

CITY OF OVERLAND PARK, KANSAS
TRANSPORTATION DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS
SERIES 2006
(TALLGRASS CREEK PROJECT)

BOND PURCHASE AGREEMENT

_____, 2006

City of Overland Park, Kansas
City Hall
8500 Santa Fe Drive
Overland Park, Kansas 66211

Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

Kansas Campus, LLC
c/o Erickson Retirement Communities
701 Maiden Choice Lane
Baltimore, Maryland 21228

Ladies and Gentlemen:

The undersigned, Stone & Youngberg, LLC (the “Underwriter”), offers to enter into this bond purchase agreement (the “Bond Purchase Agreement”) with the City of Overland Park, Kansas (the “City”), Kansas Campus, LLC (the “Owner”) and Erickson Retirement Communities, LLC (the “Developer”) which will be binding upon the City, the Underwriter, the Owner and the Developer upon the acceptance hereof by each of the parties hereto. This offer is made subject to its acceptance by the City, the Owner and the Developer by execution of this Bond Purchase Agreement and its delivery to the Underwriter on or before 4:00 p.m., Eastern time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City, the Owner and the Developer at any time prior to the acceptance hereof by the City, the Owner and the Developer. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Trust Indenture, dated as of November 1, 2006 (the “Trust Indenture”), by and between the City and Manufacturers and Traders Trust Company, as trustee thereunder (the “Trustee”); Resolution No. 3542 adopted on September 11, 2006, by the City Council (the “City Council”) of the City (the “Establishing Resolution”); Ordinance No. ASMT-2639, adopted on _____, 2006, by the City Council (the “Levying Ordinance”); and Ordinance No. _____, adopted on _____, 2006, by the City Council (together with the Bond Order dated _____, 2006, the “Bond Ordinance” and, together with the Establishing Resolution and the Levying Ordinance, the “Authorizing Actions”).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of representations and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of \$13,960,000 aggregate principal amount of the City of Overland Park, Kansas Transportation Development District Special Assessment Bonds, Series 2006 (Tallgrass Creek Project) (the

“Bonds”), at a purchase price of \$_____ (the aggregate principal amount of the Bonds less \$_____ of Underwriter’s discount). The Bonds shall be dated the date of their delivery and shall have the maturity, shall be subject to the redemption provisions and shall bear interest at the rate per annum shown on Appendix A hereto. Payment for and delivery of the Bonds, and the other actions contemplated hereby, shall take place on the “Closing Date” which date is _____, 2006 (or such other date as may be agreed to among the City, the Owner, the Developer and the Underwriter).

2. Authorization Instruments and Law. The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of, the Trust Indenture. The Bonds and interest thereon shall be secured by a pledge of certain proceeds of, and payable from, special assessments (the “Special Assessments”) levied on real property within the Transportation Development District (the “District”) in accordance with the Assessment Procedure (the “Assessment Procedure”) as set forth in the Levying Ordinance. The Bonds shall be further secured by the applicable funds and accounts created under the Trust Indenture. The Bonds shall be issued pursuant to (i) K.S.A. 2005 Supp. 12-7, 140 through 12-17, 149, as thereafter amended (the “Act”); and (ii) the Bond Ordinance. The Bonds shall be subject to redemption as provided in the Trust Indenture. The Bonds shall be as described in the Trust Indenture and the Limited Offering Memorandum, as hereinafter defined, relating to the Bonds (which, together with all appendices attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Limited Offering Memorandum”).

The proceeds of the Bonds shall be used to (i) finance certain infrastructure improvements within the District, (ii) fund a Reserve Fund, (iii) fund capitalized interest and (iv) pay costs incurred in connection with the issuance, sale and delivery of the Bonds.

3. Offering of Bonds; Limited Offering Memorandum. The Underwriter represents that the Bonds are being offered solely in denominations of \$100,000 or more and sold to no more than 35 persons each of whom is an “accredited investor” within the meaning of Section 2(15) of the Securities Act of 1933, as amended, and whom the Underwriter reasonably believes has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks in investing in the Bonds. A Preliminary Limited Offering Memorandum (including the appendices thereto and all documents incorporated therein by reference) dated _____, 2006 (the “Preliminary Limited Offering Memorandum”) and a Final Limited Offering Memorandum (including the appendices thereto and all documents incorporated therein by reference) dated _____, 2006 (the “Final Limited Offering Memorandum,” and together with the Preliminary Limited Offering Memorandum, the “Limited Offering Memorandum”) each have been delivered to the parties to this Bond Purchase Agreement.

By acceptance and approval of this Bond Purchase Agreement, the City hereby authorizes the use of copies of the Limited Offering Memorandum in connection with the private placement and sale of the Bonds. The City hereby agrees to provide the Underwriter within 7 business days of the date hereof sufficient copies of the Final Limited Offering Memorandum to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c-12”), and with the

requirements of Rule G-32 of the Municipal Securities Rulemaking Board. The City hereby “deems final” the Preliminary Limited Offering Memorandum for purposes of paragraph (b)(1) of Rule 15c2-12 and acknowledges and ratifies the use by the Underwriter prior to the date hereof, of the Preliminary Limited Offering Memorandum in connection with the public offering of the Bonds.

If between the date of this Bond Purchase Agreement and 25 days following the “end of the underwriting period,” (which shall be the Closing Date), an event occurs, the result of which might or would cause the Final Limited Offering Memorandum to contain any untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstance under which they were made, not misleading, the City shall notify the Underwriter and if, in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Final Limited Offering Memorandum, the City will supplement or amend the Final Limited Offering Memorandum in a form and in a manner approved by the Underwriter. If the Final Limited Offering Memorandum is so supplemented or amended prior to the Closing Date, such approval by the Underwriter of a supplement or amendment to the Final Limited Offering Memorandum shall not preclude the Underwriter from terminating this Bond Purchase Agreement by notification to the City at any time prior to the Closing Date if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

The City hereby ratifies and consents to the use of the Preliminary Limited Offering Memorandum and authorizes and consents to the use of the Limited Offering Memorandum in connection with the limited offering and sale of the Bonds. In addition, the City, the Owner and the Developer hereby consent to the use by the Underwriter of the Bond Ordinance and other documents or contracts to which the City, the Owner and the Developer are a party, including this Bond Purchase Agreement, and all information contained therein, and all other documents, certificates, and written statements furnished by the City, the Owner and the Developer to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement, or in connection with the limited offer and sale of the Bonds by the Underwriter. Nothing contained above shall constitute a warranty by the City of any information provided to the Underwriter by the Owner or the Developer.

4. City Representations and Covenants. The City Attorney represents and covenants to the Underwriter, as more particularly set forth below, that:

(a) Due Organization, Existence and Authority of City. The City represents that the City is a body corporate and politic and a political subdivision of the State of Kansas (the “State”), and has, and at the Closing Date the City covenants that it will have, full legal right, power and authority (i) to enter into this Bond Purchase Agreement, the Trust Indenture, and the Infrastructure, Development and Indemnity Agreement, dated the Closing Date (the “Infrastructure, Development and Indemnity Agreement”), between the City, the Owner, the Developer and Tallgrass Creek, Inc., a Maryland non-stock corporation (“Tallgrass Creek”); (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein; (iii) to carry out and consummate the transactions on its part contemplated by the Authorizing Actions; and (iv) to carry out and consummate the transactions on its part contemplated by this Bond

Purchase Agreement, the Limited Offering Memorandum, the Trust Indenture, and the Infrastructure, Development and Indemnity Agreement (collectively, the “City Documents”).

(b) Due Authorization and Approval of City. The City represents that, by all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the City represents that the Bonds and the City Documents (excluding, for these purposes, the Limited Offering Memorandum) will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally. The City represents and warrants that the City has complied, and covenants that the City will at the Closing be in compliance in all respects, with the obligations on its part to be performed on or prior to the Closing Date under the City Documents (excluding, for these purposes, the Limited Offering Memorandum). The Limited Offering Memorandum has been duly authorized, executed and delivered by the City.

(c) Due Authorization for Issuance of the Bonds. The City represents that the City has duly authorized the issuance and sale of the Bonds pursuant to the Trust Indenture, the Act and the Authorizing Actions. The City further represents that it has, and covenants that at the Closing Date the City will have, full legal right, power and authority (i) to enter into, execute, deliver and perform its obligations under this Bond Purchase Agreement and, where necessary, the City Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Trust Indenture, the Act and the Authorizing Actions and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City contemplated by the City Documents and the Authorizing Actions.

(d) No Breach or Default. The City represents that as of the time of acceptance hereof and covenants that as of the Closing Date, the City is not or will not be in breach of or in default under any applicable Constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have an adverse effect on the City’s ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and City Documents and compliance by the City with obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or

encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents or documents referenced in the Authorizing Actions.

(e) No Litigation. The City represents that at the time of acceptance hereof and covenants that as of the Closing Date, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an “Action”) pending against the City with respect to which the City has been served with process or to the best knowledge of the City, overtly threatened in writing against the City, in which any such Action (i) in any way questions the corporate existence of the City or the titles of the officers of the City to their respective offices, (ii) in any way questions the formation or existence of the District or the City Council, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, the levy of the Special Assessments, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City contemplated thereby, or contests the exclusion of the interest on the Bonds from federal or state income taxation, or (iv) which may result in any material adverse change relating to the financial condition of the City; and as of the time of acceptance hereof further represents and as of the Closing Date further covenants, to the knowledge of the officer of the City executing this Bond Purchase Agreement, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

(f) Bonds Issued Pursuant to Bond Ordinance. The City represents that the Bonds, when issued, executed and delivered in accordance with the Trust Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Trust Indenture, entitled to the benefits of the Trust Indenture and the security of the pledge of the proceeds of the levy of the Special Assessments received by the City to the extent provided for in the Trust Indenture. The City further represents that the Trust Indenture creates a valid pledge of the monies in certain funds and accounts established pursuant to the Trust Indenture to the extent provided for therein, including the investments thereof, subject in all cases to the provisions of the Bond Ordinance and the Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(g) Special Assessments. The City represents that the Special Assessments to be levied in accordance with the Bond Ordinance and the Assessment Procedure comply with the provisions of the Act, have been duly and lawfully authorized and may be levied under the Act and the applicable laws of the State, and as provided in the Act, such Special Assessments shall be subject to the same lien priority in the case of delinquency as is provided for general ad valorem taxes.

(h) Consents and Approvals. The City represents that all authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due

performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the filing of [Form 8038-G] with the Internal Revenue Service, provided that such form shall be filed by the City in a timely manner so as to ensure the tax-exempt status of the Bonds.

(i) Certificates. The City represents that any certificate signed by any authorized officer of the City and delivered to the Underwriter in connection with the issuance and sale of the Bonds can be relied upon by the Underwriter as to the statements made therein.

(j) Bond Proceeds. The City represents that the City will apply the proceeds of the Bonds in accordance with the Bond Ordinance and the Trust Indenture.

(k) Public Debt. The City represents that no proposed ordinances authorizing public debt secured by a tax or assessment levied by the City on behalf of the City on the land in the District is pending before the City Council and, to the actual knowledge of the City after due inquiry of City officials, no special assessment or taxing districts have been or are in the process of being formed by the City which include any portion of the land within the District.

(l) Limited Offering Memorandum. The City represents that; (i) the information contained in the Limited Offering Memorandum with respect to the City under the captions “THE CITY” (other than the subheadings “City Socioeconomic Data” and “Population”) and “NO LITIGATION” (first paragraph only) is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) the information contained under the subcaptions “THE CITY” -- “City Socioeconomic Data” and “THE CITY” -- “Population” and in Appendix F -- Socioeconomic Data for the City of Overland Park, Kansas”, fairly summarizes the information presented therein.

5. Owner Representations and Covenants. The Owner represents and covenants to the Underwriter and the City, as more particularly set forth below, that:

(a) Due Organization, Existence and Authority. The Owner is a limited liability company, duly formed and validly existing under the laws of the State of Maryland, and as of the date hereof and as of the Closing Date will be duly authorized to do business in the State, with the rights, power and authority to execute, deliver and perform its obligations under this Bond Purchase Agreement; the Administrator’s and Owner’s Continuing Disclosure Agreement, dated the Closing Date (the “Continuing Disclosure Agreement”) between MuniCap, Inc. as the administrator of the District and the Owner; the Development Agreement, dated _____, 2006, between the Developer and the Owner (the “Development Agreement”); the Construction Loan Agreement, dated as of _____, 2006 (the “Construction Loan Agreement”), between the Owner and Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation or another commercial lender or lenders named therein, as construction lender (the “Construction “Lender”); the Infrastructure, Development and Indemnity Agreement and the Master Lease and Use Agreement, dated as of _____, 2006, between Tallgrass Creek and the Owner (the “Master Lease Agreement” which, together

with the Continuing Disclosure Agreement, the Development Agreement, the Construction Loan Agreement and the Infrastructure, Development and Indemnity Agreement, are collectively referred to herein as the “Owner Documents”.

(b) Organization Documents. The copies of the articles of organization, operating agreement, certificates, resolutions and other organizational documents of the Owner (collectively, the “Owner Organization Documents”) to be delivered at closing are fully executed, true, correct and complete copies of such documents and have not been amended or supplemented and are in full force and effect.

(c) Due Authorization and Approval. By all necessary action, the Owner represents that it has duly authorized and approved the execution and delivery of the Owner Documents, and the performance by the Owner of its obligations contained in the Owner Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(d) No Breach or Default. The execution and delivery of the Owner Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Owner a breach or default under any agreement or instrument to which it is a party or by which it is bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would, in any material respect, constitute a default or an event of default under the Owner Documents.

(e) No Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of its knowledge, threatened by or against the Owner: (i) in any way questioning its due formation and valid existence; (ii) in any way contesting or affecting the validity of the Owner Documents or the consummation of the transactions contemplated thereby; (iii) in any way contesting the validity of any governmental approval of the District or any aspect thereof; (iv) in any way affecting the construction of the public improvements to be financed with the proceeds of the Bonds (the “Public Improvements”) or of the Development or (v) which would have a material adverse effect upon the financial condition of Owner or its ability to construct the Development within the District.

(f) Limited Offering Memorandum. The Owner, together with the Developer, has provided the information set forth in the Limited Offering Memorandum under the subheadings “INTRODUCTION–The District”; “INTRODUCTION–The Owner”; “INTRODUCTION—The Developer”; and “INTRODUCTION—The Development” and the headings “PROPOSED DEVELOPMENT OF TALLGRASS CREEK”, and “NO LITIGATION” (second paragraph only), and such information does not contain any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Owner agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this paragraph.

(g) Taxes and Assessments. All taxes and assessments are current on the property within the District leased or owned by the Owner or any of its affiliates.

(h) Consent to Bond Issuance. The Owner hereby consents to the establishment of the District, to the issuance of the Bonds and to the terms and conditions set forth in the Bond Ordinance relating to the Bonds.

(i) Consent to Terms of Trust Indenture. The Owner hereby consents to all of the terms and conditions contained in the Trust Indenture.

(j) Agreement. The Owner covenants that, while the Bonds are outstanding, the Owner will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the District, the levy of the Special Assessments in accordance with the terms of the Authorizing Actions and the Rate and Method or the validity of the Bonds or the proceedings leading up to their issuance.

(k) Permits, Licenses, Etc. The Owner has obtained and there are currently in force and effect, or the Owner will receive at or prior to the Closing Date or the date required therefor, all consents, permits, licenses, certificate and other approvals (governmental or otherwise) that:

(i) are necessary to conduct its business as it is currently being conducted;

(ii) would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance of its obligations under the Owner Documents and any other agreement or instrument to which it is a party and which is to be used or contemplated for use in the consummation of the transactions contemplated hereby or by Limited Offering Memorandum; or

(iii) are currently necessary for the acquisition and construction of the Public Improvements and the Development.

(l) Events of Default. No default or “event of default” as defined in the Owner Documents or in any documents relating to the financing and construction of the Public Improvements or the Development (except such events of default defined in any such documents relating to the financing and construction of the Public Improvements or the Development which have been expressly waived by the parties thereto as not material to the continued performance by such parties), or event that, with the passage of time or the giving of notice or both, would constitute such a default or “event of default,” has occurred and is continuing.

(m) The Owner expects that the portion of the costs of the Development (other than the Public Improvements to be financed with proceeds of the Bonds) not financed from loan amount obtained from the Construction Lender pursuant to the Construction Loan Agreement, shall be obtained either through equity contributions made by or on behalf of the Owner or from mezzanine financing completed after the Closing Date which may include the sale of real property owned by the Owner within the District (the “Land”). In the event that the Owner enters into an agreement to convey the Land to a third-party, the Owner

expects that it will contractually remain contractually obligated to pay all taxes and assessments levied against the Land and the improvements thereon, including the Special Assessments.

(n) The Owner expects enter into an agreement after the Closing Date with Tallgrass Creek evidencing a loan from Tallgrass Creek to the Owner of certain entrance deposits received by Tallgrass Creek at the time residence and care agreements are entered into with residents of Tallgrass Creek (a “Community Loan Agreement”).

(o) The Owner expects to enter into a loan agreement after the Closing Date pursuant to which the Owner lends to Tallgrass Creek amounts to pay the expenses of operating the Development (a “Working Capital Loan Agreement”).

6. Developer Representations, Warranties and Covenants. The Developer represents, warrants and covenants to the Underwriter and the City, as more particularly set forth below, that:

(a) Due Organization, Existence and Authority. The Developer is a limited liability company, duly formed and validly existing under the laws of the State of Maryland and: as of the date hereof and as of the Closing Date will be duly authorized to do business in the State, with the rights, power and authority to execute, deliver and perform its obligations under this Bond Purchase Agreement and the Development Agreement. This Bond Purchase Agreement and the Development Agreement are collectively referred to herein as the “Developer Documents.”

(b) Organization Documents. The copies of the articles of organization, operating agreement, certificates, resolutions and other organizational documents of the Developer (collectively, the “Developer Organization Documents”) to be delivered at closing are fully executed, true, correct and complete copies of such documents and have not been amended or supplemented and are in full force and effect.

(c) Due Authorization and Approval. By all necessary action, the Developer represents that it has duly authorized and approved the execution and delivery of the Developer Documents, and the performance by the Developer of its obligations contained in the Developer Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(d) No Breach or Default. The execution and delivery of the Developer Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Developer a breach or default under any agreement or instrument to which it is a party or by which it is bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would, in any material respect, constitute a default or an event of default under the Developer Documents.

(e) No Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of its knowledge, threatened by or against the Developer: (i) in any way questioning its due formation and valid existence; (ii) in any way contesting or affecting the

validity of the Developer Documents or the consummation of the transactions contemplated thereby; (iii) in any way contesting the validity of any governmental approval of the District or any aspect thereof; (iv) in any way affecting the construction of the Public Improvements or of the Development or (v) which would have a material adverse effect upon the financial condition of Developer or its ability to construct the Development within the District.

(f) Limited Offering Memorandum. The Developer, together with the Owner, has provided the information set forth in the Limited Offering Memorandum under the subheadings “INTRODUCTION–The District”; “INTRODUCTION–The Owner”; and “INTRODUCTION—The Developer”; and “INTRODUCTION—The Development” and the headings “PROPOSED DEVELOPMENT OF TALLGRASS CREEK” and “NO LITIGATION” (second paragraph only), and such information does not contain any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this paragraph.

(g) Consent to Bond Issuance. The Developer hereby consents to the establishment of the District, to the issuance of the Bonds and to the terms and conditions set forth in the Bond Ordinance relating to the Bonds.

(h) Consent to Terms of Trust Indenture. The Developer hereby consents to all of the terms and conditions contained in the Trust Indenture.

(i) Agreement. The Developer covenants that, while the Bonds are outstanding, the Developer will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the District, the levy of the Special Assessments in accordance with the terms of the Authorizing Actions and the Rate and Method or the validity of the Bonds or the proceedings leading up to their issuance.

(j) Permits, Licenses, Etc. The Developer has obtained and there are currently in force and effect, or the Developer will receive at or prior to the Closing Date or the date required therefor, all consents, permits, licenses, certificate and other approvals (governmental or otherwise) that:

(i) are necessary to conduct its business as it is currently being conducted;

(ii) would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance of its obligations under the Developer Documents and any other agreement or instrument to which it is a party and which is to be used or contemplated for use in the consummation of the transactions contemplated hereby or by Limited Offering Memorandum; or

(iii) are currently necessary for the acquisition and construction of the Public Improvements and the Development.

(k) Events of Default. No default or “event of default” as defined in the Developer Documents or in any documents relating to the financing and construction of the Public Improvements or the Development (except such events of default defined in any such documents relating to the financing and construction of the Public Improvements or the Development which have been expressly waived by the parties thereto as not material to the continued performance by such parties), or event that, with the passage of time or the giving of notice or both, would constitute such a default or “event of default,” has occurred and is continuing.

7. The Closing. At 10:00 a.m., Eastern time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City, the Owner, the Developer and the Underwriter, (i) the City will deliver the Bonds in the form of one fully registered Bond for each maturity in the name of Cede & Co., as nominee for The Depository Trust Company, duly executed by the City and authenticated by the Registrar as provided in the Bond Ordinance, and (ii) the City will deliver the closing documents hereinafter mentioned at the offices of Kutak Rock, LLP (“Bond Counsel”), or another place to be mutually agreed upon by the City, the Owner, the Developer and the Underwriter. Settlement will be through the facilities of The Depository Trust Company, New York, New York under the “FAST” system. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “Closing.” The Bond will be made available to the Underwriter for inspection not less than 24 hours prior to the Closing.

8. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and covenants herein and the performance by the City, the Owner and the Developer of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations under this Bond Purchase Agreement are and shall be subject to the following additional conditions:

(a) Bring-Down Representations of the City, the Owner and the Developer. The representations and covenants of the City, the Owner and the Developer contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the City Documents, the Owner Documents and the Developer Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (ii) the Authorizing Actions shall be in full force and effect; (iii) there shall be in full force and effect such other ordinances, resolutions or actions of the City as, in the opinion of Bond Counsel, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City contemplated by this Bond Purchase Agreement and the City Documents, (iv) there shall be in full force and effect such other resolutions or actions of the Owner and the Developer as, in the opinion of McGuireWoods, LLP, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Owner and the Developer contemplated by the Owner Documents and the Developer Documents, respectively, and (v) the City, the Owner and the Developer shall

perform or have performed their respective obligations required or specified in the City Documents, the Owner Documents and the Developer Documents, respectively, to be performed at or prior to Closing.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Bond Purchase Agreement, the City Documents, the Owner Documents, the Developer Documents, or other documents relating to the financing and construction of the Public Improvements or the Development (except such events of default defined in any such documents relating to the financing and construction of the Public Improvements or the Development which have been expressly waived by the parties thereto as not material to the continued performance by such parties) or other documents relating to the financing of the estimated development costs and expected sources of funds for the Development (as defined in the Limited Offering Memorandum), and the Owner shall not be in default in the payment of principal or interest on any indebtedness, which default shall adversely impact the ability of the Owner to pay the Special Assessments under the Ground Lease when due.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 below.

(e) Termination Events. The Underwriter shall have the right to terminate this Bond Purchase Agreement without liability therefor, by written notification to the City, the Owner and the Developer if at any time at or prior to the Closing:

(i) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Bond Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the City, the interest on bonds or notes or obligations of the general character of the Bonds or the market price of the Bonds; or

(ii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling,

regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect; or

(iii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to market the Bonds; or

(iv) a general banking moratorium shall have been established by federal or State authorities; or

(v) the United States has become engaged in hostilities or there has been an escalation in existing hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities, escalation of hostilities or a national or international calamity or crisis, financial or otherwise the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds (it being agreed by the Underwriter that there is no outbreak, calamity or crisis of such character as of the date hereof); or

(vi) there shall be in force a general suspension of trading on the New York Stock Exchange; or

(vii) any event or condition which, in the judgment of the Underwriter, renders untrue or incorrect in any material respect the information contained or incorporated by reference in the Limited Offering Memorandum or which requires that information not reflected in such Limited Offering Memorandum, should be reflected therein in order to make the statements and information contained therein not misleading in any material respect; provided that the City, the Developer, the Owner and the Underwriter will use their best efforts to amend or supplement the Limited Offering Memorandum to reflect, to the satisfaction of the Underwriter, such changes in or additions to the information contained in the Limited Offering Memorandum.

9. Closing Documents. At or prior to the Closing, the Underwriter shall receive the following documents:

(a) Bond Opinion. An approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter and to the Trustee, to the effect that the foregoing opinion

addressed to the City may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to them.

(b) Supplemental Opinion. A supplemental opinion of Bond Counsel addressed to the City, the Owner, the Developer and the Underwriter, in form and substance acceptable to counsel for the Underwriter, and dated the Closing Date to the following effect:

(i) The City is a body corporate and politic and a political subdivision of the State;

(ii) The City has full power and authority to enact the Authorizing Actions and perform its obligations thereunder and such Authorizing Actions have been duly enacted, are in full force and effect and have not been modified, amended or rescinded;

(iii) The City Documents have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding obligations of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights, or by the application of equitable principles if equitable remedies are sought;

(iv) The District is duly created and validly existing under the laws of the State;

(v) The Special Assessments to be levied in accordance with the Act and the Authorizing Actions and the Rate and Method comply with the provisions of the Authorizing Actions, have been duly and lawfully authorized and may be levied under the Authorizing Actions and the applicable laws of the State, and such Special Assessments shall be subject to the same lien priority in the case of delinquency as is provided for general ad valorem taxes;

(vi) The following captioned portions of the Limited Offering Memorandum fairly summarize the legal matters set forth therein: "INTRODUCTION" (only the material contained within the first two paragraphs thereunder and under the subcaption "The Project"; "THE DISTRICT AND SPECIAL ASSESSMENTS"; "THE BONDS" (excluding the material under the captions "Book-Entry System," "The Trustee and Administrator," "Sources and Uses of Funds" and "Debt Service Schedule"); "SECURITY FOR THE BONDS" (excluding the material under the caption "Appraised Property Values" and "Market Conditions"); "TAX EXEMPTIONS"; Appendix C entitled "Form of Indenture", and Appendix D -- Form of Bond Counsel Opinion.

(vii) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act").

(c) City Attorney Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, the Owner, the Developer and to the Trustee, of the City Attorney, substantially in the form set forth in Appendix C hereto.

(d) City Certificate. A certificate or certificates of the City, dated the Closing Date, in form and substance satisfactory to Bond Counsel and counsel to the Underwriter.

(e) Opinion of Counsel to Owner and Developer. An opinion of counsel to the Owner and the Developer, dated the Closing Date, addressed to the City, the Underwriter and the Trustee, substantially in the form set forth in Appendix D hereto.

(f) Owner Certificate. A certificate or certificates of the Owner, dated the Closing Date, to the effect that:

(i) The representations and warranties of the Owner contained herein are true and correct in all material respects on and as of the Closing Date as if made on the date thereof; and

(ii) The Owner Documents are in full force and effect and have not been amended, modified or supplemented; and

(iii) The Owner has complied with all of their respective agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Owner hereunder at or prior to the Closing.

(g) Developer Certificate. A certificate or certificates of the Developer, dated the Closing Date, to the effect that:

(i) The representations and warranties of the Developer contained herein are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) The Developer Documents are in full force and effect and have not been amended, modified or supplemented; and

(iii) The Developer has complied with all of their respective agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer hereunder at or prior to the Closing.

(h) Opinion of Counsel to Tallgrass Creek. An opinion of Whiteford, Taylor & Preston, L.L.P., counsel to Tallgrass Creek, dated the Closing Date, addressed to the City and the Underwriter in form and substance satisfactory to the addressees thereto.

(i) Certificate of Tallgrass Creek. A certificate or certificates of Tallgrass Creek, to the effect that: (i) Tallgrass Creek is a non-profit corporation, duly formed and validly existing under the laws of the State of Maryland, duly authorized to do business in the State, with the rights, power and authority to execute, deliver and perform its obligations under the Master Lease Agreement and the other documents executed by Tallgrass Creek in connection with the transactions contemplated therein (the "Tallgrass Creek Documents") and the Community Loan Agreement; (ii) Tallgrass Creek has duly authorized and approved the execution and delivery of the Tallgrass Creek Documents, and the performance by Tallgrass

Creek of its obligations contained in the Tallgrass Creek Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded; (iii) the execution and delivery by Tallgrass Creek of a Community Loan Agreement shall, prior to its execution and delivery, be duly authorized and approved by Tallgrass Creek, including the performance by Tallgrass Creek of any obligations contained therein; (iv) the execution and delivery of the Tallgrass Creek Documents and of a Community Loan Agreement, if and when executed by Tallgrass Creek, and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of Tallgrass Creek a breach or default under any agreement or instrument to which it is a party or by which it is bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would, in any material respect, constitute a default or an event of default under the Tallgrass Creek Documents; (iv) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of its knowledge, threatened by or against Tallgrass Creek: (a) in any way questioning its due formation and valid existence; (b) in any way contesting or affecting the validity of the Tallgrass Creek Documents or the consummation of the transactions contemplated thereby; or (c) which would have a material adverse effect upon the financial condition of Tallgrass Creek or its ability to carry out its obligations under the Tallgrass Creek Documents or a Community Loan Agreement and (v) the information contained in the Limited Offering Memorandum under the headings “INTRODUCTION—The Non-Profit” and “PROPOSED DEVELOPMENT OF TALLGRASS CREEK - The Non-Profit” does not contain any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) Certificate as to Zoning, Permits, Licenses and Approvals. A certificate or certificates of the Developer or an engineer or construction manager employed by the Developer, dated the Closing Date, in form and substance acceptable to Bond Counsel and counsel to the Underwriter to the effect that (i) the proposed use of the Development contemplated by the Limited Offering Memorandum is in full compliance with all existing zoning and subdivision laws, rules and regulations applicable to the Development and (ii) all building permits, licenses and approvals (government or otherwise) have been secured in order to complete the construction of Residential Buildings [1.1 and 1.2], which are being constructed as a part of the Phase I portion of the Development, except as otherwise stated therein.

(k) City General Certificate. A certificate of the City, dated the Closing Date, to the effect that:

(i) The representations of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) The Authorizing Actions and the City Documents are in full force and effect and have not been amended, modified or supplemented; and

(iii) The City has, to the best of its knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing.

(l) Certificate of Trustee. A Certificate of the Trustee, dated the date of Closing, in form and substance acceptable to counsel for the Underwriter to the following effect:

(i) The Trustee is a banking organization with trust powers organized and validly existing under the laws of the State of New York and is fully qualified to do business and to exercise trust powers in the State, having full power and authority to accept and perform its duties under the Trust Indenture; and

(ii) No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations as set forth in the Bond Ordinance and the Trust Indenture.

(m) Trustee Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter and the Issuer, of _____, counsel to Trustee in a form satisfactory to Underwriter's Counsel and Bond Counsel.

(n) Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Ballard Spahr Andrews & Ingersoll, L.L.P., counsel to the Underwriter, to the effect that: (i) the Bonds are not subject to the registration requirements of the Securities Act; and (ii) although such counsel has not verified and is not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the information contained in the Limited Offering Memorandum, they have participated in the preparation of the Limited Offering Memorandum and without independent verification, no facts came to their attention that caused them to believe that the Limited Offering Memorandum (except for Appendices A, B, D and F as well as any other financial, engineering and statistical data contained therein or included therein by reference or any litigation disclosed therein, as to which they express no view) as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(o) Transcripts. Two transcripts or CDs of all proceedings relating to the authorization and issuance of the Bonds.

(p) Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

(q) Delivery of City Documents and Developer Documents. The City Documents, the Owner Documents and Developer Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

(r) Organization Documents. The Developer and the Owner shall have delivered to the Underwriter and the City fully executed copies of the Owner Organizational Documents, the Developer Organization Documents and the resolutions of the Owner and the Developer authorizing Owner and the Developer, respectively, to enter into and

perform their respective obligations with respect to transactions on the part of the Owner and the Developer contemplated by the Limited Offering Memorandum.

(s) City Authorizing Actions. Two copies, certified by the Clerk of the City Council, of the Authorizing Actions, provided that such Authorizing Actions may be contained in the transcripts provided pursuant to Paragraph 9(n) above.

(t) [Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.]

(u) Federal Tax Certificate and Arbitrage Agreement. A tax certificate and arbitrage agreement prepared by Bond Counsel and satisfactory to the Underwriter.

(v) Certificate of Administrator. A certificate of the Administrator substantially in the form of Appendix B hereto, dated the Closing Date.

(w) Appraisal Report and Certificate. (i) The final appraisal report dated _____, 2006, prepared by Senior Living Valuation Services, Inc., San Francisco, California, together with any updates thereto (the "Appraisal Report") setting forth appraised values of land within the District, which report shall reflect appraised values which are not less than the appraised values set forth in the Limited Offering Memorandum, and (ii) a certificate of such firm in the form of Appendix F hereto delivered in connection with the preparation and delivery of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(x) Engineer's Report and Certificate. (i) The final Engineer's Report for the District, dated _____, 2006 (the "Engineer's Report"), prepared by V3 Consultants (the "Engineer's Report") and (ii) a certificate of such firm in the form of Appendix G hereto delivered in connection with the preparation and delivery of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(y) Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall have been executed by the parties in form and content satisfactory to the Underwriter.

(z) Additional Documents. Such additional legal opinions, certificates, instruments and other documents as the Underwriter or their counsel may reasonably deem necessary.

If either the City, the Owner or the Developer shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Purchase Contrast shall terminate and neither the Underwriter nor the City shall be under further obligation hereunder, except as further set forth in Section 10 hereof.

10. Indemnification. (a) The Owner and the Developer, jointly and severally, will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of

them may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Limited Offering Memorandum under the subheadings “INTRODUCTION–The District”; “INTRODUCTION–The Owner”; “INTRODUCTION—The Developer”; “INTRODUCTION—The Non-Profit” and “INTRODUCTION—The Development”; and the headings “PROPOSED DEVELOPMENT OF TALLGRASS CREEK” and “NO LITIGATION” (second paragraph only), or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Owner and the Developer shall not be liable in any such case to the Underwriter or to the City to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Limited Offering Memorandum or any such amendment or supplement in reliance upon and in conformity with information in the Limited Offering Memorandum, except for the information under the aforementioned captions (as qualified above).

(b) The Underwriter will indemnify and hold harmless the Owner, the Developer and the City against any losses, claims, damages or liabilities to which the Owner, Developer or the City may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Limited Offering Memorandum, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading under the circumstances under which they were made, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Limited Offering Memorandum or any such amendment or supplement in reliance upon and in conformity with information under the heading “Underwriting” in the Limited Offering Memorandum, and will reimburse the Owner, the Developer and the City for any legal or other expenses reasonably incurred by the Owner, the Developer and the City in connection with investigating or defending any such actions or claims as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection. In case any such action shall be brought against an indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel satisfactory to such

indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity agreement in this section shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Developer, the Owner or the Underwriter.

11. Limitation of City's Obligations. Any and all obligations of the City arising out of, or related to, this Bond Purchase Agreement, the Bonds or any other agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale and delivery of the Bonds (collectively, the "Bond Documents") are special obligations of the City and shall not constitute a general obligation debt of the City or a pledge of the City's full faith and credit, and the City's obligations to make any payments under any of the Bond Documents are restricted entirely to Special Assessments or from the proceeds of the Bonds that may be made available for such purposes in accordance with the Act and the Authorizing Actions and from no other source. No person, including any Bondowner, shall have any claim against the City or any of its officers, officials, agents or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any of the Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to any obligation, undertaking, representation or covenant of the City that is properly payable pursuant to and in accordance with any of the Bond Documents. Nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the City or any of its officers, officials, agents or employees to enforce the provisions of any of the Bond Documents.

12. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall pay from Bond proceeds or other funds available under the Trust Indenture or from other funds of the Developer, the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing and mailing of the Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of Bond Counsel, counsel to the Owner and the Developer, the Trustee and the Administrator, (iv) the fees and disbursements of Ballard Spahr Andrews & Ingersoll, LLP, counsel to the Underwriter; and (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City, the Owner or the Developer including the fees and expenses of the Administrator or the Appraiser.

(b) The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; and (ii) all other expenses, CUSIP fees, (including out-of-pocket expenses and related regulatory expenses) incurred by them or any of them in connection with their limited public offering and distribution of the Bonds, except as noted in subparagraph 11(a), above.

13. Notice. Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing to the City of Overland Park, Kansas, City Hall, 8500 Santa Fe Drive, Overland Park, KS 66212, Attention: Deputy City Manager.

Any notice or other communication to be given to the Owner under this Bond Purchase Agreement may be given by delivering the same in writing to Kansas Campus, LLC, c/o Erickson Retirement Communities, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228, Attention: General Counsel.

Any notice or other communication to be given to the Developer under this Bond Purchase Agreement may be given by delivering the same in writing to Erickson Retirement Communities, LLC, 701 Maiden Choice Lane, Baltimore, MD 21228, Attention: General Counsel.

Any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stone & Youngberg, LLC, 18 West Street, Annapolis, Maryland 21401, Attention: Nathan S. Betnun.

14. Entire Agreement. This Agreement is made solely for the benefit of the City, the Owner, the Developer and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's, the Owner's and the Developer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this paragraph and in paragraph 13 shall survive any termination of this Agreement.

15. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument or other writing delivered by a party to this Agreement or in connection with the transactions contemplated by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

16. Counterparts. This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

17. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

18. State Law Governs. The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State of Maryland.

19. No Assignment. The rights and obligations created by this Bond Purchase Agreement shall not be subject to assignment by the Underwriter, the Owner, the Developer or the City without the prior written consent of the other parties hereto.

STONE & YOUNGBERG, LLC, as Underwriter

By: _____
Nathan S. Betnun
Managing Director

Accepted as of the date first stated above:

CITY OF OVERLAND PARK, KANSAS

By: _____
Carl Gerlach
Mayor

KANSAS CAMPUS, LLC

By: Erickson Retirement Communities, LLC

By: _____
Jeffrey A. Jacobson
Executive Vice President, Chief Financial
Officer and Treasurer

ERICKSON RETIREMENT COMMUNITIES,
LLC

By: _____
Jeffrey A. Jacobson
Executive Vice President, Chief Financial
Officer and Treasurer

[Signature Page to Tallgrass Creek Bond Purchase Agreement]

Appendix A

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$	%
	\$	%

Redemption

Optional Redemption

The Bonds maturing on August 1, [2028] are subject to optional redemption prior to their stated maturity on and after February 1, [2017], at the option of the City, as a whole or in part, in minimum denominations of \$100,000 and increments of \$1,000 thereafter, on any Interest Payment Date, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date set for redemption.

The Bonds maturing on August 1, [2016] are not subject to optional redemption prior to maturity.

Special Redemption

The Bonds are subject to redemption in whole at any time or in part on any Interest Payment Date by the City pursuant to written instructions received from the Owner or on behalf of the Owner by Mercantile Safe-Deposit and Trust Company, or any other lender identified in such written instructions to the Trustee by the Owner who enters into any revolving loan and letter of credit facility (a “Construction Loan Agreement”) with the Owner after the Closing Date to finance the development of Tallgrass Creek (the “Construction Lender”) following the occurrence of an event of default under the Construction Loan Agreement, at a redemption price of par plus accrued interest to the date set for redemption. The redemption of the Bonds as described in this paragraph is subject to the deposit of funds for such redemption by the Owner or on behalf of the Owner by the Construction Lender if funds for such redemption are not irrevocably deposited in the Debt Service Fund prior to the giving of notice of such redemption to the Bondholders.

Special Mandatory Redemption from Surplus Bond Proceeds

To the extent that moneys are transferred from the Construction Fund to the Debt Service Fund pursuant to the Indenture for purposes of redeeming the Bonds, the Bonds are subject to special mandatory redemption in part in authorized denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof on the next scheduled Interest Payment Date at a redemption price equal to 100% of the aggregate principal amount of the Bonds to be redeemed plus accrued interest, if any, to the redemption date.

Bonds may be subject to special mandatory redemption from amounts remaining on deposit in the Construction Fund following completion of the Project, or in the event amounts

held in escrow in the Project Account are not released for use to pay Project costs due to failure to obtain construction loan financing from the Construction Lender.

Special Assessment Prepayments Redemption

The Bonds are subject to redemption prior to maturity as a whole at any time on or after August 1, [2011] from amounts in the Debt Service Fund as a result of transfers from the Special Assessment Prepayments Account and the Reserve Fund, at a redemption price equal to the percentage of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date set for redemption:

<u>Redemption Dates</u> (both dates inclusive)	<u>Redemption Prices</u>
August 1, [2011] through July 31, [2012]	101%
August 1, [2012] and thereafter	100

The redemption resulting from Special Assessment Prepayments is subject to the deposit of funds for such redemption by the Owner or on behalf of the Owner by the Construction Lender or the Developer.

The Developer has agreed pursuant to the Development Agreement to guaranty the redemption price of the Bonds upon a redemption resulting from Special Assessment Prepayments.

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory sinking fund installments on August 1 of the following years in the following amounts:

\$_____ aggregate principal amount of Bonds outstanding August 1, _____

<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
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\$_____ aggregate principal amount of Bonds Outstanding August 1, _____

<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>	<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
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Special Optional Redemption Upon Fire, Casualty or Condemnation.

The Bonds are also subject to redemption at the option of the Owner or on behalf of the Owner by the Construction Lender in whole at any time or in part on any Interest Payment Date at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from amounts in the Debt Service Fund consisting of the proceeds received by the Owner in connection with a fire, casualty or condemnation of any of the Project or any other property dedicated to, or owned by, the Developer Owner within the District and allocable to the Bonds and which proceeds are not used to rebuild the Project.

Extraordinary Redemption on Federal Taxability Event.

The Bonds are subject to extraordinary redemption prior to maturity by the City in whole at a redemption price equal to 108% of the principal amount of the Bonds, plus accrued interest, if any, to the redemption date upon the happening of any of the following events (each, a "Taxability Event"): (a) any day within 60 days after the City, the Owner, the Developer, the Non-Profit or the Trustee receives written notice from a registered owner or former registered owner of a Bond or from the City of a final determination ("Final Determination of Taxability Letter") by the Internal Revenue Service or a court of competent jurisdiction that the interest paid or to be paid on any Bond is or was includible in the gross income of the owner of such Bond for Federal income tax purposes; (b) any day within 90 days after the Owner or the Non-Profit has received correspondence from the Internal Revenue Service stating that the Non-Profit is not exempt from Federal income tax under Section 501(c)(3) of the Code, provided that such correspondence does not constitute a Taxability Event if within 45 days after receipt of such correspondence the Trustee receives either (i) a Determination Letter addressed to the Owner or the Non-Profit or (ii) an opinion of Bond Counsel addressed to the City, the Trustee, the Owner and the Non-Profit stating that the interest on the Bonds remains exempt from Federal income tax despite the fact that the Internal Revenue Service has sent correspondence stating that the Non-Profit is not exempt from Federal income tax under Section 501(c)(3) of the Code; or (c) on November 29, 2009, if the Trustee has not received (i) a copy of the Determination Letter and

(ii) a certificate of the Owner and the Non-Profit, together with: (x) an opinion of Bond Counsel providing that the transfer of the Project by the Owner to the Non-Profit or to a governmental entity (including ownership for federal income tax purposes) has occurred and an (y) opinion of counsel to the Non-Profit to the effect that the Non-Profit is a 501(c)(3) organization dating back to the date of its formation, or (iii) an opinion of Bond Counsel that, notwithstanding the nondelivery of the items referred to in (i) and (ii) above, the tax-exempt status of the interest on the Bonds is not adversely affected.

The Owner is required pursuant to the Development Agreement to provide the Trustee, within 30 days of receipt, with a copy of the Final Determination of Taxability Letter and any correspondence from the Internal Revenue Service stating that the Non-Profit is not exempt from Federal income tax under Section 501(c)(3) of the Code.

The Developer has agreed pursuant to the Development Agreement to guaranty the redemption price of the Bonds in the event of a Taxability Event.

Appendix B

**CITY OF OVERLAND PARK, KANSAS
TRANSPORTATION DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS
SERIES 2006
(TALLGRASS CREEK PROJECT)**

Certificate of Administrator

The undersigned hereby states and certifies:

1. That he is an authorized officer of MuniCap, Inc. (the “Administrator”) and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Administrator assisted the City of Overland Park, Kansas (the “City”) in the preparation of the Assessment Procedure of the District (the “Assessment Procedure”) [as set forth in Appendix __ to the Limited Offering Memorandum dated _____ __, 2006] for the City’s Transportation Development District Special Assessment Bonds, Series 2006 (Tallgrass Creek Project) (the “Bonds”). Capitalized terms not otherwise defined herein shall be defined as provided in the Rate & Method or in Ordinance No. ____, adopted on _____ __, 2006, by the City Council of the City (the “Bond Ordinance”).

3. That the Special Assessments, if levied in accordance with the Rate & Method and collected, will annually yield sufficient revenue to meet the Special Assessment Requirement (as such term is defined in the Rate and Method).

4. That, to the best of my knowledge, all information supplied by the Administrator for use in the Limited Offering Memorandum, including Appendix __ is true and correct.

5. That, to the best of my knowledge, as of the date of the Limited Offering Memorandum and as of the date hereof, those portions of the Limited Offering Memorandum entitled “SECURITY FOR THE BONDS-Special Assessment,” “SPECIAL RISK FACTORS-Special Assessment Delinquencies,” and [“APPENDIX __ -- Assessment Procedure of the District”] and the other data provided by the Administrator and included in the Limited Offering Memorandum, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Dated: _____, 2006

MUNICAP, INC.

By: _____

Name: _____

Title: _____

Appendix C

Opinion of City Attorney

[To be reviewed by City Attorney]

City of Overland Park, Kansas
City Hall
8500 Santa Fe Drive
Overland Park, Kansas 66212

Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

Stone & Youngberg, LLC
18 West Street
Annapolis, Maryland 21401
Baltimore, Maryland 21202

Kansas Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

Kutak Rock LLP
Suite 500
1010 Grand Boulevard
Kansas City, MO 64106-2220

Re: \$13,960,000 City of Overland Park, Kansas, Transportation Development
District Special Assessment Bonds, Series 2006 (Tallgrass Creek Project)

Ladies and Gentlemen:

I have acted as City Attorney to the City of Overland Park, Kansas (the “City”), in connection with the issuance by the City of \$13,960,000 aggregate principal amount of City of Overland Park, Kansas Transportation Development District Special Assessment Bonds, Series 2006 (Tallgrass Creek Project) (the “Bonds”). This opinion is provided pursuant to Section 9(c) of that certain Bond Purchase Agreement dated _____, 2006 (the “Purchase Agreement”) among Stone & Youngberg, LLC (the “Underwriter”), the City, Kansas Campus, LLC and Erickson Retirement Communities, LLC. Capitalized terms used herein shall have the meanings ascribed to them in the Purchase Agreement.

(a) The enactment of the Authorizing Actions and the execution and delivery of the City Documents, and compliance with the provisions of the Authorizing Actions, the City Documents and the documents under the circumstances contemplated thereby (i) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (ii) do not and will not in any material respect conflict with or constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

(b) There is no action, suit, proceeding or investigation before or by any court, public board or body pending with respect to which the City has been served with process or, to my knowledge, overtly threatened wherein an unfavorable decision, ruling or finding would: (a)

affect the creation, organization, existence or powers of the City or the District, or the titles of the Mayor or the City Council members and officers to their respective offices; (b) enjoin or restrain the issuance, sale and delivery of the Bonds, the levy and collection of the Special Assessments or the pledge thereof; (c) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the Special Assessments or the monies and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (d) in any question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds; or (e) in any way question or affect the Purchase Agreement or the transactions contemplated by the Purchase Agreement or any activity regarding the improvements financed by the Bonds.

This opinion is limited to the matters set forth herein. No opinion may be inferred or implied beyond the matters expressly contained herein. This opinion is rendered solely for the benefit of the persons or entities to whom it is addressed and no other person or entity shall be entitled to rely on any matters set forth herein without the express written consent of the undersigned. We assume no responsibility for updating this opinion to take into account any event, action, interpretation or change of law occurring subsequent to the date hereof that may affect the validity of any of the opinions expressed herein.

Very truly yours,

Appendix D

Form of Developer's Counsel Opinion

[McGuireWoods, LLP]

_____, 2006

City of Overland Park, Kansas
City Hall
8500 Santa Fe Drive
Overland Park, Kansas 66212

Stone & Youngberg, LLC
18 West Street
Annapolis, Maryland 21401

Manufacturers and Traders Trust Company
25 South Charles Street
Baltimore, Maryland 21201

Re: \$13,960,000 City of Overland Park, Kansas, Transportation Development
District Special Assessment Bonds, Series 2006 (Tallgrass Creek Project)

Ladies and Gentlemen:

We have acted as special counsel to Kansas Campus, LLC, a Maryland limited liability company (the "Owner") and to Erickson Retirement Communities, LLC (the "Developer") in connection with the proposed development of a continuing care retirement community to be known as Tallgrass Creek to be located in the City of Overland Park, Kansas (the "City"), the issuance of the \$13,960,000 City of Overland Park, Kansas Transportation Development District Special Assessment Bonds Series 2006 (Tallgrass Creek Project), and the formation of the Transportation Development District (the "District").

The Bonds are being sold to Stone & Youngberg, LLC, as the Underwriter (the "Underwriter") named in the Bond Purchase Agreement, dated _____, 2006, by and among the City, the Owner, the Developer and the Underwriter (the "Bond Purchase Agreement"). This opinion is delivered in satisfaction of Paragraph 9(e) of the Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined shall have the respective meanings given them in the Bond Purchase Agreement.

[Standard Qualifications]

Based on and subject to the foregoing, and based on our examination of such questions of law as we have deemed appropriate under the circumstances, we are of the opinion that:

1. The Owner and the Developer are each a limited liability company validly existing and in good standing under the laws of the State of Maryland. The Owner and the Developer, in reliance upon the issuance by the State of Kansas of certificates of good standing with respect to the Owner and the Developer are each qualified to do business in the State of Kansas.

2. The execution and delivery by the Owner of the Owner Documents and the Developer of the Developer Documents and the performance of their respective obligations thereunder will not conflict or result in a violation of, or breach of or a default under (a) the respective articles of organization, operating agreements and certificates, resolutions and other organizational documents of the Owner and the Developer, respectively, (b) any indenture, mortgage, deed of trust, lease, note, commitment, agreement or other instrument to which the Owner or the Developer, separately or collectively, is a party, or by which the Owner or the Developer, separately or collectively, or the property of either or both of such entities is bound, or (c) to our knowledge of any order, rule or regulation any court or other governmental body having jurisdiction over the Owner or the Developer or any entity thereof, the conflict, violation or breach of which would have a material adverse effect on the ability of the Owner or the Developer to perform their respective obligations under the documents described in clauses (a) and (b) of this paragraph 2 or the development, use or occupancy of the Development or any material portion thereof.

3. To our knowledge, except as disclosed in the Limited Offering Memorandum, there are no actions, suits or proceedings pending against the Owner or the Developer, separately or collectively, in any court of law or in equity, or before or by any instrumentality, which if determined adversely to the Owner or the Developer would have an adverse effect upon (i) the ability of the Owner to perform its obligations under the Owner Documents or the Developer to perform its obligations under the Developer Documents or (ii) the development, construction, use or occupancy of the Development or any portion thereof.

4. The Owner Documents and the Developer Documents have been duly authorized, executed and delivered by the Owner and the Developer, as their respective interests appear, and each of the Owner Documents and the Developer Documents constitute legal, valid and binding obligations of the Owner and the Developer, as the case may be, enforceable against each such party in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws.

5. We have participated in the preparation of the Limited Offering Memorandum and without independent verification, no facts came to our attention that caused us to believe that the information contained in the Limited Offering Memorandum under the captions “INTRODUCTION–The District”; “INTRODUCTION–The Owner”; “INTRODUCTION—The Developer”; “INTRODUCTION—The Non-Profit” and “INTRODUCTION—The Development”; and the headings “PROPOSED DEVELOPMENT OF TALLGRASS CREEK” (except for such information under the subheading “The Non-Profit”), and “NO LITIGATION” (second paragraph only) as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

ADMINISTRATOR'S AND OWNER'S CONTINUING DISCLOSURE AGREEMENT

THIS ADMINISTRATOR'S AND OWNER'S CONTINUING DISCLOSURE AGREEMENT (this "Agreement") between KANSAS CAMPUS, LLC (the "Owner"), a Maryland limited liability company, and MUNICAP INC. (the "Administrator") is being entered into in connection with the issuance of \$15,000,000* in the aggregate principal amount of City of Overland Park, Kansas Transportation Development District Special Assessment Bonds, Series 2006 (Tallgrass Creek Project) (the "Bonds"). The Bonds are being issued pursuant to the provisions of Ordinance No. _____, duly adopted by the City Council of the City of Overland Park on _____, 2006 (the "Bond Ordinance"), a Trust Indenture between the City of Overland Park (the "City") and Manufacturers and Traders Trust Company dated as of November 1, 2006, and a Bond Order executed by the _____ of the City on _____, 2006.

The Owner and the Administrator hereby covenant and agree as follows:

Section 1. Definitions. Terms not otherwise defined herein shall have the meanings set forth in the Limited Offering Memorandum dated _____, 2006 relating to the Bonds (the "Limited Offering Memorandum").

"Notice Holders" shall mean: (i) Mercantile-Safe Deposit and Trust Company (the "Construction Lender"), and (ii) any person who provides (a) a written request to the Administrator for notices hereunder to be given to such person at the address designated in such writing, and (b) evidence reasonably satisfactory to the Administrator that such person, together with its affiliates, has beneficial ownership of \$1,000,000 or more in aggregate principal amount of the Bonds. The Administrator may, in its sole discretion, but shall not be obligated, to determine that any person no longer qualifies as a Notice Holder due to such person's beneficial ownership of less than \$1,000,000 in aggregate principal amount of the Bonds; provided that each of the initial Notice Holders shall continue to be a Notice Holder for so long as such person, or an affiliate thereof, shall be the owner or beneficial owner of any Bonds, and, provided further, that the Administrator shall cease providing information to the Construction Lender as a Notice Holder upon receipt of a written request from the Construction Lender.

Section 2. Provision of Information – Owner. The Owner shall, within forty-five (45) days of the end of each calendar quarter, commencing with March 31, 2007, provide to the Administrator the following information, and the Administrator shall cause said information to be provided to the City and to the Construction Lender within fifteen (15) days of receipt:

(i) A statement as to status of completion of the Development for each phase as described in the Limited Offering Memorandum for the Bonds within the chart appearing under the heading "PROPOSED DEVELOPMENT OF OVERLAND PARK – The Development – *General.*"

* Preliminary, subject to change.

(ii) A statement as to the execution of a Construction Loan Agreement dated _____, 2006 (the "Construction Loan Agreement") between the Owner and the Construction Lender, and, thereafter, the existence of any material amendments to such Construction Loan Agreement, any monetary or material non-monetary Event of Default under the Construction Loan Agreement or the receipt of formal written notice of any event, but for the giving of notice or the passage of time would constitute a monetary or material non-monetary Event of Default under the Construction Loan Agreement, and the existence of any other lien for borrowed money secured by the Land and the Development, other than liens established at the time of the Construction Loan;

(iii) A statement as to the execution of a Community Loan Agreement between the Owner and Tallgrass Creek, Inc. (the "Nonprofit"), and, thereafter, the existence of any material amendments to the Community Loan Agreement, any monetary or material non-monetary Event of Default as defined thereunder or any event which, but for the giving of notice or the passage of time, would constitute a monetary or material non-monetary Event of Default hereunder;

(iv) A statement as to the execution of a Master Lease and Use Agreement (the "Master Lease Agreement") between the Owner and the Non-Profit, and, thereafter, the existence of any material amendments to the Master Lease Agreement, any monetary or material non-monetary Event of Default as defined thereunder or any event which, but for the giving of notice or the passage of time, would constitute a monetary or material non-monetary Event of Default thereunder;

(v) A statement as to material changes, if any, in the form, organization or ownership of the Land and/or the Development (as described within the Limited Offering Memorandum under the subcaption "PROPOSED DEVELOPMENT OF TALLGRASS CREEK"); and

(vi) A statement as to the existence, to the best knowledge of the Owner, of any legislative, administrative or judicial challenges to the construction of the Project and the Development or the validity of the duly recorded plat or other public approvals for any section of the City within the Development which is expected to materially adversely affect the construction of the Project or the Development.

Section 3. Reporting of Significant Events. Whenever a key officer of the Owner obtains actual knowledge of the occurrence of one or more of the following events, the Owner shall contact the Administrator who shall immediately report such event to the Registrar and Paying Agent, the City and the Construction Lender as set forth herein:

(i) failure to pay any real property taxes (including the Special Assessments) levied within the Development on a parcel owned by the Owner, the Developer, the Landowner or any affiliate thereof;

(ii) material damage to or destruction of any development or improvements within the Development;

(iii) material default by the Owner, the Developer or any affiliate thereof on any loan with respect to the construction or permanent financing of the Development;

(iv) material default by the Owner, the Developer, or any affiliate thereof on any loan secured by property within the Development owned or leased by the Owner and the Developer or any affiliate thereof;

(v) the filing in bankruptcy by the Owner, the Developer or any affiliate thereof, or by any owner of more than 25% in interest in the Owner or the Developer, or any determination that the Owner, the Developer or any affiliate thereof, or an owner of more than 25% in interest in the Owner or the Developer is unable to pay its debts as they become due; and

(vi) the filing of any lawsuit with claim for damages in excess of \$1,000,000 against the Owner, the Developer or the Landowner which may adversely affect the completion of the Development or litigation in excess of \$1,000,000 which would materially adversely affect the financial condition of the Owner, the Developer or the Landowner.

Section 4. Provision of Information - Administrator. (a) The Administrator shall not later than November 30 of each year, commencing November 30, 2007, provide an Annual Report to each Repository and to Notice Holders. Each Annual Report shall contain or incorporate by reference the following:

(i) Any changes to the Assessment Procedure of the District since the report of the previous year;

(ii) Assessed valuation, any Special Assessment levy for all parcels within the District and the amount of Special Assessments collected in each fiscal year;

(iii) Listing of any District taxpayer or taxpayers representing more than five percent of the levy of Special Assessments in such fiscal year, the amount of the levy of Special Assessments against such landowners and the percentage of such Special Assessments relative to the entire levy of Special Assessments within the District; and

(iv) Any material changes in the types of public facilities constructed from those stated in the Limited Offering Memorandum and the status of completion of public facilities constructed or acquired with the proceeds of the Bonds since the report of the previous year of which the Administrator has actual knowledge.

(b) In addition to the Annual Report, the Administrator shall promptly provide to each Repository and Notice Holders such continuing disclosure information provided to the Administrator by the Owner as set forth in Sections 2 and 3 hereof so long as the Owner owns property in the Development.

Section 5. Termination of Reporting Obligation. The Owner's obligation under this Agreement shall terminate on the earlier of the time that the Owner no longer owns any property within the Development or the Bonds are repaid or defeased.

Section 6. Rights of Bondholders to Enforce Agreement. This Agreement is for the benefit of the parties hereto, the City and the Notice Holders from time to time. In the event of a failure by the Administrator or the Owner to comply with any provision contained herein, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause compliance with the obligations hereunder.

Section 7. Limited Liability of Developers and the Administrator. No person shall have any claim against either Developer, the Administrator, or any of their respective officers, officials, agents, or employees for damages suffered as a result of a Developer's or Administrator's failure to perform in any respect any covenant, undertaking, or obligation under this Agreement provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court of competent jurisdiction against a Developer, the Administrator, or any of their officers, officials, agents, or employees to specifically enforce the provisions of this Agreement pursuant to Section 7 of this Agreement. The Administrator accepts its responsibilities under this Agreement subject to the approval and execution of an agreement between the Administrator and the City relating to these services (the "Administration Agreement"). The Administrator may resign its duties under this Agreement as provided for in the Administration Agreement.

Section 8. Notices. Any notices or communications to or among any of the beneficiaries to this Agreement must be given as follows:

If to the Administrator:	MuniCap Inc. 8340 Governor Ridgeley Lane Ellicott City, Maryland 21043 Attention: Keenan Rice
If to the Owner:	Kansas Campus, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Executive Vice President, General Counsel
If to the City:	City of Overland Park City Hall 8500 Santa Fe Drive Overland Park, Kansas 66212
If to the Construction Lender:	

Section 8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Dated: _____, 2006

MUNICAP INC., as Administrator

By: _____
Name: Keenan Rice
Title: President

KANSAS CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

ACKNOWLEDGED:

CITY OF OVERLAND PARK

By: _____
Name: _____
Title: _____

Appendix F

**CITY OF OVERLAND PARK, KANSAS
TRANSPORTATION DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS
SERIES 2006
(TALLGRASS CREEK PROJECT)**

Certificate of Appraiser

The undersigned hereby states and certifies:

1. That he is an authorized principal of Senior Living Valuation Services, Inc., San Francisco, California (the "Appraiser") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Appraiser has prepared an appraisal report dated as of _____, 2006 (the "Appraisal Report") in connection with the Preliminary Limited Offering Memorandum dated _____, 2006 and the Limited Offering Memorandum dated _____, 2006 (together, the "Limited Offering Memorandum") for the \$13,960,000 the City of Overland Park, Kansas Transportation Development District Special Assessment Bonds, Series 2006 (the "Bonds").

3. That we hereby consent to the reproduction and use of the Appraisal Report, including the letter of transmittal, appended to the Limited Offering Memorandum. We also consent to the use of the references to our firm made in the Limited Offering Memorandum.

4. That the Appraiser has reviewed the information contained in the Limited Offering Memorandum under the sections entitled "INTRODUCTION – Appraisal Report and Appraiser," "SECURITY FOR THE BONDS – Appraised Property Values" and "SPECIAL RISK FACTORS – Appraised Value" and believes that such statements, as they pertain to the Appraisal Report, are fair and accurate in all material respects.

Dated: _____, 2006

By: _____
Name:
Title

Appendix G

**CITY OF OVERLAND PARK, KANSAS
TRANSPORTATION DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS
SERIES 2006
(TALLGRASS CREEK PROJECT)**

Certificate of Engineer

The undersigned hereby states and certifies:

1. That he/she is an authorized principal of V3 Consultants. (the "Engineer") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Engineer has prepared an engineer's report dated _____, 2006 (the "Engineer Report") in connection with the Preliminary Offering Memorandum dated _____, 2006 and the Limited Offering Memorandum dated _____, 2006 (together, the "Limited Offering Memorandum") for the \$13,960,000 the City of Overland Park, Kansas Transportation Development District Special Assessment Bonds, Series 2006 (the "Bonds").

3. That we hereby consent to the reproduction and use of the Engineer's Report, appended to the Limited Offering Memorandum. We also consent to the use of the references to our firm made in the Limited Offering Memorandum.

Dated: _____, 2006

By: _____
Name:
Title: