

\$12,000,000
HARVEST BIBLE CHAPEL
Adjustable Rate Demand Taxable Revenue Bonds, Series 2004

Dated: Date of Initial Delivery

CUSIP: 417522AA7

Due: August 1, 2029

Principal of and interest on the Series 2004 Bonds will be paid from funds drawn by the Trustee (currently J.P. Morgan Trust Company, National Association) under an irrevocable direct pay letter of credit (the "Letter of Credit") issued by



an Ohio banking corporation with a place of business in Chicago, Illinois (the "Bank"). The net proceeds of the Series 2004 Bonds will be used by Harvest Bible Chapel, Rolling Meadows, Illinois (the "Issuer") to pay (i) the costs of financing the Project (as defined herein), (ii) capitalized interest on the Series 2004 Bonds and (iii) certain costs related to the issuance of the Series 2004 Bonds.

The offering price of the Series 2004 Bonds is 100% of the principal amount thereof. The Letter of Credit will be issued in the total amount of \$12,177,535, and will permit the Trustee to draw (a) up to \$12,000,000, which equals the principal amount of the Series 2004 Bonds, in order to pay principal on the Series 2004 Bonds when due, upon redemption or acceleration thereof or to pay the portion of the purchase price thereof corresponding to the principal amount upon certain tenders, and (b) up to \$177,535, initially, which equals 45 days interest on the Series 2004 Bonds, computed at the maximum rate of 12% per annum, in order to pay accrued interest on the Series 2004 Bonds when due or to pay the portion of the purchase price of the Series 2004 Bonds corresponding to accrued interest. The Letter of Credit will expire on August 15, 2009, unless sooner terminated or extended.

The Series 2004 Bonds are being offered on the basis of the Letter of Credit and are not being offered on the basis of the financial strength of the Issuer or any other security. This Official Statement does not describe the financial condition of the Issuer. The Series 2004 Bonds are subject to acceleration of maturity upon the occurrence of a default by the Issuer under the Reimbursement Agreement between the Bank and the Issuer relating to the Letter of Credit.

The interest rate on the Series 2004 Bonds will be the Weekly Interest Rate, which will be adjusted weekly by the Remarketing Agent, initially, B.C. Ziegler and Company, unless and until the Issuer converts the interest rate to a One Month Interest Rate, Three Month Interest Rate, Six Month Interest Rate, One Year Interest Rate, Five Year Interest Rate or a Fixed Interest Rate (collectively, together with the Weekly Interest Rate Mode, the "Interest Rate Modes"). Interest will be payable on the first Business Day of each month, commencing September 1, 2004, while the Series 2004 Bonds bear interest at the Weekly Interest Rate, the One Month Interest Rate or the Three Month Interest Rate, and on the first day of each February and August while the Series 2004 Bonds bear interest at the Six Month Interest Rate, the One Year Interest Rate, the Five Year Interest Rate or the Fixed Interest Rate (the "Interest Payment Dates"). Interest will be payable by check or draft mailed by the Trustee on each Interest Payment Date to the holders as they appear on the registration books (the "Holders") on the fifth Business Day next preceding an Interest Payment Date (the "Record Date"); provided that upon request of a Holder of the Series 2004 Bonds, interest shall be paid by wire transfer in immediately available funds.

The Series 2004 Bonds are offered, subject to prior sale, when, as and if issued by the Issuer and received by B.C. Ziegler and Company (the "Underwriter"), subject to approval of certain legal matters by Chapman and Cutler LLP, as counsel for the Bank, the approval of certain legal matters by David R. Wiltse, Esq., as special counsel for the Issuer, the approval of certain legal matters by Peck, Shaffer & Williams LLP, as Bond Counsel, the approval of certain legal matters by Peck, Shaffer & Williams LLP, as counsel for the Underwriter, and certain other conditions.

It is expected that the Series 2004 Bonds will be available for delivery through the facilities of DTC, on or about August 12, 2004, against payment therefor.

ZIEGLER CAPITAL MARKETS GROUP
a division of B.C. Ziegler and Company

August 5, 2004

While the Series 2004 Bonds are in the Weekly Interest Rate Mode, Holders or beneficial owners have the option to tender their Series 2004 Bonds or beneficial ownership interests to the Trustee for purchase on a Business Day not prior to the seventh day and not later than the fifteenth day next succeeding the date notice is given by the Holders or beneficial owners. While the Series 2004 Bonds are in an Interest Rate Mode other than the Weekly Interest Rate Mode, the Holders or beneficial owners have the option to tender their Series 2004 Bonds or beneficial ownership interests to the Trustee for purchase on any date the interest rate is subject to adjustment (the “Interest Rate Adjustment Date”). Holders or beneficial owners are required to deliver the Series 2004 Bonds or beneficial ownership interests to the Trustee for purchase, and the Series 2004 Bonds or beneficial ownership interests are deemed to be tendered, upon any conversion to a different Interest Rate Mode, unless such Holders or beneficial owners affirmatively elect to retain their Series 2004 Bonds or beneficial ownership interests. The Series 2004 Bonds will no longer be subject to optional tender by the Holders after the interest rate has been converted to the Fixed Interest Rate. The Series 2004 Bonds are also subject to optional, extraordinary optional and mandatory redemption prior to maturity, as set forth herein. See “THE SERIES 2004 BONDS.”

The Series 2004 Bonds are issuable only as fully registered bonds, without coupons, in denominations of \$100,000 and any integral multiples of \$5,000 in excess of \$100,000 while the Series 2004 Bonds bear interest at the Weekly, One Month or Three Month Interest Rate and \$5,000 and whole multiples thereof when the Series 2004 Bonds are in any other Interest Rate Mode, and, when issued, will be registered initially in the name of Cede & Co. as sole registered Holder of the Series 2004 Bonds and nominee for The Depository Trust Company (“DTC”), New York, New York. Purchases of Series 2004 Bonds will be made in book entry form only, and purchasers will not receive certificates representing their interest in Series 2004 Bonds so purchased. So long as Cede & Co. is the registered Holder of the Series 2004 Bonds, as nominee of DTC, references herein to the registered Holders of the Series 2004 Bonds or registered owners thereof shall mean Cede & Co., in such capacity, and shall not mean the purchasers of beneficial interests in the Series 2004 Bonds (“Beneficial Owners”), and payments with respect to the Series 2004 Bonds will be made directly to such registered Holder. Disbursement of such payments by DTC to the DTC Participants and by the DTC Participants to the Beneficial Owners is more fully described herein. See “THE SERIES 2004 BONDS - Book Entry” herein. So long as Cede & Co. is the sole registered Holder of the Series 2004 Bonds, the principal and redemption price of and interest on the Series 2004 Bonds will be payable in Federal funds transmitted to Cede & Co.

All information herein has been obtained from the Issuer, the Underwriter, the Bank and other sources deemed by the Underwriter to be reliable, but is not to be construed as a representation by, the Underwriter. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Bank or the Issuer since the date hereof.

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security, other than the original offering by Harvest Bible Chapel (the “Issuer”) of its Adjustable Rate Demand Taxable Revenue Bonds, Series 2004 (the “Series 2004 Bonds”) specifically offered hereby. No dealer, broker, salesman or other person has been authorized to give any information or to make any representation with respect to the Series 2004 Bonds other than those contained in this Official Statement and, if given or made, such other information or representation not so authorized must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 2004 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and descriptions in this Official Statement do not purport to be comprehensive or definitive. Statements regarding specific documents (including the Series 2004 Bonds), instruments and statutes are descriptions of selected provisions of and subject to the detailed provisions of such documents, instruments and statutes, respectively, and are qualified in their entirety by reference to the full text of each such document, instrument or statute. Copies of the documents will be on file with the Trustee and will be furnished upon request. This Official Statement has been approved by the Issuer, and its use and distribution for the purposes set forth above have been authorized by the Issuer and the Bank. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Bank since the date hereof.

Upon issuance, the Series 2004 Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other Federal, state, municipal or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement nor, except the Issuer (to the extent described herein), approved the Series 2004 Bonds for sale. Any representation to the contrary is a criminal offense.

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INTRODUCTORY STATEMENT

This introductory statement is subject in all respects to the more complete information appearing elsewhere in this Official Statement. The introductory statement is not to be read or used without reference to the entire Official Statement.

The Issuer: Harvest Bible Chapel, Rolling Meadows, Illinois (the “Issuer”) is an Illinois not-for-profit corporation.

The Bank: Fifth Third Bank is an Ohio banking corporation (the “Bank”).

Purposes of the Financing: Proceeds to be realized from the sale of the Series 2004 Bonds will be used by the Issuer to (i) finance cost of the acquisition, construction and equipping of church facilities and certain school facilities located in Elgin and Rolling Meadows, Illinois, and related parking and site improvements (the “Project”), (ii) pay certain capitalized interest on the Series 2004 Bonds and (iii) pay a portion of the costs of issuance of the Bonds.

Securities Being Offered: \$12,000,000 principal amount of Adjustable Rate Demand Taxable Revenue Bonds, Series 2004 will be issuable by the Issuer initially in denominations of \$100,000 and any integral multiples of \$5,000 in excess thereof. If the Series 2004 Bonds bear interest at the Six Month, One Year, Five Year or Fixed Interest Rate, they will be in denominations of \$5,000 and any integral multiples thereof. The Series 2004 Bonds will be issuable only in fully registered form. One Series 2004 Bond initially will be delivered to The Depository Trust Company or its nominee. See “THE SERIES 2004 BONDS.”

Underwriter and Remarketing Agent: B.C. Ziegler and Company.

Letter of Credit: An irrevocable direct pay letter of credit will be issued by the Bank and will secure payment of \$12,000,000 principal amount of the Series 2004 Bonds, plus \$177,535 which is equal to 45 days’ accrued interest thereon while the Series 2004 Bonds bear interest at the Weekly, the One Month or the Three Month Interest Rate computed at the maximum rate of 12% per annum, calculated on the basis of a 365-day year and will expire August 15, 2009, unless extended or earlier terminated. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2004 BONDS.” If, at the Issuer’s election, the Series 2004 Bonds bear interest at the Six Month, the One Year, the Five Year or the Fixed Interest Rate, the Issuer will be required to deliver an Alternate or amended Letter of Credit which will secure 210 days’ accrued interest on the Series 2004 Bonds, computed at the maximum rate of 12% per annum, calculated on the basis of a 360-day year of twelve 30-day months. Payment of principal of and interest on the Series 2004 Bonds at maturity or upon redemption or acceleration will be made first from moneys obtained by the Trustee pursuant to draws on the Bank under the Letter of Credit. Payment of the purchase price of the Series 2004 Bonds or beneficial ownership interests therein upon tenders for purchase by Holders or beneficial owners will be made first from moneys consisting of remarketing proceeds held in the Remarketing Reimbursement Fund and then from draws on the Bank under the Letter of Credit.

Interest Rate: From the date of initial delivery, unless the Issuer, with the consent of the Bank, shall have elected to convert the interest rate to a different Interest Rate Mode, the interest rate will be the Weekly Interest Rate.

Interest Payment Dates: Interest on the Series 2004 Bonds is payable on the first Business Day of each month, commencing September 1, 2004 while the Series 2004 Bonds bear interest at the Weekly, the One Month or the Three Month Interest Rate, and on each February 1 and August 1 while the Series 2004 Bonds bear interest at the Six Month, the One Year, the Five Year or the Fixed Interest Rate.

Interest Rate Modes: At the option of the Issuer and approved in writing by the Bank, upon certain conditions, the interest rate may be converted on one or more occasions to a Weekly Interest Rate, a One Month Interest Rate, a Three Month Interest Rate, a Six Month Interest Rate, a One Year Interest Rate or a Five Year Interest Rate (collectively, with the Fixed Interest Rate, the “Interest Rate Modes”) unless or until converted to a Fixed Interest Rate for the remaining term of the Series 2004 Bonds.

The following chart sets forth for each Interest Rate Mode, other than the Fixed Interest Rate, the Interest Rate Determination Date, which is the date the Remarketing Agent determines the interest rate on the Series 2004 Bonds, the Interest Rate Adjustment Date, which is the date on which the interest rate on the Series 2004 Bonds is adjusted, either as the result of the conversion of the interest rate on the Series 2004 Bonds to a different Interest Rate Mode or by adjustment of the interest rate on the Series 2004 Bonds within the applicable Interest Rate Mode, and the Interest Rate Period for each Interest Rate Mode:

<u>INTEREST RATE MODE</u>	<u>INTEREST RATE ADJUSTMENT DATE</u>	<u>INTEREST RATE DETERMINATION DATE</u> *	<u>INTEREST RATE PERIOD</u>
Weekly	Thursday of each week	4:00 p.m. on Wednesday of each week, or the next preceding Business Day if Wednesday is not a Business Day**	One week commencing Thursday**
One Month	First Business Day of each month	7th Business Day before the Interest Rate Adjustment Date	One month commencing the first Business Day of the month
Three Month	First Business Day of any month, and thereafter the first Business Day of February, May, August and November	10th Business Day before the Interest Rate Adjustment Date	Three months commencing the first Business Day of February, May, August and November**
Six Month	First Business Day of any month, and thereafter February 1 and August 1	10th Business, Day before the Interest Rate Adjustment Date	Six months commencing February 1 and August 1***

One Year	First Business Day of any month, and thereafter February 1 or August 1 commencing the next Interest Rate Period	10th Business Day before the Interest Rate Adjustment Date	One year commencing February 1 or August 1 ***
Five Year	First Business Day of any month, and thereafter January 1 or July 1 commencing the next Interest Rate Period	10th Business Day before the Interest Rate Adjustment Date	Five years commencing February 1 or August 1 ***

* See “THE SERIES 2004 BONDS -- Holders’ Tender Options” for a description of applicable notice and delivery deadlines.

** When converting from another Interest Rate Mode, the Interest Rate Determination Date for the Weekly Interest Rate Mode is 4:00 p.m. on the Business Day (as defined below) before the Interest Period Reset Date. The first Interest Rate Period would commence on the Interest Period Reset Date and continue through the following Wednesday.

*** The first Interest Rate Period may be less than the indicated period when converting from another Interest Rate Mode.

The Interest Rate Determination Date for the Fixed Interest Rate is the tenth Business Day before the Interest Period Reset Date, which is the first day of a month following the conclusion of the preceding Interest Rate Period and which is also the Interest Rate Adjustment Date. No further conversion to other Interest Rate Modes can be made after conversion to the Fixed Interest Rate. (See “THE SERIES 2004 BONDS -- Interest Rate Modes on Series 2004 Bonds,” and “-- Conversion Between Interest Rate Modes.”)

Interest Period Reset Date: The Interest Period Reset Date is the date on which the interest rate on the Series 2004 Bonds converts from the Interest Rate Mode applicable to the Series 2004 Bonds prior to such date to a new Interest Rate Mode, which shall occur on the first Business Day of the month, provided that upon conversion from a Six Month, One Year or Five Year Interest Rate Mode, the Interest Period Reset Date shall occur on the first day of a month, and further that except when converting from a Weekly Interest Rate Mode, an Interest Period Reset Date may not occur prior to the end of the preceding Interest Rate Period.

Optional Redemption: At the option of the Issuer, the Series 2004 Bonds may be redeemed, (1) if the Series 2004 Bonds do not bear interest at the Fixed Interest Rate, in whole or in part (in integral multiples of \$5,000, provided that while the Series 2004 Bonds bear interest at the Weekly, One Month or Three Month Interest Rate, the unredeemed portion of any Series 2004 Bond shall be \$100,000 or more) on any Interest Rate Adjustment Date at 100% of the principal amount plus accrued interest to the date of redemption, and (2) if the Series 2004 Bonds bear interest at the Fixed Interest Rate, in whole or in part (in integral multiples of \$5,000) at any time on or after the First Optional Redemption Date, as hereafter defined, at a declining premium above the principal amount plus accrued interest to the date of redemption. See “THE SERIES 2004 BONDS -- Redemption Prior to Maturity -- Optional Redemption.”

Extraordinary Optional Redemption: The Series 2004 Bonds are also subject to optional redemption in whole and, under certain limited circumstances, in part upon the occurrence of certain calamities and unforeseen events at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date. See “THE SERIES 2004 BONDS -- Redemption Prior to Maturity -- Extraordinary Optional Redemption.”

Optional Tender: While the Series 2004 Bonds bear interest at the Weekly Interest Rate, the Holders or Beneficial Owners of the Series 2004 Bonds or Beneficial Ownership Interests have the option to tender their Series 2004 Bonds or Beneficial Ownership Interests to the Trustee for purchase on a Business Day not prior to the seventh day and not later than the fifteenth day next succeeding the date notice is given by the Holders or Beneficial Owners. While the Series 2004 Bonds are in an Interest Rate Mode other than the Weekly Interest Rate or the Fixed Interest Rate Mode, the Holders or Beneficial Owners of the Series 2004 Bonds or Beneficial Ownership Interests have the option to tender their Series 2004 Bonds to the Trustee for purchase on any Interest Rate Adjustment Date. To exercise such option, when the interest rate is in an Interest Rate Mode other than the One Month Interest Rate or the Weekly Interest Rate, the Holder or Beneficial Owner must give notice to the Trustee no later than 11:00 a.m. Chicago time on the eighth Business Day prior to the applicable purchase date and, in the case of a Holder, deliver to the Trustee the Series 2004 Bonds to be purchased no later than 10:00 a.m. Chicago time on the seventh day preceding the applicable purchase date; and in the case of a Beneficial Owner, cause the transfer of the Beneficial Owner’s Beneficial Ownership Interest on the records of DTC by 10:00 a.m. Chicago time on the applicable purchase date. To exercise such option when the interest rate is the One Month Interest Rate, the Holder or Beneficial Owner must give notice to the Trustee no later than 11:00 a.m. Chicago time on the fifth Business Day prior to the applicable purchase date and, in the case of a Holder, deliver to the Trustee the Series 2004 Bonds to be purchased no later than 10:00 a.m. Chicago time on the fourth day preceding the applicable purchase date; and in the case of a Beneficial Owner, cause the transfer of the Beneficial Owner’s Beneficial Ownership Interest on the records of DTC by 10:00 a.m. Chicago time on the applicable purchase date. To exercise such option when the interest rate is the Weekly Interest Rate, the Holder or Beneficial Owner must give notice to the Trustee of the applicable purchase date which is not prior to the seventh day and not later than the fifteenth day next succeeding the date notice is given and, in the case of a Holder, deliver to the Trustee the Series 2004 Bonds to be purchased no later than 10:00 a.m. Chicago time on the second Business Day prior to the applicable purchase date; and in the case of a Beneficial Owner, cause the transfer of the Beneficial Owner’s Beneficial Ownership Interest on the records of DTC by 10:00 a.m. Chicago time on the applicable purchase date. Upon tender, Series 2004 Bonds in the principal amount of \$100,000 or integral multiple of \$5,000 in excess thereof (provided that the untendered portion of any Series 2004 Bond will be \$100,000 or more in principal amount) will be purchased at a price equal to 100% of the principal amount thereof plus accrued interest thereon. See “THE SERIES 2004 BONDS -Holders’ Tender Options.”

Mandatory Tender: The Series 2004 Bonds or Beneficial Ownership Interests are subject to mandatory tender (1) if the Issuer converts the then current Interest Rate Mode on the Series 2004 Bonds to a different Interest Rate Mode on any Interest Period Reset Date, (2) upon delivery by the Issuer to the Trustee of an Alternate Letter of Credit, or (3) on the Interest Payment Date which immediately precedes the termination date of the Letter of Credit by at least five days, if the Letter of Credit has not been extended or an Alternate Letter of Credit has not

been provided, subject to each Holder's or Beneficial Owner's option, but only in the case of clauses (1) and (2), to continue to hold such Holder's or Beneficial Owner's Series 2004 Bonds or Beneficial Ownership Interests. Upon tender, Series 2004 Bonds or Beneficial Ownership Interests will be purchased at a purchase price equal to 100% of the principal amount thereof plus accrued interest thereon. Any Series 2004 Bonds or Beneficial Ownership Interests not delivered for tender, for which notice of a Holder's or Beneficial Owner's option to continue to hold such Series 2004 Bonds or Beneficial Ownership Interests has not been received, will be deemed to have been delivered for purchase and sold by the Holder or Beneficial Owner thereof. See "THE SERIES 2004 BONDS -- Mandatory Tender Upon Conversion to a Different Interest Rate Mode", "-- Mandatory Tender Upon Delivery of an Alternate Letter of Credit" and "-- Mandatory Tender Upon Expiration of the Letter of Credit".

Business Day: Any day, other than (i) a Saturday or Sunday, (ii) a day on which commercial banks, located in the city in which the designated corporate trust office of the Trustee, the office of the Bank where draws under the Letter of Credit are presented or the designated office of the Remarketing Agent is located, or in the City of Chicago, Illinois, are authorized or required to remain closed or (iii) a day on which the Federal Reserve System is closed.

The Trustee: J.P. Morgan Trust Company, National Association (the "Trustee"), is a national banking association and duly authorized to exercise corporate trust powers under the laws of the United States of America, and initially serves as the Trustee under the Indenture.

The Project: The Issuer will use the proceeds of the Series 2004 Bonds to finance the cost of the acquisition, construction and equipping of church facilities and certain school facilities located in Elgin and Rolling Meadows, Illinois, and related parking and site improvements.

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OFFICIAL STATEMENT

relating to the original issuance of

\$12,000,000

HARVEST BIBLE CHAPEL

**ADJUSTABLE RATE DEMAND TAXABLE REVENUE BONDS,
SERIES 2004**

INTRODUCTION

This Official Statement, including the cover page, Introductory Statement of Certain Facts and Appendices, is furnished in connection with the original issuance of \$12,000,000 principal amount of Adjustable Rate Demand Taxable Revenue Bonds, Series 2004 (the "Series 2004 Bonds") of the Harvest Bible Chapel, an Illinois nonprofit corporation (the "Issuer"). The Series 2004 Bonds are being issued pursuant to a Trust Indenture dated as of August 1, 2004 (the "Indenture"), between the Issuer and J.P. Morgan Trust Company, National Association, as trustee (the "Trustee"). The Bonds will be dated as of and bear interest from the date of their initial delivery to B.C. Ziegler and Company (the "Underwriter").

The proceeds received from the sale of the Bonds will be used by the Issuer to (i) finance the cost of the acquisition, construction and equipping of church facilities and certain school facilities located in Elgin and Rolling Meadows, Illinois, and related parking and site improvements (the "Project"), (ii) pay certain capitalized interest on the Series 2004 Bonds and (iii) pay a portion of the costs of issuance of the Bonds.

Concurrently with, and as a condition to, the issuance of the Series 2004 Bonds, the Issuer will cause to be delivered to the Trustee an irrevocable direct pay Letter of Credit (the "Letter of Credit") of Fifth Third Bank, an Ohio banking corporation (together with the issuer of any Alternate Letter of Credit, the "Bank"). The Trustee will be entitled to draw under the Letter of Credit an amount not exceeding \$12,177,535 which consists of (a) up to \$12,000,000, which amount equals the principal amount of the Series 2004 Bonds, in order to pay the principal on the Series 2004 Bonds when due or upon redemption or acceleration or to pay the portion of the purchase price thereof corresponding to the principal amount upon certain tenders by Holders, plus (b) \$177,535, initially, and for so long as the Series 2004 Bonds bear interest at the Weekly, One Month or Three Month Interest Rate, which amount equals 45 days' interest on the principal amount of the Series 2004 Bonds, computed at the maximum rate of 12% per annum, in order to pay accrued interest on the Series 2004 Bonds when due or to pay the portion of the purchase price of the Series 2004 Bonds or Beneficial Ownership Interests corresponding to accrued interest. If the Series 2004 Bonds are to bear interest at the Six Month, One Year, Five Year or Fixed Interest Rate, then the Issuer will be required to provide an amended or Alternate Letter of Credit which will cover, along with the principal amount described above, the amount of interest at least equal to 210 days' interest on the principal amount of the Series 2004 Bonds then outstanding, computed at the maximum rate of 12% per annum. The Letter of Credit expires on August 15, 2009, unless terminated or extended pursuant to its terms.

To secure the issuance of the Letter of Credit, the Issuer and the Bank have entered into a Reimbursement Agreement dated as of August 1, 2004 (the "Reimbursement Agreement"),

pursuant to which the Issuer is obligated to reimburse the Bank for drawings made under the Letter of Credit.

The Series 2004 Bonds are being offered solely on the basis of the Letter of Credit and the financial strength of the Bank and are not being offered on the basis of the financial strength of the Issuer or any other security. This Official Statement does not describe the financial condition of the Issuer. The Series 2004 Bonds are subject to acceleration of maturity upon the occurrence of a default by the Issuer under the Reimbursement Agreement, but such defaults are not summarized or set forth herein. As a result of the foregoing, prospective investors will not be able to evaluate the likelihood of a default by the Issuer under the Reimbursement Agreement.

ANY PREMIUM PAYABLE ON THE SERIES 2004 BONDS UPON THEIR OPTIONAL REDEMPTION WHILE THEY BEAR INTEREST AT THE FIXED INTEREST RATE (SEE "THE SERIES 2004 BONDS - OPTIONAL REDEMPTION" HEREIN) IS NOT SECURED BY THE LETTER OF CREDIT.

Herein follow brief descriptions of the Issuer and the Series 2004 Bonds, together with summaries of the Letter of Credit, the Reimbursement Agreement and the Indenture. Information regarding the Bank is included in the Appendix hereto. The descriptions and summaries of the Letter of Credit, the Reimbursement Agreement, the Indenture and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to Series 2004 Bonds are qualified in their entirety by the definitive form thereof included in the Indenture. Copies of such documents will be available at the offices of the Underwriter, B.C. Ziegler and Company, One South Wacker Drive, Suite 3080, Chicago, Illinois, until the issuance and delivery of the Bonds, and thereafter at the corporate trust office of the Trustee, presently J.P. Morgan Trust Company, National Association, 6525 West Campus Oval, Suite 200, New Albany, Ohio 43054, Attention: Institutional Trust Services.

THE ISSUER

Harvest Bible Chapel (the "Issuer"), an Illinois not-for-profit corporation formed on August 30, 1988, is a bible-teaching non-denominational church located in Rolling Meadows and Elgin, Illinois. The Issuer also operates a school, Harvest Christian Academy, also located in Elgin and Rolling Meadows, Illinois.

THE SERIES 2004 BONDS ARE BEING OFFERED ON THE BASIS OF THE LETTER OF CREDIT AND NOT ON THE BASIS OF THE FINANCIAL STRENGTH OF THE ISSUER. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER IS INCLUDED IN THIS OFFICIAL STATEMENT OR THE APPENDICES. THE SERIES 2004 BONDS ARE SUBJECT TO ACCELERATION OF MATURITY UPON THE OCCURRENCE OF AN EVENT OF DEFAULT BY THE ISSUER UNDER THE REIMBURSEMENT AGREEMENT BETWEEN THE BANK AND THE ISSUER, BUT SUCH DEFAULTS ARE NOT SUMMARIZED OR SET FORTH HEREIN.

AS A RESULT OF THE FOREGOING, PROSPECTIVE INVESTORS WILL NOT BE ABLE TO EVALUATE THE LIKELIHOOD OF A DEFAULT BY THE ISSUER UNDER THE REIMBURSEMENT AGREEMENT.

THE BANK

The Bank is the issuer of the Letter of Credit. Certain information concerning the Bank, including certain financial information, has been provided by the Bank and is contained in Appendix A to this Official Statement. Neither the Issuer nor the Underwriter makes any representation or warranty as to the accuracy or completeness thereof. The Bank is only responsible for information furnished concerning the Bank and the Letter of Credit, including the information contained in Appendix A, and is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the Issuer, the Underwriter or any other person.

PURPOSE OF SERIES 2004 BOND ISSUE AND PLAN OF FINANCING

The Series 2004 Bonds are being issued for the purpose of providing funds to the Issuer to (i) finance the cost of the acquisition, construction and equipping of church facilities and certain school facilities located in Elgin and Rolling Meadows, Illinois, and related parking and site improvements (the “Project”), (ii) pay certain capitalized interest on the Series 2004 Bonds and (iii) pay a portion of the costs of issuance of the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2004 Bonds, exclusive of investment earnings, will be applied by the Trustee, under the provisions of the Indenture for the following uses and in the following respective estimated amounts.

Source of Funds:

Series 2004 Bond Proceeds	\$12,000,000
Total Sources of Funds	\$12,000,000

Uses of Funds:

Deposit to Project Fund	\$11,684,650
Costs of Issuance ⁽¹⁾	<u>315,350</u>
Total Uses of Funds	\$12,000,000

(1) The Costs of Issuance consist of the Underwriter’s discount, the Bank’s initial Letter of Credit fee and legal, accounting and other incidental costs.

THE SERIES 2004 BONDS

General Description

Upon issuance, the Series 2004 Bonds will be registered in the names of the Holders (as defined below) thereof and will be dated the date of their issuance. The Series 2004 Bonds will mature on August 1, 2029, subject to prior mandatory or optional redemptions described below. The Series 2004 Bonds will be issued in fully registered form without coupons and will be in denominations of \$100,000 and any integral multiples of \$5,000 in excess thereof while the Series 2004 Bonds bear interest at the Weekly, One Month or Three Month Interest Rate, and \$5,000 and any integral multiple thereof while the Series 2004 Bonds are in any other Interest Rate Mode. Principal of and premium, if any, on the Series 2004 Bonds will be payable when due to the registered holders (the “Holders”), upon presentation and surrender thereof, at the principal corporate trust office of the Trustee. Interest will be payable on the first Business Day of each month so long as the Series 2004 Bonds bear interest at the Weekly, One Month or Three Month Interest Rate, commencing September 1, 2004 and on each February 1 and August 1, while the Series 2004 Bonds are in any other Interest Rate Mode (the “Interest Payment Dates”). Interest will be payable by check mailed by the Trustee on each Interest Payment Date to the Holders of the Series 2004 Bonds on the applicable Record Date; provided that upon request of a Holder interest may be paid by wire transfer in immediately available funds.

Sources of Payment and Security for the Series 2004 Bonds

The payment of principal of and interest on the Series 2004 Bonds at maturity or upon redemption or acceleration will be made first from moneys obtained by the Trustee pursuant to draws on the Bank under the Letter of Credit. In the case of payment of the purchase price of Series 2004 Bonds or Beneficial Ownership Interests upon certain tenders by Holders or Beneficial Owners, such payment will be made first from the Remarketing Reimbursement Fund and then from moneys obtained by the Trustee pursuant to draws on the Bank under the Letter of Credit. See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2004 BONDS.”

The Letter of Credit

In the event amounts are not available under the Letter of Credit sufficient to pay the principal of and interest on the Series 2004 Bonds, then the principal of and interest on the Series 2004 Bonds are payable directly from the payments made by the Issuer under the Indenture, including the moneys, securities, funds and accounts held by the Trustee (including investment earnings thereon) available for that purpose under the Indenture. The Letter of Credit may not be drawn upon to pay any amount which constitutes a premium on the Series 2004 Bonds. Such premium must be paid by the Issuer with Eligible Funds, as hereafter defined. See “SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2004 BONDS.” Under the Reimbursement Agreement, the Issuer is obligated to reimburse the Bank for draws on the Bank under the Letter of Credit.

Interest

Interest will be payable on each Interest Payment Date, commencing on September 1, 2004.

The Series 2004 Bonds will bear interest in one of seven different Interest Rate Modes: the Weekly Interest Rate, the One Month Interest Rate, the Three Month Interest Rate, the Six Month Interest Rate, the One Year Interest Rate, the Five Year Interest Rate or the Fixed Interest Rate. The Interest Rate Modes are described below under “Interest Rate Modes on Series 2004 Bonds.” The Issuer on behalf of the Issuer and with the written consent of the Bank may elect to convert the Interest Rate Mode on the Series 2004 Bonds on one or more occasions until it is converted to the Fixed Interest Rate, as described under “**Conversion Between Interest Rate Modes**” below.

While the Series 2004 Bonds bear interest in one of the Interest Rate Modes, they bear interest in such mode for a period of time generally corresponding to the title of that Interest Rate Mode (the “Interest Rate Period”) at a rate determined by the Remarketing Agent. However, when converting to an Interest Rate Mode other than the Weekly Interest Rate Mode, the first Interest Rate Period may be less than the indicated period. The Remarketing Agent determines the rate for a particular Interest Rate Period on the Interest Rate Determination Date for such Interest Rate Period. The Interest Rate Periods and Interest Rate Determination Dates for each Interest Rate Mode are described below under “**Interest Rate Modes on Series 2004 Bonds.**”

The Series 2004 Bonds, unless and until converted to a different Interest Rate Mode, will bear interest at the Weekly Interest Rate.

Interest Rate Modes on Series 2004 Bonds

While the Series 2004 Bonds bear interest in one of the Interest Rate Modes other than the Fixed Interest Rate, the interest rate for a particular Interest Rate Period is determined by the Remarketing Agent on the Interest Rate Determination Date. Such interest rate is effective on the Interest Rate Adjustment Date for the succeeding Interest Rate Period.

The interest rate determined by the Remarketing Agent on the Interest Rate Determination Date is to be that rate of interest per annum determined by the Remarketing Agent to be the interest rate necessary, during the Interest Rate Period commencing on the next Interest Rate Adjustment Date in the judgment of the Remarketing Agent (taking into consideration current transactions and comparable securities with which the Remarketing Agent is involved or of which it is aware and prevailing financial market conditions), to produce as nearly as practical a par bid for the Series 2004 Bonds on the Interest Rate Determination Date. In the event that the Remarketing Agent has been removed or has resigned and no successor has been appointed or the Remarketing Agent has failed to determine the appropriate interest rate on the Interest Rate Determination Date for whatever reason, or the appropriate interest rate cannot be determined for whatever reason, the interest rate then in effect with respect to the Series 2004 Bonds, without adjustment, will continue for the next Interest Rate Period. In no event may the interest rate on the Series 2004 Bonds exceed 12% per annum.

On the Interest Rate Determination Date, the Remarketing Agent will give the Issuer, the Trustee and the Bank notice of the interest rate to be borne by the Series 2004 Bonds for the following Interest Rate Period.

The determination of any interest rate by the Remarketing Agent is binding and conclusive upon the Holders of the Series 2004 Bonds.

The Interest Rate Modes and their respective Interest Rate Determination Dates, Interest Rate Adjustment Dates and Interest Rate Periods are as follows:

Weekly Interest Rate Mode

In the Weekly Interest Rate Mode, the Interest Rate Period is a period of one week commencing on Thursday. The Interest Rate Determination Date in the Weekly Interest Rate Mode is not later than 4:00 p.m. Chicago time on Wednesday of each week, or the next preceding Business Day if Wednesday is not a Business Day. The Interest Rate Adjustment Date for the Weekly Interest Rate Mode is Thursday of each week. In the event of a conversion to the Weekly Interest Rate Mode from a different Interest Rate Mode, the first Interest Rate Period may be less than one week. Such first Interest Rate Period commences on the Interest Period Reset Date, which may be the first day of any month and ends on the next succeeding Wednesday. In such event, the Interest Rate Determination Date is not later than 4:00 p.m. Chicago time on the Business Day preceding the Interest Period Reset Date. In the event of a conversion from the Weekly Interest Rate Mode to a different Interest Rate Mode, the last Interest Rate Period may be less than one week as a result of the last Interest Rate Period ending on the day preceding the first Business Day or the first day of a month.

One Month Interest Rate Mode

In the One Month Interest Rate Mode, the Interest Rate Adjustment Date is the first Business Day of the month and the Interest Rate Period is approximately one month commencing on the Interest Rate Adjustment Date and terminating on the day immediately preceding the following Interest Rate Adjustment Date. The Interest Rate Determination Date is the seventh Business Day preceding the Interest Rate Adjustment Date.

Three Month Interest Rate Mode

In the Three Month Interest Rate Mode, the Interest Rate Adjustment Date is the first Business Day of each February, May, August and November and the Interest Rate Period commences on the Interest Rate Adjustment Date and continues up to and including the day preceding the next Interest Rate Adjustment Date. The Interest Rate Determination Date is the tenth Business Day before the Interest Rate Adjustment Date. (In the event of a conversion from another Interest Rate Mode to the Three Month Interest Rate Mode, the first Interest Rate Adjustment Date would be the Interest Period Reset Date for the Three Month Interest Rate Mode which may be the first Business Day or the first day of any month. Accordingly, the first Interest Rate Period may be shorter than a full three months.)

Six Month Interest Rate Mode

In the Six Month Interest Rate Mode, the Interest Rate Adjustment Dates are February 1 and August 1 and the Interest Rate Period commences on the Interest Rate Adjustment Date and continues up to and including the day preceding the next Interest Rate Adjustment Date. The Interest Rate Determination Date is the tenth Business Day preceding the Interest Rate

Adjustment Date. (Upon a conversion from another Interest Rate Mode to the Six Month Interest Rate Mode, the first Interest Rate Adjustment Date is the Interest Period Reset Date for the Six Month Interest Rate Mode, which may be the first Business Day or the first day of any month. Accordingly, the first Interest Rate Period may be shorter than a full six months.)

One Year Interest Rate Mode

In the One Year Interest Rate Mode, the Interest Rate Adjustment Date is either February 1 or August 1 and the Interest Rate Period is a one year period commencing on the appropriate Interest Rate Adjustment Date and ending on either January 31 or July 31. The Interest Rate Determination Date is the tenth Business Day preceding the Interest Rate Adjustment Date. (Upon a conversion from another Interest Rate Mode to the One Year Interest Rate Mode the first Interest Rate Adjustment Date would be the Interest Period Reset Date for the One Year Interest Rate Mode, which may be the first Business Day or the first day of any month. Accordingly, the first Interest Rate Period may be shorter than one full year.)

Five Year Interest Rate Mode

In the Five Year Interest Rate Mode, the Interest Rate Adjustment Date is either February 1 or August 1 and the Interest Rate Period is a five year period commencing on the appropriate Interest Rate Adjustment Date and ending on either January 31 or July 31. The Interest Rate Determination Date is the tenth Business Day preceding the Interest Rate Adjustment Date. (Upon a conversion to the Five Year Interest Rate Mode from another Interest Rate Mode the first Interest Rate Adjustment Date would be the Interest Period Reset Date for the Five Year Interest Rate Mode, which may be the first Business Day or the first day of any month. Accordingly, the first Interest Rate Period may be shorter than five full years.)

Fixed Interest Rate Mode

In the Fixed Interest Rate Mode there is only one Interest Rate Adjustment Date and that is the Interest Period Reset Date upon which such Interest Rate Mode commences, which is the first day of a month. The Interest Rate Period commences on such Interest Rate Adjustment Date and continues to the final maturity of the Series 2004 Bonds. The Interest Rate Determination Date is the tenth Business Day preceding the Interest Rate Adjustment Date.

Conversion Between Interest Rate Modes

The Interest Rate Mode applicable to the Series 2004 Bonds may be changed, at the written direction of the Issuer, and with the written consent of the Bank, as of an Interest Period Reset Date in the manner described below. "Interest Period Reset Date" means the date on which the interest rate on the Series 2004 Bonds converts from one Interest Rate Mode to a new Interest Rate Mode. An Interest Period Reset Date must be the first Business Day of a month; provided that upon conversion from a Six Month, One Year or Five Year Interest Rate Mode, an Interest Period Reset Date must be the first day of the month and, except when converting from a Weekly Interest Rate Mode, an Interest Period Reset Date may not occur prior to the conclusion of the preceding Interest Rate Period.

On any Interest Period Reset Date the interest rate on the Series 2004 Bonds may be converted to a different Interest Rate Mode upon receipt by the Trustee and the Remarketing Agent of a written direction from the Issuer, with the prior written consent of the Bank, not less than 45 days prior to such Interest Period Reset Date, to convert the interest rate on the Series 2004 Bonds to an Interest Rate Mode other than the Interest Rate Mode then in effect. Except when converting from the Weekly Interest Rate Mode, no Interest Period Reset Date shall be earlier than the day after the end of the Interest Rate Period in effect on the date of such direction from the Issuer. Such direction to convert the interest rate on the Series 2004 Bonds to a different Interest Rate Mode must be accompanied by (a) a written certificate of the Remarketing Agent stating that the interest coverage period provided by the Letter of Credit is appropriate for the Interest Rate Mode directed to be in effect and that the Letter of Credit Termination Date is no earlier than 15 days after the end of the new Interest Rate Period, or if the conversion is to the Fixed Interest Rate, that the termination date of the Letter of Credit is no earlier than 15 days after the First Optional Redemption Date, as defined below, and (b) a written certificate of the Remarketing Agent stating that it has received certifications, opinions or other evidence satisfactory to it that there has been or will be compliance with any applicable state or Federal securities law requirements. If the Series 2004 Bonds bear interest at the Weekly Interest Rate, the One Month Interest Rate or the Three Month Interest Rate, the interest coverage period for the Letter of Credit shall be at least 45 days of interest at the Maximum Rate. If the Series 2004 Bonds bear interest at the Six Month Interest Rate, the One Year Interest Rate, the Five Year Interest Rate or the Fixed Interest Rate, then the interest coverage period for the Letter of Credit shall be at least 210 days of interest at the Maximum Rate. The Issuer shall be required to provide a Letter of Credit or an Alternate Letter of Credit which will provide the appropriate interest coverage. No conversion shall be effective (i) if the proposed conversion is to a One Year Interest Rate, Five Year Interest Rate or Fixed Interest Rate and the Issuer makes an election on or prior to the day immediately succeeding any Interest Rate Determine Date not to proceed with the proposed conversion, (ii) the Trustee has not received on the effective date of such conversion an opinion of Bond Counsel to the same effect as described in clause (a) of this paragraph above or (iii) the Trustee has not received on the effective date of such conversion a certificate of the Remarketing Agent as to the same effect as described in clause (b) of this paragraph above. In either such event, the Interest Rate Mode for the Series 2004 Bonds will remain as the Interest Rate Mode then in effect for the Series 2004 Bonds without regard to any proposed conversion. The Series 2004 Bonds or Beneficial Ownership Interests will continue to be subject to tender for purchase on the scheduled effective date of the proposed conversion without regard to the failure of such proposed conversion. If the Trustee shall have sent any notice to Holders regarding the proposed conversion then in the event of a failure of such conversion, as specified above, the Trustee shall promptly notify all Holders of such failure, of the reason for such failure, and of the continuation of the Interest Rate Mode then in effect.

If the interest rate on the Series 2004 Bonds is converted to a different Interest Rate Mode, at least 30 days prior to the Interest Period Reset Date, the Trustee is required to use its best efforts to notify Holders of all outstanding Series 2004 Bonds by telephone (to the extent their telephone numbers have been provided in writing to the Trustee), immediately confirmed by first class mail to all Holders, that upon such Interest Period Reset Date such Series 2004 Bonds shall be converted to a different Interest Rate Mode, which Interest Rate Mode shall be specified, and that all Series 2004 Bonds or Beneficial Ownership Interests shall be subject to mandatory tender, subject to the right of Holders or Beneficial Owners to affirmatively elect to

waive the mandatory tender and retain their Series 2004 Bonds or Beneficial Ownership Interests. Such notice shall also set forth that any rating on the Series 2004 Bonds may be subject to reduction or withdrawal as a result of such conversion to a different Interest Rate Mode. See “Mandatory Tender Upon Conversion to Different Interest Rate Mode” immediately below.

Mandatory Tender Upon Conversion to a Different Interest Rate Mode

Upon conversion of the Series 2004 Bonds to a different Interest Rate Mode in accordance with the provisions of the Indenture as described above, the Series 2004 Bonds or Beneficial Ownership Interests will be subject to mandatory tender by the Holders or Beneficial Owners thereof for purchase on the Interest Period Reset Date upon which such conversion is effective at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the Interest Period Reset Date. Notwithstanding such mandatory tender, any Holder or Beneficial Owner may elect to retain such Holder’s or Beneficial Owner’s Series 2004 Bonds or Beneficial Ownership Interests by delivering to the Trustee a written notice not later than 11:00 a.m. Chicago time on the eighth Business Day prior to such Interest Period Reset Date, or by 11:00 a.m. Chicago time on the fifth Business Day prior to such Interest Period Reset Date if the Interest Rate Mode is to be converted to the One Month Interest Rate, which notice shall state that (a) such Holder or Beneficial Owner realizes that the Series 2004 Bonds are being converted to bear interest at the applicable Interest Rate Mode, (b) unless the interest rate on the Series 2004 Bonds is being converted to the Weekly Interest Rate, such Holder or Beneficial Owner realizes that the next date upon which Series 2004 Bonds or Beneficial Ownership Interests may be tendered for purchase is the next Interest Rate Adjustment Date, or if such Series 2004 Bonds are being converted to the Fixed Interest Rate, such Series 2004 Bonds or Beneficial Ownership Interests may no longer be tendered for purchase, (c) such Holder or Beneficial Owner realizes that any securities ratings on the Series 2004 Bonds may be withdrawn or lowered, and (d) such Holder or Beneficial Owner affirmatively elects to hold his Series 2004 Bonds or Beneficial Ownership Interests and receive interest at the applicable Interest Rate Mode.

Series 2004 Bonds or Beneficial Ownership Interests with respect to which the Trustee shall not have received the election to retain as described in the preceding paragraph will be deemed to have been tendered for purchase whether or not the Holders or Beneficial Owners thereof shall have delivered such Series 2004 Bonds or Beneficial Ownership Interests to the Trustee, and subject to the right of the Holders or Beneficial Owners of such Series 2004 Bonds or Beneficial Ownership Interests to receive the purchase price of such Series 2004 Bonds or Beneficial Ownership Interests pursuant to a draw on the Letter of Credit and to receive interest accrued thereon to the Interest Period Reset Date, such Series 2004 Bonds or Beneficial Ownership Interests shall be null and void.

Mandatory Tender Upon Delivery of an Alternate Letter of Credit

If at any time the Issuer provides for the delivery to the Trustee of an Alternate Letter of Credit as provided in the Indenture, all Series 2004 Bonds or Beneficial Ownership Interests are subject to mandatory tender by the Holders or Beneficial Owners thereof for purchase on the date such Alternate Letter of Credit is to take effect (the “Replacement Date”) at a purchase price equal to the principal amount thereof plus accrued interest to that date. Notwithstanding such

mandatory tender, any Holder or Beneficial Owner may elect to retain his Series 2004 Bonds or Beneficial Ownership Interests by delivering to the Trustee a written notice no later than 11:00 a.m. Chicago time on the eighth Business Day prior to such Replacement Date, which notice must state that (a) such Holder or Beneficial Owner has received notice of and realizes that the Issuer is delivering an Alternate Letter of Credit to the Trustee pursuant to the Indenture, (b) such Holder or Beneficial Owner realizes that any securities rating on the Series 2004 Bonds may be withdrawn or lowered, and (c) such Holder or Beneficial Owner affirmatively elects to hold his Series 2004 Bonds or Beneficial Ownership Interests.

Mandatory Tender Upon Expiration of Letter of Credit

All Series 2004 Bonds or Beneficial Ownership Interests shall be subject to mandatory tender by the Holders or Beneficial Owners thereof for purchase on the Interest Payment Date which next precedes the Letter of Credit Termination Date by at least five days (a “Bond Purchase Date”), at a purchase price equal to the principal amount thereof plus accrued interest to that date, unless, at least 45 days prior to any such Interest Payment Date, (a) the Bank shall have agreed to an extension or further extension of the Letter of Credit Termination Date to a date not earlier than thirty (30) days from the Letter of Credit Termination Date being extended or (b) as described herein, the Issuer shall have obtained and delivered to the Trustee an Alternate Letter of Credit with a termination date not earlier than one year from the Letter of Credit Termination Date for the Letter of Credit it replaces (in which case the Series 2004 Bonds shall be subject to mandatory tender for purchase pursuant to the preceding paragraph).

Holders’ or Beneficial Owners’ Tender Options

Holders or Beneficial Owners of Series 2004 Bonds or Beneficial Ownership Interests may elect to have their Series 2004 Bonds or Beneficial Ownership Interests, or portions thereof, in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof (provided that the untendered portion shall be \$100,000 or more in principal amount), purchased by the Trustee at a purchase price equal to 100% of the principal amount thereof plus accrued interest thereon, if any, on the applicable Bond Purchase Dates (as described below) and upon satisfaction of the applicable tender and notice requirements set forth below.

Weekly Interest Rate Period

During any Weekly Interest Rate Period, on the demand of the Holders or Beneficial Owners thereof, Series 2004 Bonds or Beneficial Ownership Interests will be purchased by the Trustee first from remarketing proceeds held in the Remarketing Reimbursement Fund and, to the extent that moneys from such Fund are not sufficient, from draws made on the Bank under the Letter of Credit, on any Business Day (the “Bond Purchase Date”) at a purchase price equal to the principal amount thereof plus accrued interest at the Weekly Interest Rate, if any, to the Bond Purchase Date. To exercise such option the Holder or Beneficial Owner must (a) give notice to the Trustee by telecopy or in writing which states (i) the name and address of the Holder or Beneficial Owner, (ii) the principal amount, CUSIP number and Bond numbers of the Series 2004 Bonds or Beneficial Ownership Interests to be purchased, (iii) the date on which the Series 2004 Bonds or Beneficial Ownership Interests are to be purchased, which Purchase Date shall be a Business Day not prior to the seventh day and not later than the fifteenth day next

succeeding the date of giving of such notice to the Trustee and, if the interest rate on the Series 2004 Bonds is to be converted from the Weekly Interest Rate to a new Interest Rate Mode, is a date prior to the Interest Period Reset Date with respect to the new Interest Rate Mode, and (iv) that such notice is irrevocable; and (b) in the case of a Holder, no later than 10:00 a.m. Chicago time according to the local time at the principal corporate trust office of the Trustee on the second Business Day immediately preceding the applicable Bond Purchase Date, deliver to the principal corporate trust office of the Trustee the Series 2004 Bonds to be purchased in proper form, accompanied by fully completed and executed Instructions to Sell, the form of which is attached to the Indenture and printed on the Series 2004 Bonds; and (c) in the case of a Beneficial Owner, cause the transfer of the Beneficial Ownership Interest on the records of DTC by 10:00 a.m. Chicago time on the Bond Purchase Date. In the case of a Series 2004 Bond or Beneficial Ownership Interest or portion thereof to be purchased prior to an Interest Payment Date and after the Record Date in respect thereof, if the Holder is other than a Depository or its nominee, the Holder or Beneficial Owner shall deliver a due-bill check, in form satisfactory to the Trustee, for interest due on such Interest Payment Date.

Other Interest Rate Periods

During any One Month Interest Rate Period, Three Month Interest Rate Period, Six Month Interest Rate Period, One Year Interest Rate Period or Five Year Interest Rate Period, on the demand of the Holders or Beneficial Owners thereof, Series 2004 Bonds or Beneficial Ownership Interests will be purchased by the Trustee first from remarketing proceeds held in the Remarketing Reimbursement Fund and, to the extent that moneys from such Fund are not sufficient, from draws made on the Bank under the Letter of Credit, on any Interest Rate Adjustment Date (the "Bond Purchase Date"), at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the Purchase Date. To exercise such option the Holder or Beneficial Owner must (a) give notice to the Trustee by telecopy or in writing, no later than 11:00 a.m. Chicago time, with respect to the One Month Interest Rate Period, on the fifth Business Day preceding such Interest Rate Adjustment Date and with respect to the other Interest Rate Periods described above, on the eighth Business Day preceding such Interest Rate Adjustment Date, which states (i) the name and address of the Holder or Beneficial Owner, (ii) the principal amount, CUSIP number and Bond numbers of the Series 2004 Bonds or Beneficial Ownership Interests to be purchased, (iii) that the Series 2004 Bonds or Beneficial Ownership Interests are to be purchased pursuant to the provisions of the Indenture, and (iv) that such notice is irrevocable; and (b) in the case of a Holder, no later than 10:00 a.m. Chicago time, with respect to the One Month Interest Rate Period, on the fourth Business Day preceding the applicable Bond Purchase Date, or, with respect to the other Interest Rate Periods described above, on the seventh day preceding the applicable Bond Purchase Date, deliver to the principal corporate trust office of the Trustee the Series 2004 Bonds to be purchased in proper form accompanied by fully completed and executed Instructions to Sell, the form of which is attached to the Indenture and which is printed on the Series 2004 Bonds; and (c) in the case of a Beneficial Owner, cause the transfer of the Beneficial Ownership Interest on the records of DTC by 10:00 a.m. Chicago time on the Bond Purchase Date.

Payment of Purchase Price; Miscellaneous

The purchase price of Series 2004 Bonds or Beneficial Ownership Interests purchased will be paid to a Holder or Beneficial Owner by check or by draft. The options granted to the Holders or Beneficial Owners are subject to the additional conditions that any tendered Series 2004 Bonds or Beneficial Ownership Interests (or the applicable portion thereof) will not be purchased if the Series 2004 Bonds or Beneficial Ownership Interests have been theretofore selected for redemption or have matured prior to the applicable Bond Purchase Date.

Book Entry

The following information regarding DTC and Cede & Co. has been furnished by DTC. The Issuer, the Bank, the Trustee and the Underwriter do not assume any responsibility for the accuracy or completeness of the information set forth under this caption “Book Entry,” and the Issuer, the Bank, the Trustee and the Underwriter are not required to supervise, and will not supervise, the operation of the book entry system described herein.

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2004 Bonds. The Series 2004 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 Series 2004 Bond certificate will be issued for the Series 2004 Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

2. 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 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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. More information about DTC can be found at **www.dtcc.com**.

3. Purchases of Series 2004 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2004 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2004 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 Series 2004 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 Series 2004 Bonds, except in the event that use of the book-entry system for the Series 2004 Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2004 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 Series 2004 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 Series 2004 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2004 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.

5. 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 Series 2004 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2004 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2004 Bond documents. For example, Beneficial Owners of Series 2004 Bonds may wish to ascertain that the nominee holding the Series 2004 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.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2004 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 Series 2004 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Series 2004 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 securities 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 nor its nominee, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend 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.

8. A Beneficial Owner shall give notice to elect to have its Series 2004 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2004 Bonds by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2004 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2004 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Trustee's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Series 2004 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, Series 2004 Bond certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2004 Bond certificates will be printed and delivered.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer, the Bank, the Underwriter and the Trustee believe to be reliable, but the Issuer, the Bank, the Underwriter and the Trustee take no responsibility for the accuracy thereof.

Redemption Prior to Maturity

The Series 2004 Bonds are subject to redemption in the circumstances and in the manners described below.

Optional Redemption

Unless previously redeemed, the Series 2004 Bonds are subject to redemption by the Issuer (a) if the Series 2004 Bonds do not bear interest at the Fixed Interest Rate, in whole or in part (in integral multiples of \$5,000, provided, while the Series 2004 Bonds bear interest at the Weekly, One Month or Three Month Interest Rate, that the unredeemed portion of any Series 2004 Bond redeemed in part shall be \$100,000 or more) on any Interest Rate Adjustment Date at a redemption price of 100% of the principal amount redeemed plus accrued interest thereon to the redemption date, and (b) after commencement of the Fixed Interest Rate Mode and on or after the First Optional Redemption Date (as defined following the table below), in whole at any time or in part (in integral multiples of \$5,000) at any time at a redemption price equal to the following percentages of the principal amount redeemed, plus in each case accrued interest to the date fixed for redemption.

<u>Optional Redemption Date</u>	<u>Redemption Price</u>
First Optional Redemption Date, through the following last day of July	103%
First anniversary of the First Optional Redemption Date, through the following last day of July	102
Second anniversary of the First Optional Redemption Date, through the following last day of July	101
Third anniversary of the First Optional Redemption Date and thereafter	100

“First Optional Redemption Date” means the August 1 occurring in the year which is a number of years after the Interest Period Reset Date for the Fixed Interest Rate equal to the number of full years between such Interest Period Reset Date and the maturity date of the Series 2004 Bonds, multiplied by one-half and rounded up to the nearest whole number.

Extraordinary Optional Redemption

The Series 2004 Bonds are also subject to redemption by the Issuer (a) in whole on any date in the event of the exercise by the Issuer of its option to direct that redemption upon occurrence of damage or destruction to or condemnation of all or a significant part of the Project, if the Indenture becomes void, unenforceable or impossible to perform as contemplated, or unreasonable burdens or excessive liabilities have been imposed upon the Issuer with respect to the Project, or (b) in whole or in part on the occurrence of events permitting a partial redemption at the option of the Issuer upon the occurrence of damage or destruction to or condemnation of all or a significant portion of the Project; in each case, at a redemption price of 100% of the principal amount redeemed, plus interest accrued to the redemption date.

Use of Letter of Credit Moneys to Redeem Series 2004 Bonds

The Trustee shall draw on the Letter of Credit to pay the principal of and interest on any Series 2004 Bonds called for redemption and shall pay to the Bank, as a reimbursement under the Reimbursement Agreement for such drawing, an amount equal to but not to exceed such drawing from any moneys held in the Bond Fund pursuant to the Indenture and available therefor. No amounts will be drawn on the Letter of Credit to pay premium on the Series 2004 Bonds. Any premium must be paid with Eligible Funds as hereafter defined.

Selection of Series 2004 Bonds for Redemption

If fewer than all of the Series 2004 Bonds are to be redeemed, the selection of Series 2004 Bonds to be redeemed, or portions thereof in amounts of \$5,000 or any integral multiple thereof, shall be made by lot by the Trustee in any manner which the Trustee may determine; provided, while the Series 2004 Bonds bear interest at the Weekly, One Month or Three Month Interest Rate, that the Trustee shall select Series 2004 Bonds for redemption so as to assure that after such redemption no Holder shall retain Series 2004 Bonds in an aggregate amount of less than \$100,000. In the case of a partial redemption of Series 2004 Bonds by lot when Series 2004 Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of face value of principal thereof shall be treated as though it were a separate Series 2004 Bond of the denomination of \$5,000. Any Pledged Bonds, as defined in the Reimbursement Agreement (or book entry interests therein), pledged to the Bank pursuant to the Reimbursement Agreement shall be selected for redemption prior to the selection of any other Series 2004 Bonds.

So long as DTC is the sole registered Holder of the Series 2004 Bonds, if less than all of the Series 2004 Bonds are called for redemption, after notice to DTC by the Trustee of such redemption, the selection of the beneficial interests in the Series 2004 Bonds to be redeemed will be in the sole discretion of DTC and the DTC Participants.

Notice of Redemption and Payment of Redeemed Series 2004 Bonds

Unless waived by any Holder of Series 2004 Bonds to be redeemed, official notice of redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail postage prepaid to the Holder of each Series 2004 Bonds to be redeemed, at the address of such Holder shown on the registration books maintained by the Trustee (the "Register"), not less than 30 days nor more than 60 days prior to the date fixed for redemption.

All official notices of redemption shall state:

- (a) The redemption date,
- (b) The redemption price,
- (c) If less than all outstanding Series 2004 Bonds are to be redeemed, the identification by designation, letters, numbers or other distinguishing marks (and, in the case of partial redemption, the respective principal amounts) of the Series 2004 Bonds to be redeemed,

(d) That on the redemption date the redemption price will become due and payable upon each such Series 2004 Bonds or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(e) The place where such Series 2004 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Registrar, and

(f) that the notice of redemption is conditioned upon there being deposited with the Trustee prior to the date of redemption moneys sufficient to pay the redemption price of the Bonds to be redeemed and, in the case of any redemption premium on the Series 2004 Bonds, that there be on deposit Eligible Funds sufficient to pay such redemption premium.

Except with the prior written consent of the Bank, in the event of any optional or extraordinary optional redemption of Series 2004 Bonds, Eligible Funds, as defined below, in an amount of money sufficient to pay the redemption price of all Series 2004 Bonds or portions of Series 2004 Bonds which are to be so redeemed are required to be on deposit with the Trustee.

If funds for the redemption of all of the Series 2004 Bonds and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, are held by the Trustee or any Paying Agent on the redemption date, so as to be available for redemption on that date and if notice of redemption has been given as described above, then from and after the redemption date those Series 2004 Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2004 BONDS

General

The Letter of Credit is issued to the Trustee for the account of the Issuer for the benefit of the Holders of the Series 2004 Bonds. The Letter of Credit is an unconditional and irrevocable obligation of the Bank to pay to the Trustee an aggregate amount not to exceed \$12,177,535 consisting of (a) up to \$12,000,000, which equals the principal amount of the Series 2004 Bonds, which may be drawn on to pay the principal amount of the Series 2004 Bonds when due at maturity, upon redemption or acceleration, and to pay the portion of the purchase price thereof corresponding to the principal amount in the event of certain tenders of the Series 2004 Bonds or Beneficial Ownership Interests, and (b) up to \$177,535 initially, for so long as the Series 2004 Bonds bear interest at the Weekly, One Month, or Three Month Interest Rate, which may be drawn on for the payment of up to 45 days' interest on the Series 2004 Bonds or to pay the portion of the purchase price on the Series 2004 Bonds or Beneficial Ownership Interests corresponding to accrued interest, computed at the Maximum Rate of 12% per annum, on the basis of a 365-day year. In the event the Issuer exercises its option to convert the interest rate on the Series 2004 Bonds to a Six Month, One Year, Five Year or Fixed Interest Rate, the Issuer will be required to provide an amended Letter of Credit or Alternate Letter of Credit which, in addition to the principal coverage described above, provides an amount sufficient for the payment of up to 210 days of interest on the Series 2004 Bonds or to pay the portion of the purchase price of the Series 2004 Bonds or Beneficial Ownership Interests corresponding to

accrued interest computed at the Maximum Rate of 12% per annum on the basis of a 360-day year of twelve 30-day months. If the Issuer does not provide such a Letter of Credit or an Alternate Letter of Credit, such conversion to a different Interest Rate Mode will not be effected.

Pursuant to the terms of the Reimbursement Agreement and in consideration for the issuance of the Letter of Credit, the Issuer is obligated to repay the Bank for any draws under the Letter of Credit.

The following is a discussion of certain material features of the Letter of Credit, the Reimbursement Agreement and the Indenture. The discussion does not purport to be complete and is subject in all respects to the provisions of and is qualified in its entirety by reference to such documents, copies of which are available for inspection from the Trustee or the Issuer.

THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT

The Letter of Credit will be issued pursuant to the Reimbursement Agreement. The following summarizes certain provisions of the Letter of Credit and the Reimbursement Agreement, to which documents, in their entirety, reference is made for the complete provisions thereof. The provisions of any substitute Letter of Credit and related Reimbursement Agreement may be different from those summarized below.

Letter of Credit

The Letter of Credit will be in all respects an irrevocable obligation of the Bank. The Letter of Credit will be issued in an amount equal to the aggregate principal amount of the outstanding Bonds, plus 45 days' interest thereon at the rate of 12% per annum (the "*Maximum Rate*"). The Trustee, upon compliance with the terms of the Letter of Credit, is authorized and directed to draw up to (a) an amount sufficient (i) to pay principal of the Bonds when due, whether at maturity or upon redemption or acceleration, and (ii) to pay the portion of the purchase price of Bonds delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarketed equal to the principal amount of such Bonds, plus (b) an amount not to exceed 45 days of accrued interest on such Bonds at the Maximum Rate (i) to pay interest on Bonds when due, and (ii) to pay the portion of the purchase price of Bonds delivered for purchase pursuant to a demand for purchase by the owner thereof or a mandatory tender for purchase and not remarketed, equal to the interest accrued, if any, on such Bonds. Notwithstanding the foregoing, no drawings shall be made under the Letter of Credit for payment of the principal or Purchase Price of or interest on Pledged Bonds.

The Letter of Credit will terminate on the Bank's close of business on the earliest of (a) the stated expiration date (August 15, 2009, unless renewed or extended); (b) the earlier of (i) the date which is fifteen (15) days following the Conversion Date as specified in a notice from the Trustee to the Bank or (ii) the date on which the Bank honors a drawing under the Letter of Credit on or after the Conversion Date; (c) the date which is fifteen (15) days following the Bank's receipt of written notice from the Trustee that all Bonds have been paid or that a Letter of Credit has been issued in substitution for the Letter of Credit in accordance with the terms of the Indenture and the Reimbursement Agreement; (d) the date on which an acceleration drawing is honored by the Bank; or (e) the date which is fifteen (15) days following the date the Trustee

receives a written notice from the Bank specifying the occurrence of an event of default under the Reimbursement Agreement and directing the Trustee to accelerate the Bonds.

The Bank may provide for an extension of the expiration date of the Letter of Credit in accordance with the provisions of the Reimbursement Agreement, or the Issuer at its option may cause to be delivered to the Trustee, as a replacement for the Letter of Credit, an Alternate Letter of Credit (an "Alternate Letter of Credit"). Any such Alternate Letter of Credit must be issued by a financial institution, must require such financial institution to pay when due, to and upon request of the Trustee, the same amounts as are payable under the initial Letter of Credit and must have an effective date (the "Replacement Date") which is an Interest Rate Adjustment Date and an expiration date which is not earlier than (i) one year from the Termination Date of the Letter of Credit it is replacing or (ii) the Termination Date of the Letter of Credit it is replacing, if such Termination Date is after August 1, 2029.

Prior to the replacement of the Letter of Credit with an Alternate Letter of Credit, the following conditions shall have been met: (i) the Trustee shall have received the following not less than forty-five (45) days prior to the Replacement Date: (A) If the Series 2004 Bonds are then rated by a Rating Service, written confirmation from each such Rating Service which then has a rating on the Series 2004 Bonds whether the replacement of the Letter of Credit with the Alternate Letter of Credit will cause the securities rating that the Series 2004 Bonds held immediately prior to such replacement to be reduced or withdrawn, and confirming the new securities rating following the delivery of the Alternate Letter of Credit, (B) an opinion of counsel for the issuer of the Alternate Letter of Credit that it constitutes a legal, valid and binding obligation of the issuer in accordance with its terms and that payments thereunder will not constitute voidable preferences, and (C) the form of Alternate Letter of Credit dated and to be effective on the Replacement Date; (ii) if the Series 2004 Bonds are not then rated by a Rating Service, the financial institution issuing the Alternate Letter of Credit (or the holding company parent of the issuer) has unsecured, uninsured and unguaranteed long-term debt rated by a Rating Service in one of its three highest rating categories; and (iii) at least 15 days and not more than 45 days prior to the Replacement Date, the Trustee shall have provided notice to the Holders of the replacement of the Letter of Credit with an Alternate Letter of Credit. Such notice to the Holders shall contain the name of the financial institution issuing such Alternate Letter of Credit, shall state that all Series 2004 Bonds shall be subject to mandatory tender, subject to the right of each Holder to affirmatively elect to waive the mandatory tender and retain its Series 2004 Bonds, and shall be provided in accordance with the terms of the Indenture.

Each of the terms "Rating Service" and "Rating Agency" as used herein means either Moody's Investors Service, and its successors and assigns, Standard & Poor's, and its successors and assigns or Fitch Ratings, and its successors and assigns.

Reimbursement Agreement

It is currently anticipated that a separate series of tax-exempt bonds will be issued in 2004 for the benefit of the Issuer to finance the construction, improvement and equipping of the Issuer's school facilities. Such tax-exempt bonds will be secured with a separate irrevocable, direct-pay letter of credit issued by the Bank (the "Tax-exempt Bond Letter of Credit") pursuant to a separate reimbursement agreement (the "Tax-Exempt Reimbursement Agreement").

If an event of default under the Reimbursement Agreement occurs and is continuing, the Bank may, among other things (i) require that the Issuer immediately prepay to the Bank an amount equal to the amount then available under the Letter of Credit and the Tax-exempt Bond Letter of Credit, (ii) declare all amounts due thereunder by the Issuer immediately due and payable, (iii) give notice of the occurrence of such event of default to the Trustee directing the Trustee to cause an acceleration of the Bonds, thereby causing the Letter of Credit to expire 15 days thereafter, (iv) pursue any rights or remedies the Bank may have under the Related Documents, or (v) pursue any other action available at law or in equity. The Indenture directs the Trustee, upon receipt of the notice described in clause (iii) of the preceding sentence, to cause a mandatory tender of the Bonds and to make the required drawing prior to the termination of the Letter of Credit.

“*Events of Default*” under the Reimbursement Agreement include the following:

(a) any material representation or warranty made by the Issuer in the Reimbursement Agreement (or incorporated therein by reference) or in any of the other Related Documents or in any certificate, document, instrument, opinion or financial or other statement contemplated by or made or delivered pursuant to or in connection with the Reimbursement Agreement or with any of the other Related Documents, shall prove to have been incorrect, incomplete or misleading in any material respect;

(b) any “*event of default*” shall have occurred under any of the Related Documents;

(c) failure to reimburse the Bank for any obligations when and as due under the Reimbursement Agreement;

(d) default in the due observance or performance of certain covenants set forth in the Reimbursement Agreement;

(e) default in the due observance or performance by the Issuer of any other term, covenant or agreement set forth in the Reimbursement Agreement and the continuance of such default for 30 days;

(f) any material provision of the Reimbursement Agreement or any of the Related Documents shall cease to be valid and binding, or the Issuer shall contest any such provision, or the Issuer or any agent or trustee on behalf of the Issuer shall deny that it has any or further liability under the Reimbursement Agreement or any of the Related Documents;

(g) the occurrence of certain events of bankruptcy, insolvency or liquidation of the Issuer or any subsidiary of the Issuer;

(h) dissolution or termination of the existence of the Issuer or any Subsidiary;

(i) default by the Issuer under certain evidences of indebtedness issued, assumed, or guaranteed by the Issuer or any subsidiary of the Issuer;

(j) certain judgments or writs are entered or filed against the Issuer or any subsidiary of the Issuer or against any of their respective property and remain unvacated, unbonded or unstayed for a period of 30 days;

(k) the occurrence of certain events with respect to certain retirement plans maintained by the Issuer or certain related entities;

(l) a default shall occur and be continuing under any other agreement between the Issuer and the Bank or under any other obligation owed by the Issuer to the Bank; or

(m) nonpayment by the Issuer of any rate management obligation when due or breach by the Issuer of any term, provision or condition contained any rate management agreement.

“*Related Documents*” means the Reimbursement Agreement, the Letter of Credit, the Tax-exempt Reimbursement Agreement, the Mortgage, the Security Agreement, the Indenture, the Bonds, the Remarketing Agreement, the Bond Purchase Agreement and this Official Statement.

THE INDENTURE

In connection with the issuance of the Series 2004 Bonds, the Issuer and the Trustee will execute a Trust Indenture dated as of August 1, 2004 (the “Indenture”). Pursuant to the Indenture, the Issuer will assign and pledge to the Trustee, as security for the payment of the Bonds, all moneys and securities on deposit in the Funds created under the Indenture, subject to their application as provided in the Indenture, and any other property subsequently pledged, assigned or transferred as additional security by the Issuer. The Indenture establishes as special funds, in the custody of the Trustee, the Bond Fund, the Remarketing Reimbursement Fund and the Project Fund.

Application of Project Fund

All moneys received upon the sale of the Series 2004 Bonds, other than capitalized interest on the Series 2004 Bonds, will be deposited in the Project Fund created by the Indenture and disbursed from the Project Fund, in accordance with the provisions of the Indenture, to pay the costs of the Project and to pay the costs of issuance of the Series 2004 Bonds.

Revenues and Bond Fund

Any amounts which are to be applied to the payment of Bond Service Charges on the Series 2004 Bonds, including all Revenues (as defined in the Indenture) with respect to the Series 2004 Bonds, capitalized interest on the Series 2004 Bonds and all moneys received upon drawings for such purpose made under the Letter of Credit, will be deposited in the Bond Fund created by the Indenture and maintained with the Trustee. Moneys in the Bond Fund are to be used for the payment of Bond Service Charges on the Series 2004 Bonds in the following order:

1. Amounts drawn by the Trustee under the Letter of Credit (provided that no amount drawn on the Letter of Credit may be used to pay any premium on the Series 2004 Bonds);
2. Any Eligible Funds on deposit in the Bond Fund; and
3. Any other amounts available in the Bond Fund.

“Eligible Funds” means (i) amounts on deposit in the Bond Fund (other than funds derived from a draw on the Letter of Credit) for a period of not less than 123 days during which there shall not have occurred the filing of a voluntary or involuntary petition in bankruptcy under the United States Bankruptcy Code, or proceeding under any other applicable laws concerning insolvency, reorganization or bankruptcy, by or against the Issuer, any guarantor of the Series 2004 Bonds, or any “insider” (as that term is defined for Federal bankruptcy law purposes) of the Issuer or any such guarantor, (ii) moneys which in the opinion of nationally recognized bankruptcy counsel acceptable to the Trustee, which opinion shall be acceptable to any Rating Service maintaining a rating with respect to the Series 2004 Bonds, are not subject to recapture by a bankruptcy court as a “preference” item pursuant to applicable Federal or state bankruptcy law, and (iii) investment income derived from the investment of moneys described in clauses (i) and (ii) above.

Amounts remaining in the Bond Fund after payment or provision for payment of all Bond Service Charges and the fees and expenses of the Trustee, the Registrar and any Paying or Authenticating Agent are to be paid to the Bank or, if no amounts are then due under the Reimbursement Agreement, to the Issuer.

Remarketing Reimbursement Fund

The Indenture creates the Remarketing Reimbursement Fund, to be held by the Trustee and administered in accordance with the terms of the Indenture for the deposit of amounts derived from the remarketing of Series 2004 Bonds or from the payment of the purchase price of Series 2004 Bonds by the Bank under the Letter of Credit. While the Series 2004 Bonds are outstanding, moneys in the Remarketing Reimbursement Fund will be used solely for the payment of the purchase price of Series 2004 Bonds upon their optional or mandatory tender for purchase, and are not subject to the lien of the Indenture.

Investment of Funds

Moneys held in the above described Funds are to be invested by the Trustee at the direction of the Issuer, in Eligible Investments.

“Eligible Investments” means

- (a) Government Obligations, which are defined to mean direct obligations of the United States of America, or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America.

(b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated “AAA” by S&P and rated “Aaa” by Moody’s;

(c) any bond, debenture, note, participation certificate or other similar obligation which is either (i) issued or guaranteed by the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Bank or the Student Loan Marketing Association, or (ii) backed by the full faith and credit of the United States of America;

(d) U.S. denominated deposit account, certificates of deposit, trust accounts and banker’s acceptances with domestic commercial banks, including the Trustee or its affiliates, which have a rating on their short-term certificates of deposit on the date of purchase of “A-1” by S&P or “P-1” by Moody’s, without regard to gradation, and which matures not more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase within the classification or higher, “A-1” by S&P or “P-1” by Moody’s, without regard to gradation, and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by S&P, Moody’s or Fitch in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) investment agreements with banks that at the time such agreement is executed are rated by S&P or Moody’s in one of the two highest rating categories assigned by S&P or Moody’s (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions which, (1) all of the unsecured, direct long-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution is rated by S&P or Moody’s at the time such agreement is executed in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution is rated by S&P or Moody’s in the highest rating category (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by S&P or Moody’s; provided that if at any time after purchase the provider of the investment agreement drops below the two highest rating categories assigned by S&P or Moody’s, the investment agreement must, within 30 days, either (1) be assigned to a provider rated in one of the two highest rating categories or (2) be secured by the provider with collateral securities the fair market value of which, in relation to the amount of the investment agreement including principal and interest, is equal to at least 102%; investment agreements with banks or non-bank financial institutions shall not be

permitted if no rating is available with respect to debt of the investment agreement provider or the related guarantor of such provider;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including without limitation the Trustee or any of its affiliates), a trust company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Trustee or a custodial agent of the Trustee has possession of the collateral and that the collateral is, to the knowledge of the Trustee, free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Trustee or the Trustee's agent; and

(i) shares of a fixed income mutual fund, Exchange Traded Fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and whose investments consist solely of Eligible Investments as defined in paragraphs (a) through (h) above, including without limitation, the JP Morgan Funds or any other mutual fund for which the Trustee or an affiliates of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (b) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are, separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates; and

(j) obligations approved in writing by the Bank which are not unacceptable to the Trustee;

provided, however, that "Eligible Investments" with respect to any proceeds from a draw under the Letter of Credit shall mean only Government Obligations maturing as needed to pay principal of and interest on the Series 2004 Bonds on a timely basis, and in no event more than thirty days after purchase. In addition, moneys in the Remarketing Reimbursement Fund may be invested only in Government Obligations which mature no later than the Bond Purchase Date next following the date of such investment.

Any investments may be purchased from or sold to the Trustee, the Remarketing Agent, any Authenticating or Paying Agent, the Bank or any bank, trust company or savings and loan association affiliated with either of them.

The Trustee shall hold and control all investments of moneys in the Project Fund, the Remarketing Reimbursement Fund, or the Bond Fund and interest accruing thereon and any profit realized from such investments will be credited, and any loss will be charged, to the particular fund from which the investment was made.

Additional Bonds

The Issuer may issue additional bonds (the “Additional Bonds”) for any purpose. Any Additional Bonds shall be on a parity with the Series 2004 Bonds and any Additional Bonds theretofore or thereafter issued and outstanding as to the assignment to the Trustee of the Issuer’s right, title and interest in the Revenues to provide for payment of Bond Service Charges on the Series 2004 Bonds; provided, however, the payment of principal of and interest on any series of Additional Bonds will not be secured by the Letter of Credit and may or may not be secured and protected from sources or by property or instruments applicable to the Series 2004 Bonds and any one or more series of Additional Bonds.

Events of Default and Remedies

The Indenture provides that each of the following shall be an “Event of Default”:

(a) Failure to pay when due any interest on any Series 2004 Bond or Additional Bond.

(b) Failure to pay when due principal of or premium, if any, on any Series 2004 Bond or Additional Bond whether at the stated maturity thereof, by redemption, pursuant to any mandatory sinking fund requirements, by acceleration or otherwise.

(c) Failure to pay on the Bond Purchase Date amounts due to the Holder or Beneficial Owner of any Series 2004 Bonds or Beneficial Ownership Interests tendered or deemed tendered to the Trustee pursuant to the Indenture. (See “THE SERIES 2004 BONDS - Holders’ or Beneficial Owners’ Tender Options,” “Mandatory Tender Upon Conversion to a Different Interest Rate Mode” and “Mandatory Tender Upon Delivery of an Alternate Letter of Credit”).

(d) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or the Series 2004 Bonds or Additional Bonds, which failure shall have continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer, the Bank and the Issuer specifying the failure and requiring it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Bank or the Holders of not less than 25% in the aggregate principal amount of Series 2004 Bonds and any Additional Bonds then outstanding.

(e) [Reserved].

(f) Receipt by the Trustee of a written notice from the Bank which states that an Event of Default under the Reimbursement Agreement has occurred and is continuing and directing the Trustee to accelerate the Series 2004 Bonds (see “THE REIMBURSEMENT AGREEMENT” above).

(g) Failure of the Bank to honor any drawing properly made in accordance with the terms of the Letter of Credit.

(h) Certain events of insolvency relating to the Bank.

(i) Receipt by the Trustee of written notice from the Bank by the end of the fifth day following the honoring of an interest drawing on the Letter of Credit (including the interest portion of a drawing to pay the purchase price of tendered Series 2004 Bonds) that the amount available to be drawn by the Trustee under the Letter of Credit has not been reinstated to an amount not less than 100% of the outstanding principal of the Series 2004 Bonds, plus interest on the Series 2004 Bonds at the Maximum Rate of 12% per annum for a period of 45 days, or 210 days if the Interest Rate Mode on the Series 2004 Bonds is Six Months or longer.

Upon the occurrence of an Event of Default under items (a), (b), (c), (f), (g) or (i) described above, the Trustee shall declare the principal of and accrued interest on all outstanding Series 2004 Bonds and any Additional Bonds to be immediately due and payable. Upon the occurrence of any other Event of Default (except an Event of Default specified in (h) described above), the Trustee shall, upon the written direction of the Bank, declare the principal of and accrued interest on all outstanding Series 2004 Bonds and any Additional Bonds to be immediately due and payable. Upon the occurrence of an Event of Default under item (h) described above, and if there is not then existing an Event of Default described in (a), (b), (c), (f), (g) or (i), described above, the Trustee, without the consent of the Bank, may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Series 2004 Bonds and any Additional Bonds outstanding shall, declare the principal of and accrued interest on all outstanding Series 2004 Bonds and any Additional Bonds to be immediately due and payable. If such a declaration is made, the Trustee is required to draw upon the Letter of Credit to the extent permitted by the terms thereof and to give notice to Holders of such acceleration.

In addition, upon the happening and continuance of an Event of Default, the Trustee may pursue any available remedy to remedy any Event of Default or to enforce the observance and performance of any other covenant, agreement or obligation of the Indenture or any other instrument providing security for the Series 2004 Bonds and any Additional Bonds; provided, however, that the Trustee shall not pursue any such remedy without the prior written consent of the Bank so long as no Event of Default described in (g) or (h) above has occurred and is continuing.

Right of Holders to Direct Proceedings

The Holders of at least a majority in aggregate principal amount of Series 2004 Bonds and Additional Bonds then outstanding will have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture, provided, that such direction shall not be otherwise than in accordance with the provisions of law and the Indenture and that the Trustee shall be indemnified to its satisfaction; provided, however, that so long as no Event of Default described in (g) or (h) above has occurred and is continuing, the Bank shall have the exclusive right to give such directions to the Trustee.

Waivers of Events of Default

The Trustee, but only with the express written consent of the Bank (other than in the case of an Event of Default described in items (a), (b), (c), (g), (h) or (i) above), may waive an Event of Default and its consequences and may rescind and annul any declaration of maturity of principal of the Series 2004 Bonds and any Additional Bonds. The Trustee shall do so upon the written request of the Bank (other than in the case of an Event of Default described in items (a), (b), (c), (g), (h) or (i) above). Notwithstanding the foregoing, prior to waiving any Event of Default, the Trustee shall have received written confirmation from the Bank that the Letter of Credit has been reinstated to an amount not less than 100% of the outstanding principal of the Series 2004 Bonds, plus interest on the Series 2004 Bonds at the Maximum Rate of 12% per annum for a period of 45 days, or 210 days if the Interest Rate Mode on the Series 2004 Bonds is Six Months or longer and written notice from the Bank that it has rescinded its notice of Event of Default.

There shall not be so waived, however, any Event of Default described in items (a), (b), (c), (g), (h) or (i) above or any declaration of acceleration in connection therewith rescinded or annulled except with the written consent of the Holders of all Series 2004 Bonds and any Additional Bonds then outstanding. In the case of such waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned, or determined adversely to it, the Issuer, the Trustee, the Bank and the Holders shall be restored to their former positions and rights under the Indenture. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Applications of Moneys Received Pursuant to Right of Action Taken

All moneys received by the Trustee after acceleration of the maturity of the Series 2004 Bonds and any Additional Bonds and derived from any drawing made upon the Letter of Credit will be applied by the Trustee only to the payment of principal of or interest on the Series 2004 Bonds. Subject to the foregoing, all money received by the Trustee or a receiver from remedial action taken shall be applied to the payment of the costs and expenses of the proceedings resulting in the collection of such money, and the balance of such money shall be deposited in the Bond Fund and applied to the payment of Bond Service Charges on the Series 2004 Bonds and Additional Bonds in the manner and in order of priority set forth in the Indenture.

Rights and Remedies of Holders

No Holder of any Series 2004 Bond will have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust under the Indenture or for the exercise of any other remedy under the Indenture, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified or of which it is deemed to have notice, (ii) the Holders of not less than 25% in aggregate principal amount of the Series 2004 Bonds and any Additional Bonds then outstanding have made written request to the Trustee and have afforded the Trustee reasonable opportunity to proceed to exercise the powers provided in the Indenture or to institute such action, suit or proceeding and have offered to the Trustee indemnity as provided for in the Indenture, and (iii) the Trustee thereafter has failed or

refused to exercise its powers under the Indenture or to institute such action, suit or proceeding in its own name; provided, however, no Holder may institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or the enforcement of any remedy thereunder unless an Event of Default described in (g), (h) or (i) above has occurred and is continuing.

Supplemental Indentures

The Issuer and the Trustee, with the consent of the Bank, may enter into supplemental indentures, without the consent of or notice to any of the Holders, for any one or more of the following purposes: (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture; (b) to grant to or confer upon the Trustee additional rights, remedies, powers or authority for the benefit of the Holders; (c) to assign additional revenues under the Indenture; (d) to accept additional security and instruments and documents of further assurance with respect to the Project; (e) to add to the covenants, agreements and obligations of the Issuer contained in the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture; (f) to evidence any succession to the Issuer and the assumption by such successor of the covenants, agreements and obligations of the Issuer contained in the Indenture and the Series 2004 Bonds and any Additional Bonds; (g) to permit the exchange of Series 2004 Bonds, at the option of the Holder or Holders thereof, for coupon Bonds of the same series in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the Predecessor Bonds (as defined in the Indenture), bearing interest at the same rates and maturing on the same dates, with coupons attached; (h) to permit the Trustee to comply with any obligations imposed upon it by law; (i) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar, the Remarketing Agent and any Paying Agents or Authenticating Agents; (j) to achieve compliance of the Indenture with any applicable Federal securities or tax law; (k) to evidence the appointment of a new Remarketing Agent; (l) to make necessary or advisable amendments or additions in connection with the issuance of Additional Bonds as do not adversely affect the Holders of the outstanding Series 2004 Bonds or Additional Bonds; (m) to permit any other amendment which, in the judgment of the Trustee, in reliance upon an opinion of counsel, is not to the prejudice of the Trustee or the Holders, including, but not limited to, changes required in order to obtain or maintain a rating on the Series 2004 Bonds or any Additional Bonds from a Rating Service; and (n) to accept a Supplemental Credit Facility as described in the Indenture.

Exclusive of supplemental indentures for the purposes above summarized, the consent of the Issuer, the Bank and the Holders of not less than a majority in aggregate principal amount of the Series 2004 Bonds and Additional Bonds then outstanding will be required to approve any indenture supplementing the Indenture provided that: (i) without the consent of the Holder of each Series 2004 Bond or Additional Bond affected and the Bank, no supplemental indenture shall permit an extension of the maturity of the principal of or the interest on any Series 2004 Bond or Additional Bond, or a reduction in principal amount of any Series 2004 Bond or Additional Bond, the rate of interest or the redemption premium on any Series 2004 Bond or Additional Bond (excluding adjustments to interest rates on any Interest Rate Adjustment Date as provided in the Indenture), or a reduction in the amount or extension of the time of any payment required by any mandatory sinking fund requirements of the Indenture, and (ii) without

the consent of the Holders of all Series 2004 Bonds and Additional Bonds then outstanding and the Bank, no supplemental indenture shall permit a privilege or priority of any Series 2004 Bond or Additional Bond over any other Series 2004 Bond or Additional Bond, or a reduction in the aggregate principal amount of Series 2004 Bonds and Additional Bonds required for consent to such supplemental indenture.

Discharge of Lien

The lien of the Indenture will be discharged if the Issuer shall pay or cause to be paid and discharged all the outstanding Series 2004 Bonds and Additional Bonds or there shall otherwise be paid to the Holders of the outstanding Series 2004 Bonds and Additional Bonds all Bond Service Charges due or to become due thereon, and provisions shall also be made for paying all other amounts payable under the Indenture.

Any Series 2004 Bond shall be deemed to be paid and discharged for all purposes of the Indenture when payment of the principal of and premium, if any, on such Series 2004 Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture) shall have been made or caused to be made with funds available therefor on deposit in the Bond Fund (as defined in the Indenture) in accordance with the terms thereof. All or any part of the outstanding Series 2004 Bonds will be deemed to have been paid and discharged within the meaning of the Indenture if (a) the Trustee and any Paying Agent shall have received, in trust for and irrevocably committed thereto, sufficient moneys which are Eligible Funds or the proceeds of drawings under the Letter of Credit used to make such payment, or other moneys if accompanied by an opinion of bankruptcy counsel in a form acceptable to the Trustee and the Rating Service, if any, for the Series 2004 Bonds, or (b) the Trustee shall hold in trust for and irrevocably committed thereto, direct noncallable Government Obligations (purchased with Eligible Funds or the proceeds of drawings under the Letter of Credit or other moneys accompanied by an opinion of bankruptcy counsel in a form acceptable to the Trustee and the Rating Service if any, for the Series 2004 Bonds), certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient together with moneys referred to in (a) above, for the payment of all Bond Service Charges on the Series 2004 Bonds on and to the next Interest Rate Adjustment Date or prior redemption date, as the case may be; provided that if any Series 2004 Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice; and further provided that the Series 2004 Bonds shall not be deemed to be paid and discharged within the meaning of this paragraph (i) if the Interest Rate Mode of such Series 2004 Bonds is other than the Fixed Interest Rate, unless such Series 2004 Bonds are to be redeemed on or prior to the next Interest Rate Adjustment Date for such Series 2004 Bonds and notice of that redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of that notice, or (ii) if they bear interest at the Weekly Interest Rate. Any moneys so held by the Trustee may be invested by the Trustee, but only in noncallable Government Obligations, the maturities or redemption dates of which, at the option of the holder, shall be not later than the date or dates at which said moneys will be required for the aforesaid purposes.

Notwithstanding anything herein to the contrary, if any Series 2004 Bonds are then rated by a Rating Service, no such Series 2004 Bonds shall be deemed to have been paid and discharged by reason of any deposit pursuant to paragraphs (a) and/or (b) above (other than any deposit of moneys, or Government Obligations purchased with moneys, which are the proceeds of drawings under the Letter of Credit) unless each such Rating Service shall have confirmed in writing to the Trustee that its rating will not be withdrawn or lowered as the result of any such deposit.

Unclaimed Moneys

In the event of nonpresentment of Series 2004 Bonds or uncashed checks or drafts for interest, the moneys sufficient to pay such Series 2004 Bonds or checks or drafts shall be held by the Trustee, without liability for interest thereon, in a separate account in the Bond Fund; provided that any moneys which shall be so held by the Trustee and which remain unclaimed by the Holder of the Series 2004 Bond for a period of four (4) years shall be paid, upon written request to do so, to the Bank, unless the Bank confirms to the Trustee that no moneys are due under the Reimbursement Agreement, in which case such moneys will be paid, upon written request to do so, to Issuer. Thereafter, the Holders will be entitled to look only to the Issuer and only to the extent of the moneys so paid.

The Trustee

The Trustee is J.P. Morgan Trust Company, National Association, a national banking association whose designated corporate trust department is located in New Albany, Ohio.

The Trustee will undertake to perform such duties as are specifically set forth in the Indenture. At the time of an Event of Default and during the continuation thereof, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and shall use the same degree of care and skill in its exercise, as a prudent man would exercise under the circumstances.

The Indenture will provide that the Trustee shall be entitled to act upon opinions of counsel as specified in the Indenture and shall not be responsible for any loss or damage resulting from reliance thereon in good faith. In addition, the Indenture will provide that the Trustee shall be entitled to rely on certain other instruments and it shall not be liable for any action reasonably taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it in the Indenture.

Extent of Issuer's Covenants: No Personal Liability

All agreements of the Issuer contained in the Indenture shall be effective to the extent authorized and permitted by applicable law and they shall not be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer. No official of the Issuer executing the Series 2004 Bonds shall be liable personally on the Series 2004 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

BONDHOLDERS' RISKS

In addition to factors set forth elsewhere in this Official Statement, purchasers of Series 2004 Bonds should carefully consider the following risk factors, among others, in connection with an investment in the Series 2004 Bonds.

1. Upon the occurrence of certain events, including, but not limited to, (a) default by the Issuer of its obligations under the Reimbursement Agreement and (b) damage to or condemnation of all or a part of the Project, the Series 2004 Bonds may be subject to prepayment in whole or in part at a price equal to 100% of the principal amount thereof (without premium), plus accrued interest. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2004 BONDS - " - The Reimbursement Agreement" and "THE SERIES 2004 BONDS - Redemption Prior to Maturity - Extraordinary Optional Redemption" herein.

2. The principal of (but not redemption premium) and up to 45 days' accrued interest, initially, on the Series 2004 Bonds is secured by the Letter of Credit. The Letter of Credit expires on August 15, 2009 (unless extended), subject to earlier termination as provided therein, and unless the Letter of Credit is renewed, replaced or extended, the Series 2004 Bonds are subject to mandatory purchase at a price equal to 100% of the principal amount thereof (without premium), plus accrued interest on the Interest Payment Date which next precedes August 15, 2009 (unless extended). See "THE SERIES 2004 BONDS -- Mandatory Tender Upon Expiration of Letter of Credit" herein.

3. The Series 2004 Bonds are subject to mandatory purchase upon the conversion of the interest rate on the Series 2004 Bonds to a different Interest Rate Mode, on the Interest Period Reset Date upon which such conversion is effective, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest. See "THE SERIES 2004 BONDS -- Mandatory Tender Upon Conversion to a Different Interest Rate Mode" herein.

4. The primary security for the Series 2004 Bonds is the Letter of Credit delivered by the Bank to the Trustee. As a consequence, no financial information in respect of the creditworthiness of the Issuer is included herein. Reference is hereby made to Appendix A hereto which contains certain financial information regarding the Bank. It is possible, in the event of the insolvency of the Bank, or the occurrence of some other event precluding the Bank from honoring its obligation to make payments as stated in the Letter of Credit, that the financial resources of the Issuer will be the only source of payment on the Series 2004 Bonds. There can be no assurance that the financial resources of the Issuer would be sufficient to pay the principal, premium, if any, and interest on the Series 2004 Bonds in the event the Trustee were forced to seek recourse against the Issuer. As a result of the lack of financial information regarding the Issuer, prospective investors will not be able to evaluate the financial condition of the Issuer.

5. Enforcement of remedies provided in the Indenture with respect to payments to be made by the Bank under the Letter of Credit may be limited by insolvency, bankruptcy or other laws relating to creditors' rights generally. The security provided by the Letter of Credit for payment of the principal of and interest on the Series 2004 Bonds, or the purchase price of the Series 2004 Bonds, may be impaired in the event of a deterioration of the financial condition of the Bank, as the Letter of Credit represents a general unsecured claim against the assets of the Bank. The Letter of Credit and the Bank's obligations thereunder are neither insured nor

guaranteed by the U.S. Government, the Federal Deposit Insurance Corporation or any other Federal agency.

6. Performance by the Bank of its obligations under the Letter of Credit is subject to the satisfaction of certain conditions by the Trustee, as set forth in the Letter of Credit. Holders are thus dependent upon the Trustee acting to satisfy such conditions before they will receive the benefit of the Letter of Credit. Furthermore, the question of whether the Trustee has properly satisfied such conditions is a question of fact which, if disputed, could delay or defeat the Trustee's rights of enforcement of the Letter of Credit.

7. The United States Bankruptcy Code generally stays the enforcement of claims against the estate of a bankrupt once a petition in bankruptcy is filed. The Bank is required under the Letter of Credit to pay amounts sufficient to pay the principal of and up to a specified number of days' interest on the Series 2004 Bonds in the event of the bankruptcy of the Issuer. However, it is possible in the event of a bankruptcy of the Issuer that a bankruptcy court could at least temporarily stay the payment of the Letter of Credit until relief from that stay is granted by the court, thus delaying payment to the Holders.

8. The various legal opinions to be delivered concurrently with the delivery of the Series 2004 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Illinois and the United States of America and other governmental authorities, including police powers exercised for the benefit of the public health and welfare, and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

9. The various legal opinions to be delivered concurrently with the delivery of the Series 2004 Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

RATINGS

As noted on the cover page of this Official Statement, Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies ("S&P") has given the Series 2004 Bonds a rating of "AA-/A-1+" and Fitch Ratings ("Fitch") has given the Series 2004 Bonds a rating of "AA-/F1+", each based upon the understanding that the Letter of Credit of the Bank will be issued and delivered in concurrence with the issuance of the Series 2004 Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Series 2004 Bonds. The ratings reflect only the views of S&P and Fitch, and any desired explanation of the significance of such ratings should be obtained from S&P and Fitch. Certain information and materials not included in this Official Statement were furnished to S&P and Fitch. Generally, rating agencies base their rating on the information and materials so furnished on investigations, studies and assumptions by the rating agencies. There is no assurance that a

particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The Underwriter, the Issuer, the Trustee and the Bank have undertaken no responsibility either to bring to the attention of the owners of the Series 2004 Bonds any proposed revision or withdrawal of the ratings of the Series 2004 Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such ratings could have an adverse effect on the market price of the Series 2004 Bonds.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2004 Bonds are subject to the approving legal opinions of David R. Wiltse, Esq, special counsel to the Issuer, and of Peck, Shaffer & Williams LLP, Bond Counsel. A signed copy of those opinions, dated and speaking only as of the date of original delivery of the Series 2004 Bonds, will be delivered to the Underwriter at the time of such original delivery.

Certain legal matters will be passed upon for the Issuer by the Bank by its counsel, Chapman & Cutler, and for the Underwriter by its counsel, Peck, Shaffer & Williams LLP, Columbus, Ohio.

UNDERWRITING

B.C. Ziegler and Company (the "Underwriter") has agreed, subject to the terms and provisions of the Bond Purchase Agreement between the Issuer and the Underwriter (the "Purchase Agreement") to purchase the Series 2004 Bonds from the Issuer at a purchase price of 99.10% of the principal amount thereof.

The obligation of the Underwriter to accept delivery of the Series 2004 Bonds is subject to various conditions set forth in the Purchase Agreement; provided, however, that the Underwriter is obligated to purchase all of the Series 2004 Bonds if any are purchased.

It is intended that the Series 2004 Bonds will be offered to the public initially at the offering price set forth on the front page of this Official Statement. The initial public offering price may be changed from time to time by the Underwriter without giving any prior notice. The Underwriter may offer the Series 2004 Bonds to other dealers at prices lower than those offered to the public.

The Issuer has agreed in the Bond Purchase Agreement to indemnify the Underwriter against certain liabilities.

ABSENCE OF LITIGATION AFFECTING THE SERIES 2004 BONDS

There is not pending any litigation seeking to enjoin the issuance or delivery of the Series 2004 Bonds or questioning or affecting the validity of the Series 2004 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence, nor the title of the present members or other officers of the Issuer to their respective offices is being challenged or questioned. There is no litigation pending which in any manner questions the right of the Issuer to enter into the Indenture.

MISCELLANEOUS

The references in this Official Statement to the Series 2004 Bonds, the Letter of Credit, the Reimbursement Agreement, the Indenture and the Bond Purchase Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete. For full and complete statements of such provisions, reference is made to the Series 2004 Bonds, the Letter of Credit, the Reimbursement Agreement, the Indenture and the Bond Purchase Agreement, copies of which are on file in the office of the Underwriter and following delivery of the Series 2004 Bonds will be on file at the principal corporate trust office of the Trustee.

The agreement of the Issuer with the holders of the Series 2004 Bonds is fully set forth in the Indenture, and neither any advertisements of the Series 2004 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2004 Bonds. Statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as such and not as representations of facts.

The attached Appendices are integral parts of this Official Statement and should be read together with all foregoing statements.

APPENDIX A
INFORMATION REGARDING THE BANK

FIFTH THIRD BANK

Fifth Third Bank (the "Letter of Credit Bank"), is a state banking corporation organized under the laws of the State of Ohio. The Letter of Credit Bank is a major regional commercial bank offering a wide range of banking services to individual and business customers.

At March 31, 2004, the Letter of Credit Bank had total assets of approximately \$58.943 billion, total liabilities and minority interests in consolidated subsidiaries of approximately \$54.319 billion, and total shareholders' equity of approximately \$4.624 billion. The Balance Sheet from the Report of Condition of the Letter of Credit Bank at March 31, 2004 are set forth on the following pages.

All of the Letter of Credit Bank's capital stock is owned by Fifth Third Bancorp, a publicly-held bank holding company, the common stock of which is registered under the Securities and Exchange Act of 1934. Fifth Third Bancorp files annual and other reports containing audited, consolidated financial and other information, with the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20001-2739, 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 Letter of Credit Bank and not of Fifth Third Bancorp. Fifth Third Bancorp has not guaranteed the Letter of Credit 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 Letter of Credit Bank will supply without charge to any person to whom this Official Statement is delivered a copy of the Fifth Third Bancorp Form 10-K for the year ended December 31, 2003, as well as copies of subsequently filed quarterly and other reports on Forms 10-Q or 8-K, as filed with the Securities and Exchange Commission, upon written request to Paul L. Reynolds, Fifth Third Bancorp, 38 Fountain Square Plaza, Cincinnati, Ohio 45263. Telephone requests should be directed to (513) 579-5300.

The Letter of Credit Bank and Fifth Third Bancorp are 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 this Official Statement. Accordingly, neither the Letter of Credit Bank or Fifth Third Bancorp assumes any responsibility for nor makes any representation or warranty as to the accuracy or completeness of information contained in any other part of this Official Statement.

Fifth Third Bank
 38 FOUNTAIN SQUARE PLAZA
 CINCINNATI, OH 45263
 FDIC Certificate Number: 6672
 Web Address: <http://www.53.com/>

FFIEC 031
 Consolidated Report of Condition
 for March 31, 2004

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks
 All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC--Balance Sheet

		Dollar Amounts in Thousands	
ASSETS			
1.	Cash and balances due from depository institutions (from Schedule RC-A)		
a.	Noninterest-bearing balances and currency and coin ¹	RCFD 0081	1,569,235
b.	Interest-bearing balances ²	RCFD 0071	161,457
2.	Securities:		
a.	Held-to-maturity securities (from Schedule RC-B, column A)	RCFD 1754	126,023
b.	Available-for-sale securities (from Schedule RC-B, column D)	RCFD 1773	22,473,954
3.	Federal funds sold and securities purchased under agreements to resell		
a.	Federal funds sold in domestic offices	RCON B987	8,000
b.	Securities purchased under agreements to resell³	RCFD B989	0
4.	Loans and lease financing receivables (from Schedule RC-C):		
a.	Loans and leases held for sale	RCFD 5369	1,059,114
b.	Loans and leases, net of unearned income	RCFD B528	29,547,070
c.	LESS: Allowance for loan and lease losses	RCFD 3123	396,109
d.	Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)	RCFD B529	29,150,961
5.	Trading assets (from Schedule RC-D)	RCFD 3545	367,262
6.	Premises and fixed assets (including capitalized leases)	RCFD 2145	516,520
7.	Other real estate owned (from Schedule RC-M)	RCFD 2150	42,461
8.	Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	RCFD 2130	0
9.	Customers' liability to this bank on acceptances outstanding	RCFD 2155	13,050
10.	Intangible assets:		
a.	Goodwill	RCFD 3163	356,336
b.	Other intangible assets (from Schedule RC-M)	RCFD 0426	414,730
11.	Other assets (from Schedule RC-F)	RCFD 2160	2,683,897
12.	Total assets (sum of items 1 through 11)	RCFD 2170	58,943,000

LIABILITIES			
13. Deposits:			
a.	In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)	RCON 2200	23,232,033
(1)	Noninterest-bearing ⁴	RCON 6631	6,338,565
(2)	Interest-bearing	RCON 6636	16,893,468
b.	In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)	RCFN 2200	4,589,931
(1)	Noninterest-bearing	RCFN 6631	0
(2)	Interest-bearing	RCFN 6636	4,589,931
14. Federal funds purchased and securities sold under agreements to repurchase			
a.	Federal funds purchased in domestic offices⁵	RCON B993	8,222,864
b.	Securities sold under agreements to repurchase⁶	RCFD B995	2,809,222
15.	Trading liabilities (from Schedule RC-D)	RCFD 3548	231,699
16.	Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	RCFD 3190	11,469,143
17. Not applicable			
18.	Bank's liability on acceptances executed and outstanding	RCFD 2920	13,050
19.	Subordinated notes and debentures ⁷	RCFD 3200	607,540
20.	Other liabilities (from Schedule RC-G)	RCFD 2930	3,143,620
21.	Total liabilities (sum of items 13 through 20)	RCFD 2948	54,319,102
22.	Minority interest in consolidated subsidiaries	RCFD 3000	99
EQUITY CAPITAL			
23.	Perpetual preferred stock and related surplus	RCFD 3838	0
24.	Common stock	RCFD 3230	4,540
25.	Surplus (exclude all surplus related to preferred stock)	RCFD 3839	1,931,817
26.	a. Retained earnings	RCFD 3632	2,666,257
b.	Accumulated other comprehensive income ⁸	RCFD B530	21,185
27.	Other equity capital components ⁹	RCFD A130	0
28.	Total equity capital (sum of items 23 through 27)	RCFD 3210	4,623,799
29.	Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)	RCFD 3300	58,943,000

Memorandum			
To be reported with the March Report of Condition.			
1.	Indicate in the box at the right the number of the statement below that	RCFD 6724	Number

best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2003

2

- 1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
- 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
- 3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm
- 4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
- 5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
- 6 = Review of the bank's financial statements by external auditors
- 7 = Compilation of the bank's financial statements by external auditors
- 8 = Other audit procedures (excluding tax preparation work)
- 9 = No external audit work

¹ Includes cash items in process of collection and unposted debits.

² Includes time certificates of deposit not held for trading.

³ **Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.**

⁴ Includes total demand deposits and noninterest-bearing time and savings deposits.

⁵ **Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."**

⁶ **Includes all securities repurchase agreements in domestic and foreign offices, regardless of maturity.**

⁷ Includes limited-life preferred stock and related surplus.

⁸ Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments.

⁹ Includes treasury stock and unearned Employee Stock Ownership Plan shares.

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