



NINTH NOTICE TO REGISTERED BONDHOLDERS

TO THE REGISTERED OWNERS OF:

\$4,720,000

THE HEALTH, EDUCATIONAL AND HOUSING FACILITY BOARD OF THE COUNTY OF
SHELBY, TENNESSEE

MULTIFAMILY HOUSING REVENUE BONDS (THE CORNERS APARTMENTS PROJECT)

\$3,500,000 SERIES 1996A CUSIP Nos. 821697PG8 & 821697PH6

\$400,000 SUBORDINATE SERIES 1996C CUSIP No. 821697PK9

\$550,000 JUNIOR SUBORDINATE SERIES 1996D CUSIP No. 821697PL7

Notice of Auction Sale of the Collateral and Hearing to Confirm Auction Results

Regions Bank serves as the successor trustee (the "Trustee") under a Trust Indenture dated as of December 1, 1996 (as amended, supplemented or otherwise modified from time to time, the "Indenture"), with the Health, Educational and Housing Facility Board of the County of Shelby, Tennessee (the "Issuer"). Pursuant to the Indenture, the Issuer issued its Multifamily Housing Revenue Bonds (The Corners Apartments Project), Series 1996A, Series 1996B, Series 1996C and Series 1996D (collectively, the "Bonds") issued by the Issuer in the original principal amount of \$4,720,000. The Series B Bonds previously matured and have no amounts outstanding. Currently, \$3,260,000 in principal amount of Series A Bonds remain outstanding, \$160,000 in principal amount of Series C Bonds remain outstanding, and \$500,000 in principal amount of Series D Bonds remain outstanding. Capitalized terms used and not otherwise defined in this notice shall have the meanings given them in the Indenture and the other Bond Documents.

The Bonds were issued to finance the acquisition and rehabilitation by CME - Corners, Inc., a Tennessee not-for-profit corporation ("CME Corners"), of a 200-unit multifamily residential apartment rental project known as the Corners Apartments (the "Project") located in Shelby County, Tennessee. CME Corners leases the Project from the Issuer pursuant to a Lease Agreement dated as of December 1, 1996 (the "Lease Agreement"), between the Issuer and CME Corners. In accordance with that certain Declaration of Restrictive Covenants and Regulatory Agreement dated as of December 1, 1996 (as amended, supplemented or otherwise modified from time to time), among the Issuer, the Trustee and CME Corners, certain percentages of the apartments must be rented to certain Qualified Tenants.

The Bonds are special limited obligations of the Issuer payable solely from the lease payments to be made by CME Corners under the Lease Agreement, and are secured by a deed of trust lien on the Project and its gross revenues and certain funds on deposit with the Trustee. The repayment of the Series C Bonds and the Series D Bonds is subordinate to the prior repayment in full of the Series A and Series B Bonds in accordance with the terms of the Indenture, and the repayment of the Series D Bonds is subordinate to the prior repayment in full of the Series C Bonds in accordance with the terms of the Indenture.

The Trustee has previously given notice to registered Bondholders (the "Holders") (i) of the occurrence of Events of Default under the Bond Documents; (ii) of the commencement of a lawsuit (Regions Bank, as Trustee v. CME - Corners, Inc., Case No. 06-cv-2239) before the Honorable Jon Phipps McCalla in the United States District Court for the Western District of Tennessee in Memphis (the "Court"), pursuant to which, among other things, the Court has appointed a receiver (the "Receiver") to take control of the Project and certain related collateral for the Bonds (the "Collateral"); (iii) that the Receiver has

determined to sell the Collateral; and (iv) that the Court, on the Receiver's motion, entered an order (the "Sale Procedures Order") establishing procedures for the Receiver to conduct a sale of the Collateral.

Pursuant to the Sale Procedures Order, the Receiver has entered into a Stalking Horse Agreement (as defined in the Sale Procedures Order) with a prospective purchaser. The Stalking Horse has agreed to start the bidding for the Collateral at \$1,300,000. **ON NOVEMBER 10, 2006, COMMENCING AT 11:00 A.M. (MEMPHIS TIME), THE RECEIVER WILL SELL THE COLLATERAL AT PUBLIC AUCTION TO THE HIGHEST AND BEST BIDDER, FOR CASH.** The auction will take place at the offices of Receiver's exclusive listing agent for the Collateral, CB Richard Ellis Memphis Multifamily, LLC ("CBRE"), 5855 Ridge Bend Road, Memphis, Tennessee.

The following general terms and conditions (among others and as set forth more fully in the Sale Procedures Order) will govern the sale:

- (a) the Receiver may adjourn the auction from time to time by announcement at the time and place appointed for the auction, without further notice or order of the Court;
- (b) except as otherwise provided in the Stalking Horse Agreement or any applicable executed purchase agreement, any sale resulting from the auction shall be "as is" and "where is," with no express or implied representations and warranties;
- (c) subject to execution of a confidentiality agreement and certain other conditions, information regarding the Collateral and its operations, assets, and financial condition, including access to inspect the Collateral, will be made available to potential bidders;
- (d) in order to participate in the auction, bidders must submit their bid to CBRE, which bid shall include, among other things, (i) a purchase price that exceeds by not less than \$75,000.00, the cash portion of the purchase price to be paid pursuant to the Stalking Horse Agreement, which \$75,000 overbid amount shall also be used for the payment of any break-up fee, which fee is equal to two and a half percent (2.5%) of the purchase price under the Stalking Horse Agreement but not more than \$50,000.00, (ii) evidence the bidder is reasonably likely to be able to consummate a purchase of the Collateral, (iii) a deposit of \$50,000.00 in earnest money, and (iv) a mark-up of the Stalking Horse Agreement prior to 5:00 p.m., local time, on the third (3rd) business day immediately preceding the first-scheduled date and time of the auction;
- (e) **AT THE CONCLUSION OF THE AUCTION, RECEIVER SHALL CHOOSE THE BEST TWO BIDS (THE SUCCESSFUL BID AND THE BACKUP BID, AS DEFINED IN THE SALE PROCEDURES ORDER) FOR PRESENTATION TO THE COURT AT A HEARING IN COURTROOM NO. 4 AT THE CLIFFORD DAVIS FEDERAL BUILDING (9TH FLOOR), 167 NORTH MAIN STREET, MEMPHIS, TENNESSEE, ON NOVEMBER 13, 2006, COMMENCING AT 8:00 A.M. (MEMPHIS TIME), AT WHICH HEARING THE COURT WILL CONSIDER CONFIRMATION OF THE SALE, AND WHICH HEARING MAY BE ADJOURNED FROM TIME TO TIME BY ANNOUNCEMENT AT THE TIME AND PLACE APPOINTED FOR SUCH HEARING WITHOUT FURTHER NOTICE OR ORDER OF THE COURT;**
- (f) **ANY OBJECTIONS TO CONFIRMATION OF THE SALE, INCLUDING THE PROPOSED DISBURSEMENT OF THE PROCEEDS, MUST BE FILED IN WRITING WITH THE COURT, SETTING FORTH THE GROUNDS FOR THE OBJECTION, AND MUST BE SERVED ON COUNSEL FOR THE RECEIVER AND COUNSEL FOR TRUSTEE, NO LESS THAN TWO HOURS PRIOR TO THE FIRST SCHEDULED TIME OF THE CONFIRMATION HEARING; and**

(g) at closing of the sale after confirmation of the sale result, and unless otherwise ordered by the Court, the sale proceeds shall be applied as follows: (i) to repayment of any amounts borrowed by the Receiver pursuant to Court order, (ii) to repayment of Receiver's costs of the sale and any other fees and expenses of the Receiver related to either the operation of the Collateral during the receivership and/or the sale, including CBRE's commissions and expenses, (iii) to Trustee to be applied in accordance with its Bond Documents, and (iv) to Receiver to be distributed in accordance with further Court order.

The Trustee has considered the action of the Receiver. In light of the fact that expenses to operate the Project are outstripping revenues received for the Project, among other things, the Trustee believes the Receiver's actions are prudent under the circumstances. Accordingly, unless directed in writing otherwise (in the manner provided in the Indenture), the Trustee does not intend to object to the Receiver's actions. Holders with an interest in the activities of the Receiver with respect to the Collateral should either file a notice with the Court to obtain court notices electronically, or should contact the Receiver or the Trustee, directly, for periodic updates.

The Indenture provides, in part, that during any Event of Default, the owners of at least a majority of the Bonds outstanding may direct the Trustee to conduct remedial proceedings, if such owners provide the Trustee with an indemnity acceptable to the Trustee to cover potential expenses or liabilities. The Indenture provides that the Trustee has a right to the payment of its fees and expenses prior to the payment to the Bondholders of principal and interest and grants to the Trustee a first-priority lien on the Revenue Fund for the payment of its fees and expenses. **ABSENT WRITTEN DIRECTION AND SUFFICIENT INDEMNITY, THE TRUSTEE DOES NOT INTEND TO OBJECT TO ANY OF THE RELIEF BEING SOUGHT BY THE RECEIVER, OR ANY RELIEF WHICH MAY BE SOUGHT BY THE RECEIVER CONSISTENT WITH A SALE OF THE COLLATERAL AS SOON AS POSSIBLE FOR THE HIGHEST AND BEST PRICE.**

The Sale Procedures Order, this Notice and previous and future notices to bondholders will be made available at the following website: <http://www.wallerlaw.com/courtnotice.cfm>. Copies of the pleadings and orders in the case are also available from the Court or the Trustee (at the address listed herein). Bondholders with questions about this notice may direct them to Susan Baker, Regions Bank, Corporate Trust Department, 401 Union Street, 11th Floor, Nashville, TN 37219. Ms. Baker's telephone number is (615) 726-4271. While Ms. Baker and the Trustee will attempt to provide additional information to the Bondholders, please be advised that the Trustee may conclude that a specific response to a particular inquiry from an individual Bondholder is not consistent with equal and full dissemination of information to all Bondholders. Accordingly, the Trustee may, in its discretion, decline to provide specific information to a particular inquiry. Moreover, the Trustee is not under any circumstance able to provide Bondholders with legal or investment advice. The Bondholders should seek the advice of their own legal counsel and/or financial consultants regarding their individual rights under the Bond Documents.

REGIONS BANK, Trustee

By: Susan K. Baker
Senior Vice President

Dated: October 11, 2006

THE CUSIP NUMBER HAS BEEN ASSIGNED TO THE BONDS BY STANDARD AND POOR'S CORPORATION AND IS INSERTED FOR THE CONVENIENCE OF THE HOLDERS OF THE BONDS. NO REPRESENTATION IS MADE AS TO THE CORRECTNESS OR ACCURACY OF THE FOREGOING CUSIP NUMBER OR THE CUSIP NUMBERS PRINTED ON THE BONDS.