



BANK

THIRD 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 Hearing on Trust Instruction Motion regarding Sinking Fund Redemptions

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.

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, the "Regulatory Agreement") 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 previously notified the Bondholders of (i) various defaults under the Bond Documents, (ii) commencement of a lawsuit against CME Corners and the Issuer, Case No. 06-cv-2239, which is currently pending before the Honorable Jon Phipps McCalla in the United States District Court for the Western District of Tennessee in Memphis (the "Court"), (iii) the Court's appointment of Cumberland & Ohio Co. of Texas as receiver over the assets of CME Corners, including the Project, and (iv) the suspension of principal and interest payments on the Bonds during an Event of Default and pendency of the receivership.

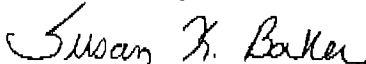
Pursuant to Section 3.3 of the Indenture, certain sinking fund redemptions (the "July Redemptions") are scheduled to be made on July 1, 2006. In addition, Section 2.5 of the Indenture requires notices of such redemption to be mailed at least thirty (30) days prior to the scheduled redemption, i.e. prior to June 1, 2006. On May 23, the Trustee filed a motion (the "Motion") with the Court seeking instruction regarding the making of sinking fund redemptions, including the July Redemptions, in light of the receivership. In particular, the Trustee seeks instruction whether the July Redemptions and subsequent sinking fund redemptions should be made as they come due, or if the Trustee should continue to hold such amounts in trust pursuant to the Indenture (other than Section 3.7 of the Indenture).

In connection with the Motion, the Court entered a bridge order (the "Bridge Order") on May 25, 2006, suspending the timing of the July Redemptions until the Motion is fully and finally resolved. Also by order entered May 25, 2006 (the "Order Setting Hearing") the Court scheduled a hearing on the Motion for **June 16, 2006 at 2:30 p.m. (prevailing Central time)** in Memphis. The Clerk of Court also entered a Notice of Setting (the "Hearing Notice"), giving further details regarding the hearing.

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.

The Trust Instruction Motion, the Bridge Order, the Order Setting Hearing, the Hearing Notice, 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: May 26, 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.