

[THIS FORM INVESTOR LETTER IS SUBJECT TO REVISION FROM TIME TO TIME  
AND AS THE CIRCUMSTANCES OF INDIVIDUAL TRANSACTIONS MAY WARRANT,  
ALL SOLELY AT THE DISCRETION OF NIFA]

**BOND PURCHASER INVESTOR LETTER**

\_\_\_\_\_, 20[ ]

Nebraska Investment Finance Authority  
1230 O Street; Suite 200  
Lincoln, NE 68508

[Bond Trustee]

[Bond Counsel]

Kutak Rock LLP  
1650 Farnam Street  
Omaha, NE 68102

\$ \_\_\_\_\_  
Nebraska Investment Finance Authority  
[Title of Bonds]  
Series 20[ ]

**EXCEPT FOR THE REPRESENTATIONS OF THE ISSUER CONTAINED IN THE TRANSACTION DOCUMENTS, (AS DEFINED HEREIN) THE ISSUER DISCLAIMS RESPONSIBILITY FOR ANY INFORMATION, ANALYSIS, DISCLOSURE, UNDERWRITING OR ANY OTHER STATEMENTS OR DOCUMENTS WITH RESPECT TO THE TRANSACTION DOCUMENTS OR THE INVESTMENT INFORMATION OR OTHERWISE MADE IN CONNECTION WITH THE OFFER, SALE AND DISTRIBUTION OF THE SECURITIES (TERMS DEFINED BELOW).**

Ladies and Gentlemen:

In connection with the purchase of the above-captioned Bonds (the “Bonds”) issued by the Nebraska Investment Finance Authority (the “Issuer”), or any certificates of participation or other securities representing ownership interests in such Bonds, the payment of which is secured by or payable from the Bonds or any portion thereof (an “Ownership Interest,” and together with the Bonds, the “Securities”), and for consideration received, the undersigned purchaser (the “Purchaser”) of such Securities hereby certifies as follows:

## **Acknowledgement of Disclaimers**

### **1. THE PURCHASER ACKNOWLEDGES THAT**

(a) THERE MAY BE NO CREDIT RATING WITH RESPECT TO THE SECURITIES;

(b) THE SECURITIES ARE SPECULATIVE INVESTMENTS WITH A HIGH DEGREE OF RISK;

(c) IN CONNECTION WITH ITS DECISION TO PURCHASE THE SECURITIES, THE PURCHASER HAS DETERMINED NOT TO REQUIRE ANY GUARANTY, LETTER OF CREDIT OR OTHER CREDIT ENHANCEMENT WITH RESPECT TO THE SECURITIES (“CREDIT ENHANCEMENT”) AND HAS BEEN SOLELY RESPONSIBLE FOR THE FINANCIAL AND RELATED ANALYSIS REFLECTED IN SUCH DETERMINATION; AND

(d) THE ISSUER HAS NOT PREPARED OR ASSISTED IN THE PREPARATION OF ANY OF THE INVESTMENT INFORMATION (AS SUCH TERM IS DEFINED BELOW) AND, EXCEPT FOR THE REPRESENTATIONS OF THE ISSUER CONTAINED IN THE TRANSACTION DOCUMENTS, THE ISSUER IS NOT RESPONSIBLE FOR ANY STATEMENTS MADE IN THE INVESTMENT INFORMATION.

### **2. THE PURCHASER UNDERSTANDS THAT THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE APPLICABLE “BLUE SKY” OR OTHER SECURITIES LAWS OF ANY STATE, AND MAY NOT BE SOLD, ASSIGNED, DISTRIBUTED, SECURITIZED, PLEDGED, TRANSFERRED OR OTHERWISE ENCUMBERED OR DISPOSED OF, EXCEPT:**

(a) IN WHOLE AND NOT IN PART (OTHER THAN AN OWNERSHIP INTEREST PERMITTED BY THE TERMS OF THIS BOND PURCHASER INVESTOR LETTER (THE “INVESTOR LETTER”), UNLESS THE ISSUER SHALL OTHERWISE CONSENT;

(b) IN COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE LAWS AND EITHER UNDER EFFECTIVE FEDERAL AND STATE REGISTRATION STATEMENTS OR PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATIONS;

(c) AS REQUIRED UNDER THE TERMS OF THE BOND TRUST INDENTURE (DEFINED BELOW), ONLY TO (i) AN “ACCREDITED INVESTOR” DESCRIBED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT (“REGULATION D”), (ii) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT (“RULE 144A”)

AND COMPARABLE TERM UNDER THE APPLICABLE “BLUE SKY” AND OTHER SECURITIES LAWS OF THE STATE OF NEBRASKA (THE “STATE”) OR (iii) A TRUST OR OTHER SECURITIZATION VEHICLE MEETING THE REQUIREMENTS OF THIS INVESTOR LETTER;

(d) EXCEPT AS OTHERWISE SET FORTH IN THIS INVESTOR LETTER, UPON DELIVERY OF AN INVESTOR LETTER FROM THE TRANSFEREE TO THE ISSUER, ITS COUNSEL AND TO THE BOND TRUSTEE, SUBSTANTIALLY IN THE FORM OF THIS INVESTOR LETTER AND SATISFACTORY TO THE ISSUER AND THE BOND TRUSTEE; AND

(e) UPON DELIVERY OF A CERTIFICATE FROM THE PURCHASER OF THE BONDS AND/OR ANY OWNERSHIP INTEREST, AS TRANSFEROR, AS DESCRIBED HEREIN AND SATISFACTORY TO THE ISSUER AND THE BOND TRUSTEE.

**3. THE PURCHASER UNDERSTANDS THAT**

(a) THE ISSUER HAS NO TAXING POWER;

(b) NONE OF THE SECURITIES CONSTITUTE A DEBT OR LIABILITY (EXCEPT TO THE EXTENT OF THE BOND TRUST ESTATE PLEDGED TO THE BONDS PURSUANT TO THE BOND TRUST INDENTURE DESCRIBED HEREIN) OR A GENERAL OBLIGATION OF THE ISSUER, THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF;

(c) NONE OF THE FAITH, REVENUES, CREDIT OR TAXING POWER OF THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON ANY SECURITIES;

(d) THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE BOND TRUST ESTATE PLEDGED THEREFOR PURSUANT TO THE BOND TRUST INDENTURE, WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR; AND

(e) THE ISSUER HAS NO OBLIGATION OF ANY KIND, LEGAL, MORAL OR OTHERWISE, WITH RESPECT TO ANY OWNERSHIP INTERESTS, INCLUDING, WITHOUT LIMITATION, THE PAYMENT OF THE PRINCIPAL THEREOF OR THE INTEREST THEREON.

**Concerning the Transaction**

1. The Purchaser understands that it will not receive from the Issuer, [TRUSTEE], as trustee (the “Bond Trustee”), Kutak Rock LLP, as Issuer’s counsel, [BOND COUNSEL], as Bond Counsel, or any of their governing bodies, members, officers, employees, partners or agents (collectively, the “Related Transaction Parties”) any information with respect to the use of the proceeds of the Bonds, the Project (as defined in the Bond Trust Indenture, dated as of

\_\_\_\_\_, 20[\_\_\_\_] (the “Bond Trust Indenture”) between the Issuer and the Bond Trustee), the Bonds and their provisions for payment, redemption or defeasance, the security therefor or the sufficiency of such provisions for payment thereof and security therefor. The Purchaser understands that it will not receive any information from any Related Transaction Party relating to an Ownership Interest. Instead, the Purchaser is relying solely and exclusively for such information as may be contained in, and provided by delivery of:

- (a) the Bond Trust Indenture;
- (b) the Loan Agreement (the “Loan Agreement”), dated as of \_\_\_\_\_, 20[\_\_\_\_], among the Issuer, the Bond Trustee and the Borrower (defined below);
- [(c) the [Official Statement] [Private Placement Memorandum], dated \_\_\_\_\_;]
- [(d) the First Mortgage and Security Agreement (the “Mortgage”), dated as of \_\_\_\_\_, 20[\_\_\_\_], from the Borrower to the Bond Trustee;]
- (e) the Promissory Note (the “Note”), dated \_\_\_\_\_, 20[\_\_\_\_], from the Borrower to the Issuer;
- (f) the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of \_\_\_\_\_, 20[\_\_\_\_] (the “Regulatory Agreement”), among the Issuer, the Bond Trustee and the Borrower;
- (g) certain trust agreements, offering documents and other items relating to the offering of any Ownership Interests; and
- (h) each of the other documents identified in the Closing Memorandum attached hereto as Attachment 1, including, but not limited to, the Closing Certificate of the Borrower, the opinions of Issuer’s Counsel, Bond Counsel and counsel to the Borrower, and any other documentation and items to be executed or delivered in connection with the issuance of the Bonds.

2. The Purchaser acknowledges receipt of copies of each of the documents referred to in the preceding paragraph 1 (the “Transaction Documents”) from \_\_\_\_\_ (the “Borrower”), or its counsel, and the Purchaser and/or its counsel have reviewed such documents prior to its purchase of the Securities (the Transaction Documents, together with any information and documents incorporated therein by reference, the “Document Information”). In addition, all of the information, data, financial statements and other matters which have been identified and requested by the Purchaser from the Borrower, its accountants and any other sources identified by the Borrower have been provided to the Purchaser and reviewed by the Purchaser prior to its purchase of the Securities (together with the Document Information, the “Investment Information”).

3. (a) The Purchaser set forth its terms and requirements with respect to purchasing the Securities in a term sheet or related exchange of correspondence with the Borrower [and in

the Bond Purchase Agreement dated \_\_\_\_\_, 20[\_\_\_], with the Borrower and the Issuer] (collectively, the “Purchase Contract”). By execution and delivery of this Investor Letter, the Purchaser confirms that the Transaction Documents are consistent with the terms set forth in the Purchase Contract and acknowledges that if there exists, and to the extent of, any inconsistency between the Purchase Contract and the Transaction Documents, the Purchaser has thoroughly considered such inconsistency and has determined to waive or amend the inconsistent term set forth in the Purchase Contract in preference for, and accepts, the provisions and terms of the Transaction Documents.

(b) The Purchaser was solely responsible for identifying and negotiating the terms of the Purchase Contract with the Borrower and, except for negotiation of the provisions in the Purchase Contract relating to the Issuer, neither the Issuer nor any of the Related Transaction Parties participated in or contributed in any way to the determination, negotiation or, except as specifically requested and reviewed by the Purchaser and its counsel, incorporation of such terms in the Transaction Documents.

4. The Purchaser is duly and legally authorized to purchase obligations such as the Securities, and its investment in such is a lawful investment for it under all applicable laws.

### **Transaction Diligence**

1. The Purchaser has based its decision to purchase the Securities solely on its own review and negotiation of the Transaction Documents and its own investigation, discussion, review, underwriting credit analysis and related undertakings with respect to the Investment Information, the Project and the Borrower as described in the paragraphs under this caption (the “Transaction Diligence Paragraphs”).

2. It is understood that the Purchaser has had the opportunity to verify the accuracy, completeness and truth of any statements made concerning the transaction reflected in the Transaction Documents and the Investment Information, including information regarding the business and financial condition of the Borrower and the Project, and including, but not limited to, the circumstances under which the Securities may be redeemed or defeased prior to their maturity, in whole or in part, and any credit and reinvestment risks associated with redemption or defeasing the Securities, underwriting and analyzing the credit of the Project, the Borrower and the credit risks associated with the sources of payments made on, or with respect to, the Securities (the “Credit and Underwriting Risks”). The Purchaser has conducted its own investigation of the transaction reflected in the Transaction Documents and the Investment Information, including information regarding each of the Credit and Underwriting Risks.

3. The Purchaser has had the opportunity to meet with the Borrower and/or its designated representatives and has been afforded the opportunity to ask such questions as the Purchaser has deemed necessary in making its investment decisions.

4. The Borrower has made available to the Purchaser the opportunity to request and obtain all of the information referred to in the Transaction Diligence Paragraphs to verify the accuracy of the Investment Information and to evaluate the merits and risks of an investment in the Securities.

5. The Purchaser has been offered copies of, or full access to, each of the Transaction Documents and the Investment Information and all documents relating to the terms and conditions of the offering and the issuance of the Bonds and/or any Ownership Interests (including, but not limited to, information regarding payment, redemption, defeasance and security with respect to the Bonds and/or any Ownership Interests and the related Credit and Underwriting Risks, and all records, reports, financial statements and other information concerning the Project, the Borrower and any third parties which is or may be pertinent to the source of payment redemption, defeasance and security for the Bonds and/or any Ownership Interests) which, as a sophisticated and reasonable investor, the Purchaser has requested and to which, as a sophisticated and reasonable investor, the Purchaser would attach significance in making investment decisions.

6. The Purchaser understands the Credit and Underwriting Risks and understands and acknowledges that there may exist other risks with respect to the Securities that are not described, or otherwise reflected, in the Investment Information. The Purchaser is fully aware of and agrees to undertake the actions and assume the costs, if any, identified in the Bond Trust Indenture and the Loan Agreement or any document issuing or related to an Ownership Interest to be taken and incurred by the Purchaser as the purchaser of the Bonds or any Ownership Interests.

7. Except with respect to the representations of the Issuer contained in the Transaction Documents and the opinions of Issuer's counsel and bond counsel relating to the Bonds, none of the Related Transaction Parties have had, or will have, any responsibility to the Purchaser for the identification, delivery, accuracy or completeness of any Investment Information obtained by the Purchaser from any source regarding the Securities, the provisions for payment, redemption or defeasance thereof or the sufficiency of any security therefor, the Project or the Borrower, or its assets, businesses, circumstances, financial condition and properties, and, in each case, including, without limitation, any information specifically provided by any of the parties contained in the Investment Information. The Purchaser acknowledges that, as between the Purchaser and the Related Transaction Parties: (a) the Purchaser has assumed sole and complete responsibility for requesting and obtaining such information and making such review as the Purchaser has deemed necessary or desirable in connection with its decision to purchase the Securities, and (b) the Investment Information and the investigation made by the Purchaser (including, but not limited to, its investigation of and discussions with, the Borrower and its investigation of the Project, the Credit and Underwriting Risks and related matters) prior to its purchase of the Securities, constitute all the information and review that the Purchaser, in its sole and absolute discretion, has deemed necessary or desirable in connection with its decision to purchase the Securities.

8. The Purchaser represents it is not relying on any party or person, including any of the Related Transaction Parties, to furnish or verify information (other than information contained in the representations of the Issuer contained in the Transaction Documents and the matters addressed by the opinions of Issuer's counsel and bond counsel) relating to the transaction reflected in the Investment Information, including information regarding the business and financial condition of the Borrower, the Project or any Credit or Underwriting Risks or to evaluate the merits of investment in the Securities.

9. The Investment Information includes historical and/or proforma financials and other information determined by the Purchaser to be sufficient, certified by parties acceptable to the Purchaser in its sole discretion.

### **Securities Law Matters**

1. The Purchaser is (i) an institutional “accredited investor” as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D, (ii) a “qualified institutional buyer” as defined in Rule 144A and under the State securities laws and not an individual or (iii) a trust as further described in Paragraph 2 below. The Purchaser can bear the economic risk of its investment in the Securities and has such knowledge and experience in business and financial matters, including purchase and ownership of municipal and other tax-exempt obligations, and the analysis of purchasing similar speculative, unrated, real-estate secured investments, as to be capable of evaluating the merits and risks of the investment represented by its investment in the Securities. The Purchaser is aware of the intended or actual use of the original proceeds of the Bonds and the risks involved in owning the Bonds or any Ownership Interests therein.

2. The Purchaser is purchasing the Securities for its own investment with its own unencumbered funds and not with a view to the distribution, transfer or resale of any or a portion thereof or any grant of an equity, security or other interest therein. The Purchaser intends to hold, the Securities for its own account. The Purchaser has not undertaken, has agreed not to undertake and, except as permitted under the terms of this Investor Letter, does not have the intention of undertaking any distribution, securitization, hypothecation, transfer, resale, pledge, collateralization or any other encumbrance on or disposal of the Securities (or any portion thereof or interest in any of the foregoing) (any such action (whether before or after the purchase of the Securities by the Purchaser) constituting a “Transfer of Security Interest”). The Purchaser is not acting and will not act as an “underwriter” within the meaning of that term under federal or State laws. The Purchaser understands that, except as described below, any Transfer of Security Interest is restricted pursuant to the terms of the Bond Trust Indenture and this Investor Letter. Any Transfer of Security Interest shall be conditioned upon delivery to the Issuer and the Bond Trustee of an opinion of nationally recognized securities counsel satisfactory to each of them, to the effect that such Transfer of Security Interest is pursuant to an effective federal and State registration statement (which neither the Issuer nor the Bond Trustee shall in any way be obligated to provide) or pursuant to exemptions from such registrations.

Notwithstanding the foregoing and Paragraph 5 below, the execution of an investor letter will not be required in connection with any Transfer of Security Interest if, as a result of such transfer, (A)(i) the Securities are owned by a bank or trust company which serves as a custodian pursuant to a trust or custody agreement under which one or more series of certificates of participation in authorized denominations of at least \$100,000 are issued evidencing direct ownership interest in the Securities, (ii) each of the beneficial owners of such certificates is an “accredited investor” described in Rule 501(a)(1), (2), (3) or (7) of Regulation D or a “qualified institutional buyer” as defined in Rule 144A and (iii) such certificates of participation are rated AA/Aa (or, if approved by NIFA, equivalent short-term rating, if applicable) or better by Standard and Poor’s Ratings Group or Moody’s Investor Services, respectively, or (B) the Purchaser pledges its interest in the Securities to a creditor of, or provider of security in connection with, a transaction described in subsection (A) of this paragraph. An issuance of one

or more series of certificates of participation pursuant to transactions other than as described in subsection (A)(iii) above may be permitted only upon the execution by each holder of such certificates of an investor letter substantially identical to this Investor Letter and otherwise satisfactory to the Issuer and the Bond Trustee.

3. The Purchaser acknowledges and represents that it has been advised that the Securities are not registered under the Securities Act, or with any federal or state securities agency or commission, and that the Borrower is not presently required to register under Section 12 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”) and that no trading market now exists for the Securities. The Purchaser acknowledges that if the Purchaser undertakes any Transfer of Security Interest, current business and financial information about the Borrower or the Project may not be available. The Purchaser understands that any Transfer of Security Interest is restricted pursuant to the terms of the Bond Trust Indenture and this Investor Letter, including, but not limited to, the requirement that prior to the date on which any such Transfer of Security Interest is to be completed, certain parties to any Transfer of Security Interest must sign an investor letter substantially identical to this Investor Letter and otherwise satisfactory to the Issuer and the Bond Trustee (unless the Transfer of Security Interest is covered by the terms in the second paragraph of Section 2 above), and each of the conditions in paragraph 5 below must have been satisfied, including delivery of the certificate described in paragraph 5(e). Accordingly, the Purchaser understands that it may need to bear the risks of investment in the Securities for an indefinite period of time since any Transfer of Security Interest prior to the maturity of the Securities may not be possible or may be at a price below that which the Purchaser paid for the Securities.

4. The Purchaser acknowledges the Investment Information may contain forward looking statements. These forward looking statements, which in any event are not statements made by, or on behalf of, the Issuer, may involve risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward looking statements. Factors which may cause such differences may include, but are not limited to, those identified in the Investment Information, including particularly the Credit and Underwriting Risks.

**5. The Purchaser will not undertake any Transfer of Security Interest, except:**

**(a) in full good-faith compliance with all applicable State and federal securities and banking laws;**

**(b) either under effective federal and State registration statements (which neither the Issuer nor the Bond Trustee shall in any way be obligated to provide) or pursuant to exemptions from such registrations;**

**(c) in whole and not in part (other than an Ownership Interest) unless otherwise consented in writing by the Issuer;**

**(d) unless the Transfer of Security Interest meets the requirement of the second paragraph of Section 2 above, to a transferee (the “Transferee”) delivering an investor letter substantially identical to this Investor Letter and otherwise satisfactory to the Issuer and the Bond Trustee;**



**(e) upon delivery to the Issuer and to the Bond Trustee of a certificate in form and substance satisfactory to the Issuer and the Bond Trustee from the Purchaser, in its capacity as transferor, to the effect that, after due inquiry, the Purchaser, in its capacity as transferor, has reason to believe that the proposed transfer meets the requirements of this Section 5 under “Securities Law Matters”; and, if a transfer pursuant to subsection (A) of the second paragraph in Section 2 under “Securities Law Matters,” that the securitization vehicle meets the requirements set forth in subsection (A) of the second paragraph in Section 2 under “Securities Law Matters”; and**

**(f) upon delivery of an opinion of nationally recognized securities counsel, satisfactory to the Issuer and the Bond Trustee, to the effect that such Transfer of Security Interest is pursuant to effective federal and State registration statements (which neither the Issuer nor the Bond Trustee shall in any way be obligated to provide) or pursuant to exemptions from such registrations.**

6. The Purchaser acknowledges that stop transfer notations may be made on the Securities or any other documents evidencing ownership of the Securities to the effect that the Securities have not been registered under the Securities Act or the applicable state “Blue Sky” laws and that no Transfer of Security Interest may be undertaken unless the Securities are registered thereunder or such Transfer of Security Interest is pursuant to an exemption from such registration (as reflected in an opinion of nationally recognized securities counsel acceptable to the Issuer and the Bond Trustee) and otherwise in accordance with this Investor Letter.

### **Limited Liability**

1. The Purchaser understands that any liability of the Issuer to the Purchaser, if any, is limited to the Trust Estate pledged pursuant to the Bond Trust Indenture, including the Issuer’s interest in the Loan Agreement and the Note and any security with respect thereto delivered by, or on behalf of, the Borrower held by the Bond Trustee under the terms of the Bond Trust Indenture for the benefit of the owners of the Bonds. The Purchaser shall look exclusively thereto (and to any credit enhancement which may be provided in connection with the Bonds or any Ownership Interests) for payment on the Securities. The Purchaser further understands that no recourse for the payment of any part of the principal of, premium, if any, or interest on the Loan Agreement, the Note or the Securities or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Securities shall be had against any officer, director, member, agent or employee of the Issuer or the State or of any Related Transaction Party, as such, all such liability being hereby expressly released and waived as a condition of and as a part of the consideration for the sale of the Securities.

2. The Purchaser understands that, except to the extent of the Trust Estate pledged pursuant to the Bond Trust Indenture, no recourse under or upon any obligations, covenants or agreements of the Issuer contained in the Bond Trust Indenture, Loan Agreement, the Note or the Bonds, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Bond Trust Indenture, Loan Agreement, the Note, or the Bonds, shall be had against the Issuer. Anything in the Bond Trust

Indenture, the Loan Agreement, the Note or the Bonds to the contrary notwithstanding, it is expressly understood by the Purchaser that (a) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by, and on behalf of, the Purchaser as to the existence of any fact or state of affairs, including, but not limited to, this Investor Letter and each of the Transaction Documents; (b) the Issuer shall not be under any obligation to perform any record keeping or to provide any legal services, it being understood that such services shall be performed either by the Bond Trustee or the Borrower; (c) the Issuer shall not be under any obligation to perform any duties under any Transaction Document except as may be specifically required by the terms thereof; and (d) none of the provisions of any Transaction Document requires the Issuer to expend or risk its own funds (other than funds held as a part of the Trust Estate) or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, unless it shall first have been adequately indemnified by the Purchaser to its satisfaction against the cost, expenses and liability which may be incurred thereby. The Transaction Documents require delivery of such notices to the Purchaser as it deems necessary, and the Purchaser shall look exclusively to the Borrower and the Bond Trustee (and not the Issuer, unless expressly required or permitted pursuant to the Transaction Documents) to deliver all such notices to the Purchaser.

3. The Purchaser understands that (a) neither the Securities nor the Note is secured by any obligation or pledge of any moneys received or to be received from taxation or from the State or any political subdivision or taxing authority thereof, (b) the Securities will never represent or constitute a general obligation, debt, bonded indebtedness or pecuniary obligation of the Issuer, the State or any political subdivision thereof, (c) no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal of, premium, if any, or interest on the Securities, (d) the Issuer has no taxing power, (e) the Bonds are limited obligations of the Issuer, payable solely out of and secured by the Trust Estate, and (f) the Issuer has no obligation of any kind, legal, moral or otherwise, with respect to any Ownership Interests.

4. The Purchaser may rely on the opinions of Issuer's counsel and Bond Counsel to the extent expressly set forth therein; however, the Purchaser has not relied and will not rely on any action taken by the Issuer or any of the Related Transaction Parties, including, but not limited to, issuance of the Bonds, as evidence that the Project financed with the proceeds of the Bonds complies with the provisions of any legislation, regulation, order or proceeding.

5. The Purchaser understands and agrees that any government approvals of the Bonds for the purpose of the federal tax laws do not constitute a review or approval by the Issuer, any elected official or the State of the credit of the Borrower, nor any guaranty by the Issuer, an elected official or the State of repayment of the Bonds or any Ownership Interests or assurance of any kind with respect to any Credit and Underwriting Risks.

## **Indemnification and Right to Payment**

1. The Purchaser agrees to indemnify, hold harmless and defend the Issuer and its officers, directors, agents, members of its governing body, officials, any person who controls such party within the meaning of the Securities Act and employees and each of them (each an "Indemnified Party") from and against, any and all losses, claims, damages, demands, liabilities or expenses (including attorneys' fees and expenses), causes of action, suits, claims, demands

and judgments of any nature, joint or several, by or on behalf of any person (specifically, but not exclusively, the Purchaser) relating to the transfer of the Securities from the Purchaser to a subsequent party, including, but not limited to:

(a) any failure to properly register or otherwise qualify any Ownership Interest or any other ownership of an interest in the Bonds or any Transfer of Security Interest or comply with any federal or State licensing securities, disclosure, banking, investment or other law or regulation applicable to any Ownership Interest or any Transfer of Security Interest or which would affect the manner in which, or to whom, any such Transfer of Security Interest may take place;

(b) any misrepresentation by the Purchaser in this Investor Letter (or any other Transaction Document) and the Purchaser's failure to comply with any requirement of this Investor Letter;

(c) any misrepresentation by the Transferee in (i) in its investor letter (or any other Transaction Document) and the Transferee's failure to comply with any requirement therein, or (ii) in connection with a transfer pursuant to the second paragraph in Section 2 under "Securities Law Matters"; and

(d) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought with respect to such claim.

2. The Purchaser acknowledges that the Transaction Documents (specifically, but not exclusively, Section [BOND FUND] and Section [APPLICATION OF MONEYS] of the Bond Trust Indenture and Section [AMOUNTS PAYABLE] and Section [EVENTS OF DEFAULT] of the Loan Agreement, together with the description of "Reserved Rights" in the Loan Agreement and in the Bond Trust Indenture and the Borrower's agreement as to application of its payments under the Note) provide for certain payments to be made to the Issuer before payments of principal of and premium, if any, and interest on the Bonds are made to the holders of the Bonds under certain circumstances. Those circumstances include, but are not limited to, exercise by the Issuer of its indemnification rights against the Borrower, the Purchaser and any bondholder from which the Purchaser acquired the Bonds.

## **Tax Matters**

1. The Purchaser has read the approving opinion of [BOND COUNSEL], in its capacity as Bond Counsel, regarding the Bonds and upon which it is entitled to rely with respect to the matters contained therein, but solely as expressly permitted therein and only as of the date thereof. The Purchaser understands that, as set forth in the opinion of Bond Counsel, interest on the Bonds will not be tax-exempt for any period during which such Bonds are held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Code. The Purchaser has consulted with its own tax counsel or advisor concerning its status as a "substantial user" of the Project or a "related person" (as such terms are defined under the Internal Revenue Code of 1984, as amended) and whether, in such case, the interest on the Securities is includable in its income.

2. The Purchaser understands that, as set forth in the opinion of the Bond Counsel, Bond Counsel is of the opinion that interest on the Bonds is a specific preference item for purposes of the alternative minimum tax provisions imposed on individuals and corporations by the Code. Further, the Purchaser understands that although Bond Counsel has rendered an opinion that interest on the Bonds will not be included in gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. The Purchaser understands that any purchaser of the Securities, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions or recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations should consult their tax counsel or advisors as to the tax consequences of purchasing, holding or selling the Securities.

3. With respect to any Ownership Interests, the Purchaser has consulted with its own tax counsel or advisor as to whether the distributive share of tax-exempt interest on the Bonds it receives as a holder of an Ownership Interest will be included in its income. Bond Counsel has expressed no opinion regarding such pass-through of interest.

4. The Purchaser acknowledges that from time to time there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters with respect to, or adversely affect the market value of, the Securities and that it cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. The Purchaser also acknowledges that Bond Counsel has expressed no opinion regarding any pending or proposed federal tax legislation and that Purchaser has, and will, consult its own tax counsel or advisor regarding any pending or proposed federal tax legislation.

### **Beneficiaries; Survival of Representations; and Severability**

1. All confirmations, affirmations, statements and provisions of the Purchaser in this Investor Letter are made solely and exclusively for the benefit of the addressees hereof. In no event shall any other party, including specifically, without limitation, the Borrower, be entitled to rely in any way upon any such confirmation, affirmation, statement or provision.

2. The understandings, acknowledgements, agreements and representations set forth in this Investor Letter shall survive the execution and delivery to the Purchaser of the Securities and the instruments and documents contemplated thereby and payment of the Securities in full.

3. If any provision of this Investor Letter shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Very truly yours,

[NAME OF INVESTOR

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ ]

[ \_\_\_\_\_ ]

a [       ]

**ATTACHMENT 1**  
**CLOSING MEMORANDUM**