agency necessary to obtain, maintain or improve the rating on the Bonds, except for changes requiring 100% of Bondholders; or

(e) To make any other change which, in the judgment of the Trustee, acting upon an opinion of counsel, is not to the prejudice of the Trustee or the Bondholders.

THE TRUST INDENTURE

The following is a summary of certain provisions of the Indenture, to which document in its entirety reference is made for the detailed provisions thereof.

Assignment and Security

Pursuant to the Indenture, the Issuer's interest in the Loan Agreement and all amounts, including the Loan Repayments payable by the Obligor to the Issuer under the Loan Agreement (other than certain taxes, insurance and indemnification rights and certain fees and expenses of the Issuer and related parties and reserving the right to make determinations and approvals and receive all notices accorded it under the Loan Agreement and to enforce in its own name and for its own benefit provisions with respect to its fees and certain other rights), are pledged and

assigned to the Trustee by the Issuer to secure the payment of the principal of, premium, if any, and interest on the Bonds (see "SOURCE OF PAYMENT AND SECURITY -- Security for the Bonds") and the payment of reimbursement obligations pursuant to the [Reimbursement Agreement].

Application of Bond Fund

The Bond Fund, into which the Loan Repayments made by the Obligor pursuant to the Loan Agreement and certain other amounts specified in the Indenture will be deposited, is established with the Trustee. Moneys in the Bond Fund shall be used for the payment of the principal of, premium, if any, and interest on the Bonds.

Investment of Bond Fund and Project Fund Moneys

Any moneys held as a part of the Bond Fund and Project Fund will be invested or reinvested by the Trustee, to the extent permitted by law and the provisions of the Indenture, at the direction of the Obligor, in permitted investments as set forth below. All such investments will at all times be part of the fund (the Bond Fund or the Project Fund) with whose moneys they were acquired and all income and profits on such investments will be credited to, and losses thereon will be charged against such fund.

Any moneys held as part of the Bond Fund will be invested or reinvested by the Trustee in accordance with written directions of the Obligor, subject to certain limitations contained in the Loan Agreement and the Indenture with respect to arbitrage, in obligations of the United States, or shall not be invested.

Any moneys held as part of the Project Fund will be invested or reinvested by the Trustee in any of the following securities on which the Obligor is not the obligor:

(i) Obligations of the United States, its agencies, or United States government sponsored enterprises.

(ii) Obligations, the principal of and interest on which are guaranteed by the United States or any one of its agencies.

(iii) Obligations of a state, a territory, or a possession of the United States, or any political subdivision of any of the foregoing or of the District of Columbia as described in Section 103(a) of the Code if these investments are graded in the highest 3 major grades as determined by at least one national rating service or are secured, as to payments of principal and interest, by a letter of credit provided by a financial institution or insurance provided by a bond insurance company which itself or its debt is rated in the highest 3 major grades as determined by at least one national rating service.

(iv) Banker's acceptances, commercial accounts, certificates of deposit, or depository receipts issued by a bank, trust company, savings and loan association, savings bank, a credit union or other financial institution whose deposits are, as

appropriate, insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or any successor entity.

(v) Commercial paper rated at the time of purchase not less than P-2 by Moody's or A-2 by S & P or within the two highest classifications established by at least one national rating service, and which matures within 270 days after the date of issue.

(vi) Repurchase agreements against obligations itemized in paragraphs (i) and (ii) above, and executed by a bank or trust company or by members of the association of primary dealers or other recognized dealers in United States government securities, the market value of which must be maintained at levels at least equal to the amounts advanced and which obligations must be held in the custody of the Trustee or the Trustee's agent.

(vii) Any fund or other pooling arrangement which exclusively purchases and holds the investments itemized in paragraphs (i) through (vi) above.

(viii) An investment agreement or guaranteed investment contract with a provider whose unsecured long-term debt is rated within the two highest rating classifications established by at least one national rating service or an investment agreement or guaranteed investment contract which is guaranteed by an entity meeting the provider requirements described in this paragraph (viii).

(ix) Eurodollar time deposits in a bank or branch in the United States owned by a bank domiciled outside the United States. This type of investment must be in a bank with total assets of at least US $45,000,000,000 and with a long-term debt rating of at least "A-3" (or its equivalent) by at least one national rating service.

Additional Bonds

Additional bonds may be issued under the terms of the Indenture with the prior written consent of the Bank, the sole Holder of the Outstanding Bonds for any one or more of the following purposes: (i) the costs of making improvements to the Project, (ii) the refunding of all or any part of the Bonds, and (iii) issuance costs relating to additional bonds and other costs reasonably related to the financing as shall be agreed upon by the Obligor and the Issuer.

Events of Default

Any of the following will constitute an "Event of Default" under the Indenture:

(1) Default in the due and punctual payment of the interest on or principal of, premium on, or redemption or Purchase Price of any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by acceleration or otherwise or on the Conversion Date, proposed Conversion Date, Substitution Date or Purchase Date;

(2) Default in the performance or observance of any other obligation or condition on the part of the Issuer contained in the Indenture or in the Bonds and the continuance thereof for a period of 30 days after written notice given to the Issuer and the Obligor by the Trustee or by the Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding, provided, however, that if such default shall be such that it cannot be corrected within such period, it shall not constitute a Default if in the opinion of the Trustee in reliance on an opinion of counsel and with the consent of the Bank the default is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Obligor within such period and diligently pursued until the failure is corrected;

(3) The occurrence of an Event of Default under the Loan Agreement (see "THE LOAN AGREEMENT -- Defaults");

(4) Receipt by the Trustee of written demand from the Bank directing the Trustee to declare the Bonds immediately due and payable because of the occurrence of an Event of Default under and as defined in the Reimbursement Agreement;

(5) Receipt by the Trustee of written notice from the Bank that the interest portion of the Credit Facility has not been reinstated to an amount equal to 45 days' (or, if applicable, 210 days') interest, calculated at the Maximum Rate or Fixed Rate or Fixed Rates, as applicable.

(6) The Bank shall (i) fail to be open for the transaction of its general business on any day other than a day on which such institutions in the city in which such Bank is located are authorized or obligated to close by applicable law, absent extenuating circumstances of a nonfinancial nature; or (ii) commence a proceeding under any federal or state insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; or (iii) have a receiver, liquidator or trustee appointed for it or for the whole or substantially all of its property. The declaration of an Event of Default under this subsection (6) and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings; or

(7) Wrongful dishonor by the Bank of a draft drawn under the Credit Facility by the Trustee.

The Trustee shall, at the direction of the Bank, upon the occurrence of an Event of Default under paragraph (2) or (3) above, declare the principal of and accrued interest on all outstanding Bonds immediately due and payable. The Trustee shall, upon the occurrence of an Event of Default under paragraphs (1), (4), (5), (6) or (7) above, declare the principal of and accrued interest on all outstanding Bonds to be due and payable immediately. The Trustee shall simultaneously with any such declaration give written notice of any such declaration to the Issuer, the Obligor, the Remarketing Agent, the Bank and the Bondholders. Such notice shall

specify the date on which payment of principal and interest shall be tendered to the Bondholders, which date, so long as funds are available to the Trustee therefor, shall not be later than 5 days after the Event of Default resulting in such declaration. Interest on the Bonds will accrue to the date of declaration of acceleration.

Upon any declaration of acceleration of maturity of principal and interest on the Bonds under the Indenture, the Trustee shall promptly exercise such rights as it may have under the Loan Agreement to declare all payments thereunder to be immediately due and payable, shall transfer any moneys in the Project Fund to the Bond Fund and, on the date on which the Trustee gives notice of the acceleration to the Bank, shall draw upon the Credit Facility in accordance with the Indenture, to the full extent permitted by the terms thereof.

If for any reason the Credit Facility is not in full force and effect, or if the Bank has failed to pay or has been prevented from paying a draft drawn under the Credit Facility which complies with the terms of the Credit Facility, or if the Bank in writing has repudiated its obligations under the Credit Facility, or if the Bank shall no longer exist or shall become insolvent or if a receiver is appointed for it or its property or affairs, then an event specified in paragraph (2) or (3) above may constitute an Event of Default at the election of the Trustee by written notice thereof to the Obligor and the Issuer, and shall constitute an Event of Default if Holders of not less than 25% of the principal amount of outstanding Bonds give written notice of such event to the Trustee, the Obligor and the Issuer. Following occurrence of an Event of Default under the circumstances described in the preceding sentence, the Trustee shall, by notice in writing to the Issuer and the Obligor, declare the principal of all Bonds then outstanding and the interest accrued on the Bonds to the date of payment, immediately due and payable and such principal and interest shall thereupon become and be immediately due and payable.

Remedies

Following the acceleration of the maturity on the Bonds and prior to exercising any remedy contained in the Indenture, the Loan Agreement or any other remedy available to the Trustee, the Trustee is required to draw upon the Credit Facility. Only if such draft is dishonored by the Bank, or if the Bank has repudiated its obligations under the Credit Facility, or if the Credit Facility is otherwise unavailable may the Trustee proceed to exercise any other remedy. The rights and remedies of the Trustee, the Issuer and the owners of the Bonds may be limited by all applicable bankruptcy, insolvency and similar laws and principles of equity and public policy affecting creditors' rights generally.

For the other remedies available to the Trustee see "THE LOAN AGREEMENT -- Remedies" herein.

Application of Moneys

All moneys received by the Trustee pursuant to any actions taken in the case of an Event of Default are to be applied as follows:

(1) Moneys derived from the Credit Facility or any Substitute Credit Facility then in effect will be solely for the payment of the principal of and interest (but not

premium, except if the Credit Facility has been supplemented or amended to cover premium on the Bonds) on the Bonds, other than Pledged Bonds.

(2) All other moneys received by the Trustee following an Event of Default will be applied to the fees and expenses of the Trustee in taking such actions and second to the payment of any moneys other than Loan Repayments owed the Issuer and related parties with interest on any amounts advanced as provided in the Loan Agreement.

(3) Upon payment of the amounts specified in clause (2) above, unless the principal on all Bonds shall have become or been declared due and payable, all remaining moneys will be applied:

First - To the payment of all installments of interest then due on the Bonds in order of maturity of such installments of interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the ratable payment of the amounts due on such installment; and

Second - To the payment of unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the Indenture), in order of their due dates, with interest on such Bonds from the respective dates upon which they become due (at the rate borne by the Bonds, to the extent permitted by law) and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the ratable payment of the amounts due on such date.

(4) If the principal of all the Bonds shall have become or been declared due and payable, all remaining moneys shall be applied for the payment of the principal of and interest on the Bonds outstanding under the Indenture, without preference or priority as between (i) principal or interest, (ii) installments of interest or (iii) Bonds, ratably according to the amounts due respectively for principal and interest to the persons entitled thereto.

Upon payment of the above amounts in full, all moneys thereafter held by the Trustee will be applied as provided under the caption "SOURCES OF PAYMENT AND SECURITY -- Discharge of Lien."

Waiver of Event of Default

To the extent not precluded by the Indenture, the Trustee shall waive any Event of Default, other than an Event of Default described under paragraph (1), (5), (6) or (7) under the caption "Events of Default" above, at the direction of the Bank, and annul any declaration of maturity of principal, and in case of any such waiver or rescission, the Issuer, the Obligor, the Bank and the Bondholders shall be restored to their former positions and rights respectively, but no such waiver shall extend to or affect any subsequent or other Event of Default, or impair any right consequent thereon. Furthermore, the Trustee shall waive an Event of Default only if the Credit Facility is in full force and effect and has been reinstated in full. Notwithstanding

anything to the contrary, the Trustee shall not waive any Event of Default described under paragraph (2), (3) or (4) under the caption "Events of Default" above unless agreed to in writing by the Bank (which consent may be granted or withheld in the Bank's sole discretion), and no declaration of maturity of principal made by the Trustee at the direction of the Holders of 25% or more of the aggregate principal amount of the Bonds then outstanding shall be annulled or the underlying Event of Default waived by the Trustee without the consent of at least 51% of such Bondholders. No such waiver or annulment may be made by the Trustee unless prior to such waiver or annulment all arrears of interest or all arrears of payment of principal then due, as the case may be, together with interest (to the extent permitted by law) on overdue principal and interest, at the applicable rate of interest borne by the Bonds, and all fees, costs and expenses of the Trustee, shall have been paid or provided for.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

Supplemental Indentures

As provided in the Indenture, no amendment, change or modification of the Indenture is permissible without the written consent of the Bank and the Obligor. Pursuant to the Indenture, the consent of the owners of not less than a majority of the aggregate principal amount of the Bonds outstanding under the Indenture is also required for any such amendment, change or modification of the Indenture except supplemental indentures for the following purposes:

(1) To cure any ambiguity or formal defect or omission in the Indenture;

(2) To grant to or confer upon the Trustee, with its consent for the benefit of the Bondholders, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the owners of the Bonds or the Trustee;

(3) To grant or pledge any additional security to the Trustee for the benefit of the Bondholders;

(4) To modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute then in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States;

(5) To make any change requested by the Rating Agency necessary to obtain, maintain or improve the rating on the Bonds, except for changes requiring 100% consent of the Bondholders;

(6) To provide for the issuance of Additional Bonds;

(7) To make any other change which, in the judgment of the Trustee acting in reliance upon an opinion of counsel, is not materially adverse to the Trustee or the owners of the Bonds;

(8) To change the Maximum Rate applicable to the Variable Rate Bonds; and

(9) To make changes necessary to facilitate the conversion of the Bonds to the Daily Rate, the Weekly Rate or the Fixed Rate.

THE REIMBURSEMENT AGREEMENT

The following summarizes certain provisions of the Reimbursement Agreement between the Obligor and the Bank pursuant to which the Letter of Credit is issued. Reference is hereby made to the Reimbursement Agreement for the detailed provisions thereof.

Reimbursement of Bank

The Reimbursement Agreement provides, among other things, for the reimbursement to the Bank of certain amounts drawn under the Letter of Credit. Under the Reimbursement Agreement, the Obligor is required to reimburse fully the Bank for each drawing made by the Trustee with respect to the principal, redemption or purchase prices of or interest on the Bonds and premium, if any, and all such reimbursements are to be made in accordance with the provisions of the Reimbursement Agreement.

Fees Commissions and Expenses

Pursuant to the Reimbursement Agreement, the Obligor agrees to pay to the Bank, among other things, a commission based on the amount available to be drawn under the Letter of Credit and certain expenses incurred in maintaining the Letter of Credit and in enforcing the Bank's rights under the Reimbursement Agreement. Certain costs and expenses (including those which would result from a change in law, regulation or interpretation thereof) incurred by the Bank relative to the Letter of Credit or the Reimbursement Agreement will also be paid by the Obligor along with taxes and fees, if any, payable in connection with the execution, delivery, filing and recording required by the Reimbursement Agreement, all subject to the terms and conditions set forth in the Reimbursement Agreement.

Certain Affirmative and Negative Covenants

The Obligor covenants in the Reimbursement Agreement or by incorporation of certain terms of another credit facility agreement with the Bank into the Reimbursement Agreement, among other things, to maintain its legal existence; to comply in all material respects with all applicable laws; to maintain adequate insurance; to pay all taxes and assessments; to keep proper books and records and to permit the Bank to examine such books and records; to submit to the Bank certain financial and other reports and information and notices of Events of Default under the Reimbursement Agreement; to take certain actions in connection with the construction and operation of the Project; to comply with the Employee Retirement Income Security Act of 1974,

as amended; to comply with certain financial covenants; and to cause optional redemption of the Bonds according to the schedule set forth in the Reimbursement Agreement.

The Obligor also covenants in the Reimbursement Agreement or by incorporation of certain terms of another credit facility agreement with the Bank into the Reimbursement Agreement among other things, not to, without the prior written consent of the Bank or as permitted by the Reimbursement Agreement or other credit agreement, amend the Indenture or the Loan Agreement; declare, pay any dividend on, or make any other distribution of its capital stock or equity interests, except as provided in the Reimbursement Agreement or other credit agreement; permit certain liens and encumbrances on the Project; incur additional indebtedness except as provided in the Reimbursement Agreement or other credit agreement; extend credit, guaranty another's obligations or subordinate its indebtedness to another; transfer certain property and assets, merge or acquire certain other assets; furnish the Bank with any certificate or document that contains any untrue statement of material fact or omits to state a material fact necessary to make such document or certificate not misleading; and use the Bond proceeds other than as permitted for the Project.

These covenants are solely for the benefit of the Bank. The Bank may waive any such covenants or certain other provisions of the Reimbursement Agreement and may agree with the Obligor to amend or add other covenants or provisions without the consent of any other party. The Bondholders will have no right or obligations as a result of such covenants or provisions or any amendments or waivers thereof. Failure by the Obligor to comply with the covenants in the Reimbursement Agreement could result in a default under the Reimbursement Agreement and an acceleration of the principal and interest of the Bonds.

Events of Default

The occurrence of any of certain events (a general summary of which follows) constitutes an Event of Default under the Reimbursement Agreement unless waived by the Bank or amended by agreement of the Bank and the Obligor: Any capitalized term used by not defined herein shall have the meaning given such term in the Reimbursement Agreement.

1) Any representation or warranty made by the Obligor pursuant to the Reimbursement Agreement proves to have been incorrect in any material respect when made.

2) The Obligor shall fail to pay the Obligations within three (3) Business Days of when due or shall fail to perform any covenant for the payment of money (or taxes, insurance and the like) under any Transaction Document when such payment is due thereunder.

3) The Obligor shall fail to perform or observe the provisions of the Reimbursement Agreement relating to negative and affirmative covenants.

4) The Obligor shall fail to perform or observe any other term, covenant or agreement contained in the Reimbursement Agreement or in any of the Transaction Documents, or in any other agreement with the Bank to which it may be a party; and such failure shall continue for a period of 30 calendar days after the earlier of (i) notice from Bank of such failure or (ii) the date on which the Obligor became aware, or should have become aware, of such

failure (the "Default Notice Date"), provided that if such failure is not a monetary failure and the Obligor is diligently pursuing its cure, it shall not be an Event of Default if the Obligor continues to diligently pursue cure and the failure is in any event cured within 90 calendar days after the Default Notice Date.

5) Any material provision of the Reimbursement Agreement shall at any time for any reason cease to be valid and binding on the Obligor, or shall be declared to be null and void, or the validity or enforceability thereof against the Obligor shall be contested by the Obligor or any governmental agency or authority, or the Obligor shall deny that it has any further liability or obligation under the Reimbursement Agreement.

6) A default or event of default under the Loan Agreement, the Indenture, the Bond Pledge Agreement, or any of the other Transaction Documents shall have occurred and be continuing without the same being cured or waived pursuant to the terms thereof.

7) If any of the Transaction Documents shall for any reason cease to create valid and enforceable obligations or a first perfected lien on the property described therein (if any), subject only to Permitted Liens.

8) An event of default shall occur under the Other Credit Facilities without the same being cured or waived pursuant to the terms thereof.

Indemnification of the Bank

The Obligor agrees to indemnify and hold the Bank harmless from certain claims, damages, losses, liabilities, costs or expenses which arise by reason of certain untrue or alleged untrue statements or omissions of certain material statements in this Private Placement Memorandum and in connection with the execution and delivery or transfer of, or payment or failure to pay under, the Letter of Credit. There are, however, specific limitations and qualifications on the Obligor's duty to indemnify and hold the Bank harmless which are set forth in the Reimbursement Agreement.

Disbursement of Project Fund Proceeds

The Obligor agrees to adhere to certain requirements with respect to the disbursement of proceeds in the Project Fund.

THE BOND PLEDGE AGREEMENT

Pursuant to the Bond Pledge Agreement dated as of April 1, 2010, the Bank, the Obligor and the Trustee have agreed that the Trustee shall hold any Bonds not remarketed by the Remarketing Agent and paid for with a draw on the Letter of Credit as agent for the Bank, the pledgee of said Bonds. Such Bonds will be registered in the name of the Obligor, but held by the Trustee to secure repayment of moneys thus paid by the Bank. Upon receipt of moneys sufficient to pay in full the amount of such Letter of Credit payment, the Bonds thus pledged shall be released and the Letter of Credit shall be reinstated as therein provided.

RATINGS

Fitch Ratings ("Fitch") is expected to assign the Bonds a rating of ["A/F1"] contingent upon the issuance of the Letter of Credit by the Bank.

Any ratings assigned to the Bonds reflect only the views of Fitch at the time the respective rating is issued, and any explanation of the significance of such ratings may be obtained only from Fitch. Ratings are not a recommendation to buy, sell or hold the Bonds; and there is no assurance that any ratings will continue for any given period of time or will not be revised downward or withdrawn entirely by Fitch, if in its judgment, circumstances so warrant. Any downward change in or withdrawal of a rating may have an adverse effect on the marketability and/or market price of the Bonds. Neither the Issuer, the Obligor, nor the Placement Agent has undertaken the responsibility of maintaining a particular rating on the Bonds.

BEST EFFORTS PLACEMENT

The Placement Agent has agreed to use its best efforts to place the Bonds to investors for the price of par. The Placement Agent will receive a fee of $_____ if all the Bonds are placed.

The costs of issuance (including the Placement Agent's compensation) not exceeding 2% of the principal amount of the Bonds will be paid from the proceeds of the Bonds. The remaining costs of issuance of the Bonds, if any, will be paid by the Obligor from its funds at the closing. The Placement Agreement among the Issuer, the Obligor and the Placement Agent for the Bonds provides that the Placement Agent will place all the Bonds, if any are placed, and requires the Obligor to indemnify the Placement Agent against losses, claims, damages and liabilities arising out of any statement or information contained in this Private Placement Memorandum pertaining to the Obligor and certain other matters that are misleading or incorrect in any material respect.

TAX MATTERS

In the opinion of Benesch, Friedlander, Coplan & Aronoff LLP, Bond Counsel, under existing law interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds.

A copy of the opinion of Bond Counsel for the Bonds is set forth in Appendix B attached hereto.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Issuer and Obligor contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not

independently verify the accuracy of the Issuer's or the Obligor's certifications and representations or the continuing compliance with each party's respective covenants, and will not independently verify the accuracy of the opinion of the Obligor's counsel.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but it is not a guaranty of that conclusion. The opinion is not binding on the IRS or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Issuer or the Obligor may cause loss of such status and result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Obligor and, subject to certain limitations, the Issuer have each covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Although a portion of the interest on certain tax-exempt obligations earned by certain corporations may be subject to a federal corporate alternative minimum tax, interest on certain tax-exempt obligations issued in 2010, including the Bonds, is excluded from that calculation of federal alternative minimum tax. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to

backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that the legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds, will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Bonds at other than the par amount should also consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the Obligor or the beneficial owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale by the Issuer of the Bonds and the tax-exempt status thereof will be passed upon by Benesch, Friedlander, Coplan & Aronoff LLP, Columbus, Ohio.

Certain legal matters will be passed upon for the Issuer by Quarles & Brady LLP, Milwaukee, Wisconsin.

Certain legal matters pertaining to the Obligor, including the due execution and delivery by the Obligor of the Loan Agreement and the Reimbursement Agreement will be passed upon for the Obligor by Benesch, Friedlander, Coplan & Aronoff, LLP, Columbus, Ohio. Certain legal matters will be passed upon for the Bank by Squire, Sanders & Dempsey, L.L.P., Cleveland, Ohio, and for the Placement Agent by Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan.

POTENTIAL CONFLICT OF INTEREST

At the request of the Obligor, pursuant to the Reimbursement Agreement, Comerica Bank, is a participant bank in the credit facility pursuant to which the Bank is issuing the Letter of Credit which secures the Bonds[3]; pursuant to the Placement Agreement, Comerica Securities will place the Bonds; and, pursuant to the Remarketing Agreement, Comerica Securities will remarket the Bonds. Comerica Bank is a wholly-owned subsidiary of Comerica Incorporated. Comerica Securities is an indirect wholly-owned subsidiary of Comerica Incorporated. Each firm will deliver a certificate at the closing for the Bonds to the effect that the acceptance by and the performance of each firm of their respective duties under the Reimbursement Agreement, the Letter of Credit, the Placement Agreement and the Remarketing Agreement, as applicable, do not constitute a prohibited conflict of interest under any applicable law, regulation, administrative order, or court ruling. The Placement Agent and the Remarketing Agent will further certify that if either of them determines that the performance of its duties under the Placement Agreement or the Remarketing Agreement, as applicable, constitutes a prohibited conflict of interest, it will take appropriate measures to mitigate the conflict.

CONCLUDING STATEMENT

The foregoing references to and summaries or descriptions of provisions of the Bonds, the Loan Agreement, the Indenture, the Credit Facility, the Reimbursement Agreement and the Bond Pledge Agreement and all references to other materials not stated to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. Copies of the Bonds, the Loan Agreement, the Indenture, the Credit Facility, the Reimbursement Agreement and the Bond Pledge Agreement are available during the initial offering period for inspection at the principal office of Comerica Securities, Detroit, Michigan and thereafter at the office of the Trustee.

[3] To be revised as necessary.

APPENDIX A
CERTAIN INFORMATION CONCERNING KEYBANK NATIONAL ASSOCIATION

APPENDIX A

General

KeyBank National Association (the "Bank") is a national banking association headquartered in Cleveland, Ohio serving markets throughout the United States. The Bank provides customized financial services to individuals, businesses and other institutions.

At December 31, 2009, the Bank had total assets of approximately $90.2 billion and total equity capital of approximately $9.4 billion. The Statement of Condition of the Bank at December 31, 2009, is set forth on the following page.

All of the Bank's capital stock is owned by KeyCorp, a publicly-held multi-line financial services company headquartered in Cleveland, Ohio, the common stock of which is registered under the Securities Exchange Act of 1934. At December 31, 2009, the Bank represented approximately 97% of the assets of KeyCorp. KeyCorp files annual and other reports containing audited, consolidated financial and other information with the Securities and Exchange Commission, 450 Fifth Street, NW, Washington, D.C. 20659 and copies of this information may be obtained from the Commission upon payment of copying charges, or examined at the Commission's offices without charge. THE LETTER OF CREDIT IS AN UNSECURED OBLIGATION OF THE BANK AND NOT OF KEYCORP. KEYCORP HAS NOT GUARANTEED THE BANK'S OBLIGATION UNDER THE LETTER OF CREDIT OR THE REIMBURSEMENT AGREEMENT AND IS NOT AND WILL NOT BECOME OBLIGATED IN ANY MANNER WITH RESPECT THERETO.

The Bank will supply, without charge to any person to whom this Limited Offering Memorandum is delivered, a copy of the KeyCorp Form 10-K for the year ended December 31, 2008, as well as copies of reports on Forms 10-Q or 8-K as filed with the Securities and Exchange Commission, by calling our Toll Free Financial Report Request Line 1-888-539-3322.

Limitation of Responsibilities

The Bank is responsible only for the information contained in this Appendix and did not participate in the preparation of, or in any way verify the information contained in any other part of the Private Placement Memorandum. Accordingly, the Bank assumes no responsibility for and makes no representation or warranty as to the accuracy or completeness of information contained in any other part of the Private Placement Memorandum.

In my opinion, the aforementioned Statement of Condition presents fairly the financial position of the Bank at December 31, 2009, in conformity with the standards of the Federal Financial Institutions Examination Council, and there have been no material adverse changes in its financial condition as shown therein since the date of such Statement of Condition.

KeyBank National Association

BY: Dennis J. O'Neill

Dennis J. O'Neill, Vice President

KEYBANK NATIONAL ASSOCIATION
Consolidated Statement of Condition
December 31, 2009

ASSETS	In thousands
Cash and balances due from depository institutions	$ 1,934,659
U. S. Treasury securities	103
U. S. Government agency obligations	619
Mortgage-backed securities	16,434,090
Asset-backed securities	180,953
Securities issued by states and political subdivisions in the U.S.	85,925
Investments in mutual funds and other equity securities with readily determinable fair values	1,953
Other debt securities	22,083
Federal funds sold and securities purchased under agreements to resell	14,832
Loans and lease financing receivables, net of unearned income and allowance	60,416,936
Trading assets	1,309,526
Premises and fixed assets	859,143
Other real estate owned	168,865
Intangible assets	1,039,627
Investments in unconsolidated subsidiaries and associated companies	14,662
Direct and indirect investments in real estate ventures	977,672
Other assets	6,717,474
Total Assets	$ 90,179,122
LIABILITIES	
Deposits	
In domestic offices	
Individuals, partnerships and corporations	$ 59,948,197
U. S. Government	12,073
States and political subdivisions in the U.S.	4,570,775
Commercial banks and other depository institutions in the U.S.	512,153
Banks in foreign countries	4,306
In foreign offices, Edge and Agreement subsidiaries, and IBFs	4,277,820
Total Deposits	69,325,324
Federal funds purchased and securities sold under agreements to repurchase	1,300,248
Trading liabilities	931,086
Other borrowed money	4,082,278
Subordinated notes and debentures	3,463,686
Other liabilities	1,696,465
Total Liabilities	80,799,087
EQUITY CAPITAL	
Common stock	50,000
Surplus	5,216,121
Retained earnings	3,024,542
Accumulated other comprehensive income	289,303
Total Bank Equity Capital	8,579,966
Noncontrolling interests in consolidated subsidiaries	800,069
Total Equity Capital	9,380,035
Total Liabilities and Equity Capital	$ 90,179,122

I, Dennis J. O'Neill, Vice President of KeyBank National Association, do hereby certify that the above financial statement reported to the Office of the Comptroller of the Currency of the United States of America, under the date of December 31, 2009, is true to the best of my knowledge and belief.

Dennis J. O'Neill, Vice President

APPENDIX B
FORM OF OPINION OF BOND COUNSEL