THE CITY OF LINCOLN, NEBRASKA

_____

ORDINANCE NO. _____

(Passed September ___, 2008

Approved _____, 2008)

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Authorizing Not to Exceed

$3,750,000

PEROT SYSTEMS REDEVELOPMENT PROJECT
TAXABLE TAX ALLOCATION BONDS, SERIES 2008

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ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $3,750,000 PEROT SYSTEMS TAX ALLOCATION BONDS, SERIES 2008, FOR THE PURPOSE OF (1) PAYING ALL OR PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING AND FURNISHING CERTAIN IMPROVEMENTS WITHIN THE CITY'S PEROT SYSTEMS REDEVELOPMENT PROJECT, INCLUDING ACQUIRING REAL ESTATE AND/OR INTERESTS IN REAL ESTATE IN CONNECTION THEREWITH, (2) PAYING THE INTEREST ON THE BONDS THROUGH AND INCLUDING NOVEMBER 1, 2008 AND (3) PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE BONDS; PLEDGING CERTAIN TAX ALLOCATION AND OTHER TAX REVENUES TO PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THE SAME BECOME DUE; LIMITING PAYMENT OF THE BONDS TO SUCH TAX ALLOCATION AND OTHER TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; AUTHORIZING THE SALE AND DELIVERY OF THE BONDS; DELEGATING, AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO EXERCISE HIS OWN INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING THE TERMS AND PROVISIONS WITH RESPECT TO THE BONDS NOT SPECIFIED HEREIN; PROVIDING FOR APPLICATION OF THE PROCEEDS OF THE BONDS; TAKING OTHER ACTION AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LINCOLN, NEBRASKA:

ARTICLE I

FINDINGS AND DETERMINATIONS; SUBPROJECT EFFECTIVE DATES

Section 1.1 Findings and Determinations. The Council (the **"Council"**) of The City of Lincoln, Nebraska (the **"City"**) hereby finds and determines as follows:

(a) Pursuant to Resolution No. A-84099 (the **"Resolution"**), the City approved the Northwest Corridors Redevelopment Plan (the **"Redevelopment Plan"**) under and pursuant to which the City shall undertake from time to time to redevelop and rehabilitate the Redevelopment Area (hereinafter defined).

(b) The Redevelopment Plan makes provision for a number of redevelopment projects within the Redevelopment Area (hereinafter defined), including the Perot Systems Project (hereinafter defined)

(c) The City has previously and will hereafter enter into such contracts and other agreements as shall be necessary in order to cause the Project to be developed, redeveloped and rehabilitated.

(d) The City has previously obligated itself, and will hereafter obligate itself, to acquire, construct, equip and furnish, at the cost and expense of the City, certain improvements, some or all of which may be accomplished through the City's public improvements executive order process and all of which will be located within the Project Area (hereinafter defined), in connection with the development, redevelopment and rehabilitation of the Project (collectively, the **"City Improvements"**), in accordance with and as

contemplated by the Redevelopment Plan, including, but not limited to, the acquisition of certain interests in real property and site preparation, and design and construction of public improvements on **[to be provided]**, University of Nebraska Technology Park 2nd Addition, Lincoln, Lancaster County, Nebraska (collectively, the **"Project"**).

(e) The City is authorized by the Redevelopment Law (hereinafter defined) and by its Home Rule Charter to issue tax allocation bonds for the purpose of paying the costs and expenses incident to acquiring, constructing, equipping and furnishing the City Improvements, and to refund tax allocation bonds previously issued by the City for such purposes.

(f) In order to provide the funds necessary to pay the costs of the Project to complete the City Improvements, the City shall issue its Bonds authorized herein payable in the manner provided for herein.

(g) It is necessary, desirable, advisable and in the best interests of the City to authorize, issue, sell and deliver not to exceed $3,750,000 in aggregate principal amount of its Perot Systems Tax Allocation Bonds (the **"Bonds"**) pursuant to this Ordinance for the purpose of paying the costs of the Project.

(h) All conditions, acts and things have been done or accomplished to authorize the Bonds to be issued.

Section 1.2. Effective Dates. Notwithstanding anything elsewhere herein to the contrary, for the purposes of Section 18-2147 of the Redevelopment Law the effective date for the Project shall be as determined by action of the Council in accordance with the provisions of law pursuant to Section 18-2147 of the Redevelopment Law and in accordance with the Redevelopment Plan.

ARTICLE II

CERTAIN DEFINITIONS; COMPUTATIONS; CERTIFICATES AND OPINIONS; ORDERS AND DIRECTIONS

Section 2.1. Definitions of Special Terms. Unless the context shall clearly indicate some other meaning or may otherwise require, and in addition to those terms defined elsewhere herein, the terms defined in this **Section 2.1** shall, for all purposes of this ordinance and of any ordinance or other instrument amendatory hereof or supplemental hereto and of any certificate, opinion, instrument or document herein or therein mentioned, have the meanings herein specified, with the following definitions to be equally applicable to both the singular and plural forms of any terms herein defined:

"Assessor" means the Assessor of Lancaster County, Nebraska.

"Authorized Investments" means:

(a) Any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any Federal agency to the extent unconditionally guaranteed by the United States of America, and any certificates or any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this paragraph (a);

(b) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable prior to maturity or (B) as to which irrevocable instructions have been given to the trustee or paying agent of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in paragraph (a) above which fund may be applied only to the payment of such principal or redemption price of and interest on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in (1) of this paragraph (b), as appropriate, (3) as to which the principal of and interest on the bonds and obligations of the character described in paragraph (a) above which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal or redemption price of and interest on the bonds or other obligations described in this paragraph (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in (1) of this paragraph (b) as appropriate, and any certificates or any other evidences of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this paragraph (b);

(c) Any bonds or other obligations or specified portions thereof (which may consist of specified portions of the interest thereon) which the Finance Director determines are of credit quality essentially equivalent to the investments described in paragraph (a) above, and any certificates or any other evidences of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this paragraph (c);

(d) Bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(e) New housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(f) Obligations of any state of the United States of America, or of any agency, instrumentality or local government unit of any such state which are, at the time of purchase, rated by either Moody's or S&P, or any successor to Moody's or S&P, in either of its two highest whole rating categories, for comparable types of debt obligations;

(g) Certificates of deposit, whether negotiable or non-negotiable, issued by any bank or trust company organized under the laws of any state of the United States or any national banking association (including the Registrar) or any savings and loan association, in each case, which shall have provided the bond required by Section 15-846, Reissue Revised Statutes of Nebraska, as amended, and is an insured depository institution (as defined in 12 U.C.C. §§ 1801 et seq.) provided that the aggregate principal amount of all certificates of deposit issued by any such bank, trust company, national banking association or savings and loan association which are purchased with money held in any fund or account under this Ordinance shall not exceed at any time 10% of the total capital, surplus and undivided earnings of such bank, trust company, national banking association or savings and loan association unless such certificates of deposit are (1) fully insured by the Federal Deposit Insurance Corporation or (2) secured, to the extent not insured by the Federal Deposit Insurance Corporation, by such securities as are described in paragraphs (a) through (f) or (h)

through (k) of this definition having market value (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at least equal to the principal amount of such certificates of deposit (or portion thereof not insured by the Federal Deposit Insurance Corporation) which shall be lodged with the City Treasurer, the Registrar or another fiduciary, as custodian, by such bank, trust company, national banking association or savings and loan association, and such bank, trust company, national banking association or savings and loan association shall furnish the City Treasurer or the Registrar, as the case may be, with an undertaking satisfactory to him that the aggregate market value of all such obligations securing such certificates of deposit will at all times be an amount which meets the requirements of this clause (2) and the City Treasurer or Registrar, as the case may be, shall be entitled to rely on each such undertaking;

(h) Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are, at the time of purchase, rated by either Moody's or S&P in either of its two highest whole rating categories, for comparable types of debt obligations;

(i) Any repurchase agreement which is secured by any one or more of the securities described in paragraphs (a), (b), (c), (d), or (e) above;

(j) Interests in a portfolio of debt instruments containing only obligations described in any of the foregoing paragraphs, including, without limitation a mutual fund or a money market fund satisfying the requirements of this paragraph (j) and;

(k) Any other obligations which are, at the time of purchase, rated by either Moody's or S&P or which are guaranteed or provided by an entity which is rated by either Moody's or S&P in either of its two highest whole rating categories.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Year" means Fiscal Year.

"Bonds" means any Bond, some of the Bonds or all of the Bonds of the City issued from time to time pursuant to and under the authority of this Ordinance at any time outstanding.

"Book-Entry-Only Bonds" means the Bonds registered in the name of a nominee of DTC as the registered owner thereof pursuant to the terms and provisions hereof.

"City Improvements" shall have the meaning specified in **Section 1.1(d)**.

"Clerk" means the Clerk of the City.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"Construction Fund" shall have the meaning specified in **Section 6.1**.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Debt Service" means, as of any particular date of computation, with respect to any Bonds and with respect to any period, the aggregate of the amounts to be paid or set aside as of such date or in such period for the payment of the principal of (including sinking fund installments), premium, if any, and interest (to the extent not capitalized) on such Bonds.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the state of New York, and its successors and assigns.

"Escrow Obligations" means (a) Government Obligations, (b) certificates of deposit issued by a bank or trust company which are (1) fully insured by the Federal Deposit Insurance Corporation or similar corporation chartered by the United States or (2) secured by a pledge of any Government Obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Registrar or the City Treasurer, as the case may be, or (c)(1) evidences of a direct ownership in future interest or principal on Government Obligations, which Government Obligations are held in a custody account by a custodian satisfactory to the Registrar or the City Treasurer, as the case may be, pursuant to the terms of a custody agreement in form and substance acceptable to the Registrar or the City Treasurer, as the case may be, and (2) obligations issued by any state of the United States or any political subdivision, public instrumentality or public authority of any state, which obligations are fully secured by and payable solely from Government Obligations, which Government Obligations are held pursuant to an agreement in form and substance acceptable to the Registrar or the City Treasurer, as the case may be, and, in any such case, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient money to make the payment secured thereby.

"Finance Director" means the Finance Director, or Acting Finance Director as the case may be, of the City.

"Fiscal Year" means the twelve-month period established by the City or provided by law from time to time as its fiscal year.

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Interest Payment Date" means each date established for the payment of interest on Bonds.

"Moody's" means Moody's Investors Service, a corporation, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City (other than S&P).

"Ordinance" means this ordinance as from time to time amended or supplemented.

"Outstanding" when used with reference to Bonds means, as of any date, all Bonds theretofore issued and not yet paid or discharged under the terms of this Ordinance.

"Owner" means the registered owner of any Outstanding Bond.

"Participant" means those entities recognized as Participants by DTC.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Principal Payment Date" means each date established for the payment of principal on Bonds.

"Project" shall have the meaning specified in **Section 1.1(d)**.

"Project Area" means the area within the Redevelopment Area described, defined or otherwise identified or referred to in the Redevelopment Plan as being the boundaries of the Project.

"Project Revenues" means all net rents, proceeds, revenues and other income derived by the City by virtue of any lease, sale, conveyance or other disposition of any part of the Project, plus all sums received by the City as a result of damage to or destruction or condemnation of the Project, but shall not mean any part of the Tax Revenues.

"Project Valuation" means a valuation of the Project dated as of such date as shall be, or shall have previously been, determined by the Council in accordance with Section 18-2147 of the Redevelopment Law and in accordance with the Redevelopment Plan, and which shall be, or shall have heretofore been (as the case may be), provided by the Assessor to the City at the City's request pursuant to Section 18-2148 of the Redevelopment Law.

"Record Date" means the 15th date preceding the applicable Interest Payment Date.

"Redemption Account" shall have the meaning specified in **Section 6.1**.

"Redemption Price" means, with respect to Bonds or a portion thereof, the principal amount of such Bonds or portion thereof plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms and this Ordinance.

"Redevelopment Area" means the community redevelopment area described, defined or otherwise identified or referred to in the Redevelopment Plan.

"Redevelopment Law" means Section 12 of Article VIII of the Constitution of the State and Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, as amended.

"Redevelopment Plan" means the "Northwest Corridors Redevelopment Plan" passed, adopted and approved by the City pursuant to Resolution A-84099, and shall include any amendment of such Redevelopment Plan made by the City pursuant to law.

"Refunding Bonds" means Bonds herein authorized to be issued pursuant to **Article V**.

"Registrar" means Wells Fargo Bank, National Association, registrar and paying agent with respect to the Bonds.

"S&P" means Standard & Poor's, a Division of The McGraw-Hill Companies, a corporation, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no

longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City (other than Moody's).

"Special Fund" shall have the meaning specified in **Section 6.1**.

"State" means the State of Nebraska.

"Tax Revenues" means, with respect to the Project, (a) those tax revenues referred to in the last sentence of the first paragraph of Section 12 of Article VIII of the Constitution of the State and in Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, (b) all payments made in lieu thereof, and (c) such taxes, if any, as may be levied and collected by the City pursuant to the provisions of Section 18-2107(11) of the Redevelopment Law for the purpose of paying debt service on the Bonds.

"Taxable Bonds" means Bonds of any Series issued by the City, the interest on which is intended by the City to be includable in gross income for federal income tax purposes.

"Treasurer" means the Treasurer of Lancaster County, Nebraska.

"Urban Development Director" means the Urban Development Director of the City.

Section 2.2. Definitions of General Terms. Unless the context shall clearly indicate otherwise or may otherwise require, in this Ordinance words importing persons include firms, partnerships, associations, corporations (public and private), public bodies and natural persons, and also include executors, administrators, trustees, receivers or other representatives.

Unless the context shall clearly indicate otherwise or may otherwise require, in this Ordinance the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance as a whole and not to any particular section or subdivision thereof.

Unless the context shall clearly indicate otherwise or may otherwise require, in this Ordinance: (i) references to Articles, Sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding Articles, Sections or subdivisions of this Ordinance as such Articles, Sections or subdivisions may be amended or supplemented from time to time; and (ii) the word "heretofore" means before the time of passage of this Ordinance, and the word "hereafter" means after the time of passage of this Ordinance.

Section 2.3. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Ordinance shall be made on the assumption that the principal of and interest on all Bonds shall be paid as and when the same become due.

Section 2.4. Certificates, Opinions and Reports. Except as otherwise specifically provided in this Ordinance, each certificate, opinion or report with respect to compliance with a condition or covenant provided for in this Ordinance shall include: (a) a statement that the person making such certificate, opinion or report has read the pertinent provisions of this Ordinance to which such covenant or condition relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate, opinion or report are based; (c) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied

with; and (e) an identification of any certificates, opinions or reports or other sources or assumptions relied on in such certificate, opinion or report.

Any opinion of counsel may be qualified by reference to the exercise of judicial discretion, the constitutional powers of the United States of America, the sovereign police powers of the State, and to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights.

Section 2.5. Evidence of Action by the City. Except as otherwise specifically provided in this Ordinance, any request, direction, command, order, notice, certificate or other instrument of, by or from the City shall be effective and binding upon the City for the purposes of this Ordinance if signed by the Mayor, the Council Chair, the Clerk, the City Treasurer, the Finance Director, the City Attorney or by any other person or persons authorized to execute the same by statute, charter or by an ordinance or resolution of the City.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS; GENERAL TERMS AND PROVISIONS

Section 3.1. Authorization of Bonds. Pursuant to, and in full compliance with, the Redevelopment Law and the Home Rule Charter of the City, and this Ordinance, and for the purpose of providing funds (a) to pay the cost of acquiring, constructing, equipping and furnishing the Project, (b) to pay the interest on the Bond through and including November 1, 2008, and (c) to pay expenses incidental thereto, there shall be issued, under and pursuant to this Ordinance, Bonds of the City in the amount and subject to the conditions herein provided. The principal or Redemption Price of and interest on all such Bonds shall be payable solely from the Tax Revenues and any other money pledged or made available pursuant to this Ordinance for their payment, and all of the covenants, agreements and provisions of this Ordinance shall be for the benefit and security of all and singular the present and future Owners without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

The Bonds shall be issued at the time determined by the Finance Director for the purpose of (a) paying the costs of acquiring, constructing, equipping and furnishing the Project by the City, (b) paying the interest accruing and falling due on the Bonds through and including November 1, 2008, and (c) paying expenses incurred in connection with the issuance of Bonds. The Bonds shall be designated as "The City of Lincoln, Nebraska, Perot Systems Redevelopment Project Taxable Tax Allocation Bonds," shall be stated to mature, subject to the right of prior redemption, in such year or years not later than December 31, 20__, and shall bear interest computed on the basis of a 360-day year consisting of twelve 30-day months at a rate or rates not exceeding ____%, as determined by the Finance Director.

The Bonds, together with interest thereon, shall be special, limited obligations of the City payable solely from the Tax Revenues and shall be a valid claim of the respective Owners only against (a) the Tax Revenues, (b) the proceeds from the sale of the Bonds to the extent held in the funds and accounts established by this Ordinance (other than the Rebate Account), and (c) amounts on deposit in the funds and accounts established by this Ordinance (other than the Rebate Account).

The Bonds shall not in any event be a debt of the City (except to the extent of the pledge of the Tax Revenues and other money pledged under this Ordinance), the State, nor any of its political subdivisions and neither the City (except to the extent of the pledge of the Tax Revenues and other money and securities

pledged under this Ordinance), the State nor any of its political subdivisions is liable in respect thereof, nor in any event shall the principal or Redemption Price of or interest on the Bonds be payable out of any funds or properties other than those of the City specified in this Ordinance. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither any officials of the City nor any persons executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

The validity of the Bonds is not and shall not be dependent upon the completion of the Project or upon the performance by anyone of his obligation relative to the Project.

Nothing in this Ordinance shall preclude: (a) the payment of the Bonds from the proceeds of future Bonds issued pursuant to law or (b) the payment of the Bonds from any legally available funds. Nothing in this Ordinance shall prevent the City from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Ordinance.

The Tax Revenues and such other funds are hereby pledged and assigned for the equal and ratable payment of the Bonds, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Ordinance. The Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the City, and the City shall not be liable for the payment thereof out of any money of the City other than the Tax Revenues and the other funds hereinbefore referred to.

Section 3.2. Form of Bonds Generally. The definitive Bonds are issuable in registered form in denominations of $5,000 or any integral multiple thereof. The Bonds issued under the provisions of this Article shall be substantially in the form set forth in **Article IX**, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance and with such additional changes as the Finance Director may deem necessary or appropriate. All such Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto.

Section 3.3. Details of Bonds; Authority of Finance Director.

(a) Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or, unless authenticated prior to the first Interest Payment Date, in which event it shall bear interest from its date of original issue; provided, however, that if at the time of authentication of any Bond, interest is in default, such Bond shall bear interest from the date to which interest has been paid.

(b) Both the principal of and the interest on each Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of all Bonds upon maturity or the Redemption Price payable upon redemption prior to maturity and the interest due thereon shall be payable at the principal office of the Registrar, upon presentation and surrender of such Bonds as the same shall become due and payable. Payment of the interest on each Bond due prior to maturity or earlier redemption shall be by check mailed by the Registrar on each Interest Payment Date to the person whose name appears on the registration books of the Registrar as the registered owner thereof, at such registered owner's address as it appears on such registration books on the Record Date.

(c) Each Bond shall be executed by the manual or facsimile signatures of the Mayor and the Finance Director and the original or a facsimile of the official seal of the City shall be impressed or printed thereon. In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and also any Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(d) The Finance Director is hereby authorized to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Ordinance, (1) the date of original issue of the Bonds and the manner of numbering, (2) the principal amount of the Bonds to be issued, which shall in no event exceed an aggregate of $3,750,000 in original principal amount, (3) the Principal Payment Date(s) for each the Bonds and the principal amount of the Bonds to mature on each of such dates, (4) the date of final maturity of the Bonds, which shall in no event be later than December 31, 20__, (5) the date or dates upon which the Bonds shall be sold at a negotiated sale, the purchase price to be paid therefore (which shall not be less than ninety-eight percent (98.00%) of the principal amount thereof, and the identity of the purchaser or purchasers thereof and the form and contents of any purchase agreement for the Bonds, (6) the rate or rates of interest to be carried by the Bonds (not to exceed _____% for any maturity), (7) whether or not the Bonds shall be subject to redemption prior to their stated maturity, and if subject to such prior redemption the provisions governing such prior redemption, the Redemption Price (not to exceed 104% of the principal amount then being redeemed) payable upon such redemption and the respective periods in which differing Redemption Prices shall be payable, and (8) all of the other terms and provisions of each Series of Bonds not otherwise specified or fixed by the provisions of this Ordinance.

(e) Notwithstanding any other provision of this Ordinance, Book-Entry-Only Bonds held by DTC shall be paid in accordance with **Section 3.3(f)**.

(f) The Bonds shall all be initially issued as Book-Entry-Only Bonds and shall be subject to the following provisions:

(1) Except as otherwise provided in **Sections 3.3(f)(3)** and **(4)**, the registered owner of all of the Bonds shall initially be Cede & Co., as nominee for DTC. Payment of semiannual interest for any Bond registered as of each record date in the name of Cede & Co. shall be made by wire transfer of New York clearinghouse or equivalent next-day funds to the account of Cede & Co. on the Interest Payment Date for the Bonds at the address indicated on the record date for Cede & Co. in the registry books of the City kept by the Registrar.

(2) The Bonds shall be initially issued in the form of separate single authenticated fully registered Bonds in the amount of each separate stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the registry books of the City kept by the Registrar in the name of Cede & Co., as nominee of DTC. The Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and neither the Registrar nor the City shall be affected by any notice to the contrary. Neither the Registrar nor the City shall have any

responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books of the Registrar as being a Owner, with respect to the accuracy of any records maintained by DTC or any Participant, the payment by DTC or any Participant of any amount in respect of the principal or Redemption Price of or interest on the Bonds; any notice which is permitted or required to be given to Owners; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as Owner. The Registrar shall pay all of the principal of or Redemption Price and interest on the Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal of or Redemption Price and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions of **Sections 3.3(f)(3)** and **(4)**, no person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal of or Redemption Price and interest pursuant hereto. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." herein shall refer to such new nominee of DTC.

(3) If DTC gives notice to the City or the Registrar pursuant to its representation letter that it will discontinue providing its services as securities depository with respect to the Bonds, the City shall either appoint a successor securities depository or terminate the book-entry system for the Bonds.

(A) Any successor securities depository must be a clearing agency registered with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934 and must enter into an agreement with the City and the Registrar agreeing to act as the depository and clearing agency for all the Bonds. After such agreement has become effective, DTC shall present the Bonds for registration of transfer and the Registrar shall register them in the name of the successor securities depository or its nominee. If a successor securities depository has not accepted such position prior to the effective date of DTC's termination of its services, the book-entry system shall automatically terminate and may not be reinstated without the consent of all the registered Owners of the Bonds.

(B) If the City elects to terminate the book-entry system for the Bonds, it shall so notify the Registrar in writing received by the Registrar not less than thirty (30) days in advance of such date of termination, which date shall be stated in such notice. Not less than ten (10) days in advance of such termination date the City shall provide the Registrar with such number of blank bond certificates as the City and the Registrar shall mutually agree upon. From and after such termination date, upon presentation of the Bonds, or any of them, by DTC or its nominee to the Registrar for registration of transfer, the Registrar shall register the transfer and all provisions of **Section 3.3(f)** shall immediately cease to be in effect.

(4) The City may elect to terminate the book-entry system for the Bonds at any time by giving written notice to DTC and the Registrar. On the effective date of such termination, the provisions of this **Section 3.3(f)** shall cease to be in effect, except that the Registrar shall continue to comply with applicable provisions of the representation letter with respect to Bonds as to which DTC remains the registered Owner. After such termination, the Registrar shall, upon presentation of

Bonds by DTC or its nominee for registration of transfer or exchange, make such transfer or exchange.

(5) Upon the appointment of a successor securities depository or termination of the book-entry system, the Registrar shall give notice of such event to the registered Owners of Bonds (through DTC) and (A) of the name and address of the successor securities depository or (B) that Bonds may now be obtained by the Beneficial Owners, or their nominees, upon proper instructions being given to DTC by the relevant Participant and compliance by DTC with the provisions hereof regarding registration of transfers.

(6) Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC (or any successor nominee), all payments with respect to the principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the representation letter.

(7) In connection with any notice or other communication to be provided to Owners, the City or the Registrar, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 30 calendar days in advance of such record date to the extent possible.

(8) Bonds issued upon transfer or exchange of Bonds shall be dated as of the date of original issue or the Interest Payment Date six months preceding the Interest Payment Date next following the date of registration thereof in the office of the Registrar, as shall be appropriate, unless such date of registration shall be an Interest Payment Date, in which case they shall be dated as of such date of registration; provided, however, that if, as shown by the records of the Registrar, interest on the Bonds shall be in default, the Bonds issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered; and provided further, that if the date of registration shall be prior to the first interest payment date, the Bonds shall be dated as of their date of original issue. The Bonds shall bear interest from their date of original issue.

(9) When any of the Bonds shall have been duly called for redemption and payment thereof duly made or provided for, interest thereon shall cease from and after the date specified for the redemption thereof.

(10) The Bonds, registration provisions, form of authentication and form of assignment pertaining thereto shall be substantially in the forms set forth below with such changes as may be determined by the Finance Director and such other necessary or appropriate variations, omissions and insertions as are incidental to numbering, denominations, interest rate or rates, registration provisions, redemption provisions and other details thereof or as are otherwise permitted or required by law or this Ordinance.

(11) The net proceeds derived by the City from issuance and sale of the Bonds shall be applied by the Finance Director to (A) the payment of the costs of the Project, (B) paying the interest accruing and falling due on the Bonds through and including November 1, 2008, (C) the payment of the costs of issuance of the Bonds, and (D) for such other purposes related to the Project and the City Improvements as the Finance Director may direct.

Section 3.4. Authentication of Bonds. Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Registrar shall be entitled to any benefit or security under this Ordinance. No Bonds shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Registrar, and such certificate of the Registrar upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Section 3.5. Exchange of Bonds. Bonds, upon surrender thereof at the principal office of the Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Registrar, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by this Ordinance and bearing interest at the same rate, and in the same form as the Bonds surrendered for exchange.

The City shall make provision for the exchange of the Bonds at the principal office of the Registrar.

Section 3.6. Negotiability, Registration and Transfer of Bonds. The Registrar is hereby appointed as Registrar for the Bonds and as such shall keep books for the registration and registration of transfer of Bonds as provided in this Ordinance. The transfer of any Bond may be registered only upon the books kept for the registration and registration of transfer of Bonds upon surrender thereof to the Registrar, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration of transfer the City shall execute and the Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Ordinance in an aggregate principal amount equal to the principal amount of such Bond surrendered or exchanged, of the same Series and maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the City shall execute and the Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Registrar. Neither the City nor the Registrar shall make a charge for the first such exchange or registration of transfer of any Bond for each Owner. The City or the Registrar, or both, may make a charge for shipping, printing and out-of-pocket costs for every subsequent exchange or registration of transfer of any Bond sufficient to reimburse it or them for any and all costs required to be paid with respect to such exchange or registration of transfer. Neither the City nor the Registrar shall be required to make any such exchange or registration of transfer of Bonds during the period between the relevant Record Date and the Interest Payment Date or, in the case of any proposed redemption of Bonds, after notice of the redemption of such Bonds or any portion thereof shall have been given pursuant to Article IV.

Section 3.7. Ownership of Bonds. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and interest on such Bond and the interest on any such Bond shall be made only to or upon the order of the Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

Section 3.8. Disposition and Destruction of Bonds. All Bonds surrendered to the Registrar for payment shall be canceled upon such payment by the Registrar and, upon written request of the Finance Director, shall be destroyed.

Section 3.9. CUSIP Identification Numbers. At the sole option of the Finance Director, CUSIP identification numbers may be printed on the Bonds, but no such number shall be deemed to be a part of any Bond or a part of the contract evidenced thereby, and no liability shall attach to the City or any officer or agent thereof (including without limitation the Registrar) because of or on account of such CUSIP identification numbers or any use made thereof.

Section 3.10. Registrar. (a) Wells Fargo Bank, National Association is hereby appointed as Registrar with respect to the Bonds. The Registrar shall serve in its capacities under the terms of an agreement entitled "Bond Registrar and Paying Agent Agreement" (the **"Registrar's Agreement"**) between the City and the Registrar in substantially the form of **Exhibit A** attached hereto and made a part hereof. The Finance Director is hereby authorized to execute the Registrar's Agreement. If the Registrar shall merge or consolidate with another entity and the resulting entity is a bank or trust company authorized by law to conduct such business, such resulting entity shall serve as Registrar. The City reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the Bond register to the successor Registrar. The Registrar shall have only such duties and obligations as are expressly stated herein and in the Registrar's Agreement and no other duties or obligations shall be implied to the Registrar.

(b) The Registrar shall keep and maintain for the City books for the registration and transfer of the Bonds at its designated office. The names and registered addresses of the registered owner(s) of the Bonds shall at all times be recorded in such books. Any Bond may be transferred pursuant to its provisions at the designated office by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Registrar, on behalf of the City, will deliver at such offices (or send by registered mail to the transferee owner(s) thereof at such transferee owner's or owners' risk and expense), registered in the name of the transferee owner(s), a new Bond or Bonds of the same interest rate, aggregate principal amount and maturity, bearing numbers not contemporaneously then outstanding. To the extent of the denominations authorized for the Bonds by this Resolution, one Bond may be transferred for several such bonds of the same interest rate and maturity and for a like aggregate principal amount, and several Bonds may be transferred for one or several bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bonds shall be canceled and destroyed. The Registrar may impose a charge sufficient to defray all costs and expenses incident to registrations of transfer and exchange. In each case, the Registrar shall require the payment by the registered owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. Bonds issued upon transfer or exchange of Bonds shall be dated as of the date six months preceding the Interest Payment Date next following the date of registration thereof in the offices of the Registrar, unless such date of registration shall be an Interest Payment Date, in which case they shall be dated as of such date of registration; provided, however, that if, as shown by the records of the Registrar, interest on the Bonds shall be in default, the Bonds issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered; and provided further, that if the date of registration shall be prior to the first Interest Payment Date, the Bonds shall be dated the date of original issue. All bonds issued upon transfer of the Bonds so surrendered shall be valid obligations of the City, evidencing the same obligations as the Bonds surrendered and shall be entitled to all the benefits and protection of this Resolution to the same extent as

the Bonds upon transfer of which they were delivered. The City and the Registrar shall not be required to transfer any Bond during any period from any Record Date until the immediately following Interest Payment Date or to transfer any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

(c) The Registrar shall also be responsible for making the payments of principal and interest on the Bonds as the same become due from funds transferred to it by the City for such purpose, which transfers are hereby authorized without further action or order of the City. Payments of interest due upon the Bonds shall be made by the Registrar by mailing a check in the amount due for such interest on each Interest Payment Date to the registered owner of each Bond addressed to such owner's registered address as of the Record Date as shown on the books of registration required to be maintained pursuant to this section. Payments of principal due at maturity or upon redemption prior to maturity shall be made by the Registrar upon presentation and surrender of such Bond at the designated office of the Registrar. The City and the Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payment thereon and for all other purposes. All payments on account of principal or interest made to the registered owner of any Bond shall be valid and effectual and shall be a discharge of the City and the Registrar in respect of the liability upon such Bond or claims for interest to the extent of the sum or sums so paid. Notwithstanding the foregoing, Bonds issued in book-entry form shall be paid in accordance with **Section 3.3**.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.1. Redemption of Bonds. At the option of the City, the Bonds may be made subject to redemption, both in whole and in part and at such times and Redemption Prices, as determined by the Finance Director in accordance with the provisions of **Section 3.3(d)**.

Section 4.2. Redemption at the Direction of the City. In the case of any redemption of any Bonds at the direction of the City, the Finance Director will select the maturities and principal amounts of the Bonds to be redeemed and the Finance Director shall give written notice to the Registrar specifying the redemption date and the maturities and amounts to be redeemed, and directing the Registrar to give notice of redemption to the Owners of Bonds selected for redemption. The City shall give such notice at least 15 business days (or such shorter period as may be agreed to by the Registrar) before the last day on which the Registrar may give notice of redemption to the Owners of the Bonds.

Section 4.3. Redemption Otherwise than at the City's Direction. Whenever the Registrar is required or authorized to redeem Bonds otherwise than at the direction of the City, the Registrar shall, subject to receipt of any notice from the City pursuant to **Section 4.4**, select the Bonds to be redeemed and shall give the notice of redemption.

Section 4.4. Selection of Bonds to be Redeemed. If less than all Bonds are to be redeemed, the maturities of Bonds to be redeemed may be selected by the City. The City shall give written notice of its selection not later than 15 business days (or such shorter period as may be agreed to by the Registrar) before the last day on which the Registrar may give notice of redemption to the Owners of the Bonds of that Series. If the City does not give notice of its selection, the Registrar shall select the Bonds to be redeemed in inverse order of maturity. If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Registrar in such manner as the Registrar in its discretion may deem fair and appropriate.

Section 4.5. Notice of Redemption. Each notice of redemption of Bonds shall be mailed by first class mail by the Registrar, not less than 30 days prior to the redemption date, to each Owner whose Bonds are called for redemption. Each notice of redemption shall state the distinguishing designation of the Series of Bonds to which such notice relates, the date of issue of such Series of Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Registrar), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of such Bonds, the Redemption Price thereof or of such specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Registrar specified in the redemption notice. Neither the City nor the Registrar shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the City nor the Registrar shall be liable for any inaccuracy in such numbers.

Failure of any Owner to receive notice or any defect in any such notice shall not affect the sufficiency of the proceedings for redemption.

Section 4.6. Payment of Redeemed Bonds. Notice having been given in the manner provided in **Section 4.5**, the Bonds, or portions thereof so called for redemption, shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there shall be drawn for redemption a portion of a Bond, the City shall execute, and the Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond of like Series and maturity in any authorized denomination. If, on the redemption date, money for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the redemption date, shall be available therefor on such date and if notice of redemption shall have been given as provided, then, from and after the redemption date interest on the Bonds or portion thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If such money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.7. Cancellation of Redeemed Bonds. All Bonds surrendered or redeemed pursuant to the provisions of this Article shall be canceled.

ARTICLE V

REFUNDING BONDS

Section 5.1. Refunding Bonds. Refunding Bonds may be issued at any time by the Finance Director for the purpose of refunding (including by purchase) at any time any Bond or Bonds, including

amounts to pay principal and interest to the date of maturity or redemption (or purchase) and the expenses of issuing the Refunding Bonds and of effecting such refunding.

ARTICLE VI

CREATION OF FUNDS AND ACCOUNTS; PAYMENTS THEREFROM; INVESTMENT OF MONEY

Section 6.1. Creation of Funds. There are hereby created and established by the City two special trust funds called, respectively, (a) the "Perot Systems Redevelopment Project Tax Allocation Construction Fund" (the **"Construction Fund"**), and (b) the "Perot Systems Redevelopment Project Tax Allocation Special Fund" (the **"Special Fund"**), which funds shall be held by the Finance Director of the City separate and apart from all other funds and money of the City under his control.

There are hereby created and established in the Special Fund the following special trust accounts: (a) a Debt Service Account, (b) a Redemption Account, (c) an Improvements Account, and (d) a Surplus Account.

So long as any of the Bonds, or any interest thereon, remain unpaid, the money in the foregoing funds and accounts shall be used for no purpose other than those required or permitted by this Ordinance, any ordinance supplemental to or amendatory of this Ordinance and the Redevelopment Law.

Section 6.2. Construction Fund. Proceeds from sale of the Bonds shall be deposited in the Construction Fund in accordance with the provisions of **Section 6.5(c)** and shall be applied solely in payment of costs and expenses incident to the Project, including the cost of any lawful purpose in connection with any other of the City Improvements, any costs of construction and acquisition with respect to the Project incurred by the City prior to the adoption of the Ordinance, and the necessary expenses in connection with the issuance and sale of the Bonds.

If any balance remains in the Construction Fund after the full accomplishment of the Project and such other purposes for which the Bonds were issued, such balance shall be transferred to the Special Fund and applied as is other money in that fund.

Section 6.3. Tax Revenues. As provided for in the Redevelopment Plan, and pursuant to the provisions of the Redevelopment Law, for the period contemplated thereby, the Tax Revenues shall be allocated to and, when collected, paid into the Special Fund to pay the principal and interest due in connection with the Bonds. When the Bonds, including interest and all other indebtedness and costs of construction incurred by the City in connection with the City Improvements, including, but not limited to, the Project, have been paid, the Tax Revenues shall be applied as provided for in the Redevelopment Law.

The Tax Revenues are hereby allocated and pledged in their entirety to the payment of the principal and interest on the Bonds and to the payment of the costs of the City Improvements (including the Project) as provided herein, and until all of the Bonds and all interest thereon and all costs of construction incurred by the City in connection with the City Improvements, including the Project, have been paid (or until money for that purpose have been irrevocably set aside), the Tax Revenues shall be applied solely to the payment of the Bonds and the interest thereon and all costs of construction incurred by the City in connection with the City Improvements, including the Project, as provided herein. Such allocation and pledge is and shall be for the sole and exclusive benefit of the Owners of the Bonds and shall be irrevocable.

The City covenants and agrees that if, at any time, the Tax Revenues consisting of (a) those tax revenues referred to in the last sentence of the first paragraph of Section 12 of Article VIII of the Constitution of the State and in Section 18-2147 Reissue Revised Statutes of Nebraska, as amended, and (b) all payments made in lieu thereof are insufficient to pay the principal of and interest on the Bonds as and when the same shall become due, the City shall, in addition to all other taxes, levy and collect such taxes pursuant to the provisions of Section 18-2107(11) of the Redevelopment Law at such times and in such amounts as shall be necessary to pay in full the principal of and interest on the Bonds, when and as the same shall become due.

In accordance with the provisions of Section 18-2150 of the Redevelopment Law, a copy of this **Section 6.3** shall be certified by the Clerk and filed by the Clerk with the Assessor and with the Treasurer.

Section 6.4. Special Fund. All Tax Revenues and Project Revenues shall be deposited in the Special Fund. The Tax Revenues and Project Revenues accumulated in the Special Fund shall be used in the following priority; provided, however, that to the extent of credits made to any of the accounts referred to below from the proceeds of the sale of the Bonds or otherwise, the credits so provided for below need not be made:

(a) ***Debt Service Account***. Credits shall be made into the Debt Service Account so that the balance in such Account prior to the date of the payment of any installment of Debt Service on the Bonds shall be equal to the amount of Debt Service due at such installment payment date. Money in the Debt Service Account shall be used solely for the payment of Debt Service on the Bonds as the same become due, and, after such payment, the Account shall be restored by further deposits to the required balance. Any amounts representing interest capitalized from the proceeds of Bonds shall also be deposited in the Special Fund for credit to the Debt Service Account.

(b) ***Improvements Account***. All of the Project Revenues and all of the Tax Revenues on hand on the date of issue, sale and delivery of the initial Series of Bonds issued hereunder shall be credited to the Improvements Account and applied by the City in the following order of priority: (1) to pay the costs of the City Improvements, including, but not limited to, the 2008 Project, and (2) to pay the costs incurred in connection with other public improvements within the Project Area.

(c) ***Surplus Account***. After the credits required by **Sections 6.4(a)** and **(b)** have been made so that the required amounts as of that time are in the above mentioned accounts, credits shall next be made into the Surplus Account. If the Tax Revenues to be received for the next Fiscal Year by the City, based upon the most recent assessed valuation of taxable property of the Project furnished by the Assessor, are at least equal to the Debt Service due in the next Fiscal Year, then any money in the Surplus Account in any Fiscal Year after making the transfers required by **Sections 6.4(a)** and **(b)** shall be used and applied by the City, and in the order of priority stated, to (1) pay the costs of the City Improvements, including, but not limited, to the Project, (2) purchase and/or call and redeem Bonds, or (3) pay the costs incurred in connection with providing other public improvements within the Redevelopment Area.

(d) ***Redemption Account***. On or prior to the date of redemption of the Bonds, the Finance Director shall deposit in the Redemption Account money allocated for the purpose and in amounts sufficient to redeem the Bonds to be redeemed on such date. Such money shall be deposited in the Redemption Account solely for that purpose and shall be applied on or after the redemption date to the payment of the Redemption Price of the Bonds to be redeemed upon presentation and surrender of such Bonds. Any interest due on or prior to the redemption date shall be paid from the Special Fund.

Section 6.5. Application of Proceeds. Upon receipt of the proceeds of the Bonds, such proceeds shall be applied as follows:

(a) Accrued interest, if any, received upon the issuance of the Bonds shall be deposited into the Debt Service Account of the Special Fund and used to pay interest falling due on the Bonds on the first Interest Payment Date.

(b) The remaining proceeds of the Bonds shall be deposited into the Construction Fund established pursuant to this Ordinance and shall be applied solely in payment of costs and expenses incident to the City Improvements, including, but not limited to, the Project, including the cost of any lawful purpose in connection with the City Improvements, any costs of construction and acquisition with respect to the City Improvements incurred by the City prior to the adoption of this Ordinance, and necessary expenses in connection with the issuance and sale of the Bonds.

Section 6.6. Investment of Money in Funds and Accounts. Money in the Construction Fund and in the Debt Service Account in the Special Fund shall, to the fullest extent practicable and reasonable, be invested and reinvested by the Finance Director, to the extent allowed by law solely in, and obligations deposited in such fund and accounts shall be, Authorized Investments which shall mature or be subject to redemption at the option of the holder thereof on or before the respective dates when the money in such fund and account will be required for the purposes intended.

Authorized Investments purchased as an investment of money in the Construction Fund or any of the accounts in the Special Fund shall be deemed at all times to be a part of such fund or account and the interest accruing thereon and any gain realized from such investment shall be credited to such fund or account and any loss resulting from any such authorized investment shall be charged to such fund or account without liability to the City or the officials thereof; provided, however, that any investment earnings on money or Authorized Investments held in any of the accounts in the Special Fund shall be deposited, during the period of construction of the City Improvements, into the Construction Fund, and provided further that any such investment earnings, after the completion of construction of the City Improvements, shall be deposited in the Debt Service Account and used to pay the principal of and interest on the Bonds as the same shall become due. The Finance Director shall sell at the best price obtainable or present for redemption any obligation so purchased whenever it shall be necessary to do so in order to provide money to meet any payment or transfer from a fund or account as required by this Ordinance.

For the purpose of determining at any given time the balance in any fund or account, the value of Authorized Investments shall be the lower of the amortized cost or the bid quotation price thereof as determined annually; provided, however, that if any of such obligations shall be due and payable within one year, the amortized cost of such obligations shall be their value regardless of the bid quotation price.

Whenever reference is made to sums or money in a particular fund or account, or words of similar import are used, such reference shall include, without limitation, investments in said fund or account.

ARTICLE VII

COVENANTS OF THE CITY

As long as Bonds are outstanding and unpaid, the City will (through its proper officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in

this Ordinance or in the Bonds, including the following covenants and agreements for the benefit of the Owners which are necessary, convenient and desirable to secure the Bonds and will tend to make them more marketable; provided, however, that said covenants do not require the City to expend any funds other than the Tax Revenues nor violate the provisions of State law with respect to tax revenue allocation.

Section 7.1. Complete Project; Amendment to Redevelopment Plan. The City covenants and agrees that it will diligently carry out and continue to completion, with all practicable dispatch, the Project in accordance with the Redevelopment Law and the Redevelopment Plan and in a sound and economical manner, subject, however, to the conditions set forth in the foregoing document and law. The Redevelopment Plan, including the definition of the Redevelopment Area and the Project Area, may be amended as provided in the Redevelopment Law, but no amendment shall be made absent an opinion of counsel of recognized standing in the field of law relating to municipal bonds that such amendment does not deprive any Owner in any material respect of the security afforded by the Bonds or this Ordinance.

Section 7.2. Use of Proceeds; Management and Operation of Properties. The City covenants and agrees that the proceeds of the sale of the Bonds will be deposited and used as provided in this Ordinance and that it will cause all properties owned by it and comprising any part of the Project to be managed and operated in a sound and businesslike manner.

Section 7.3. No Priority. The City covenants and agrees that it will not issue any obligations the principal of or interest on which is payable from the Tax Revenues which have, or purport to have, any lien upon the Tax Revenues prior or superior to or in parity with the lien of the Bonds and the interest thereon; provided, however, that nothing in this Ordinance shall prevent the City from issuing and selling bonds or other obligations which have, or purport to have, any lien upon the Tax Revenues which is junior to the outstanding Bonds and the Debt Service thereon, or from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Tax Revenues.

Section 7.4. To Pay Principal or Redemption Price of and Interest on Bonds. The City will duly and punctually pay or cause to be paid solely from the Tax Revenues and the other money which are pledged herein to the payment thereof, the principal of and interest and premium on each and every Bond on the dates and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof and hereof, and will faithfully do and perform and fully observe and keep any and all covenants, undertakings, stipulations and provisions contained in the Bonds and in this Ordinance.

Section 7.5. Books of Account; Financial Statements. The City covenants and agrees that it will at all times keep, or cause to be kept, proper and current books of account (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Project, the Project Revenues, the Tax Revenues and other funds relating to the Project. Within 180 days after the close of each Fiscal Year, the City shall cause such books of account to be audited by an independent certified public accountant, which audit may be part of the annual audit of the accounts of the City. The audit report shall show in reasonable detail the income and expenses for such Fiscal Year relating to the Project, including the transactions relating to the Special Fund, the Construction Fund, and the Redemption Account, and a copy of the audit report shall be made available to any Owner upon written request. Each such audit report shall state therein that the auditor has examined and is familiar with the provisions of this Ordinance relating to the matters set forth above, and that as to such matters the City is in compliance therewith or, if not in compliance therewith, the details of such failure to comply and the action to be taken by the City to be in compliance therewith.

Section 7.6. Eminent Domain Proceeds. The City covenants and agrees that should all or any part of the City Improvements be taken by eminent domain proceedings or other proceedings authorized by law

for any public or other use under which the property will be exempt from ad valorem taxation, the net proceeds realized by the City therefrom shall constitute Project Revenues and will be deposited in the Improvements Account in the Special Fund and used and applied in the manner specified in **Section 6.4(c)**.

Section 7.7. Protection of Security. The City is duly authorized under all applicable laws to create and issue the Bonds and to adopt this Ordinance and to pledge the Tax Revenues, the Project Revenues and other money, securities and funds under this Ordinance in the manner and to the extent provided in this Ordinance. The Tax Revenues, the Project Revenues and other money, securities and funds so pledged are and will be free and clear of any pledge, lien, charge, security interest or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Ordinance, except as otherwise expressly provided herein, and all corporate action on the part of the City to that end has been duly and validly taken. The Bonds and the provisions of this Ordinance are and will be valid obligations of the City in accordance with their terms and the terms of this Ordinance. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and security interest granted with respect to the Tax Revenues, the Project Revenues and other money, securities and funds pledged under this Ordinance and all the rights of the Owners under this Ordinance against all claims and demands of all persons whomsoever.

Section 7.8. Extension of Payment of Bonds. The City will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any interest thereon or claims for interest by the purchase or funding of such Bonds, interest thereon or claims for interest or by any other arrangement; and in case the maturity of any of the Bonds or the time for payment of any such interest thereon or claims for interest shall be extended, such Bonds, interest thereon or claims for interest shall not be entitled in case of any default under this Ordinance to the benefit of this Ordinance or to any payment of any assets of the City or the funds held by the City, except subject to the prior payment of the principal of all Bonds the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended interest thereon or claims for interest. Nothing herein shall be deemed to limit the right of the City to issue Refunding Bonds as provided in this Ordinance and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 7.9. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; however, any Participating Underwriter or any Beneficial Owner or any other owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this **Section 7.9**.

ARTICLE VIII

AMENDING AND SUPPLEMENTING OF ORDINANCE

Section 8.1. Amending and Supplementing of Ordinance Without Consent of Owners of Bonds. The City, from time to time and at any time and without the consent or concurrence of any Owner of any Bond, may adopt an ordinance amendatory hereof or supplemental hereto if the provisions of such supplemental ordinance shall not materially adversely affect the rights of the Owners of the Bonds then outstanding, for any one or more of the following purposes:

(a) To make any changes or corrections in this Ordinance as to which the City shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Ordinance, or to insert in this Ordinance such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable;

(b) To add additional covenants and agreements of the City for the purpose of further securing payment of the Bonds;

(c) To surrender any right, power or privilege reserved to or conferred upon the City by the terms of this Ordinance;

(d) To confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Ordinance; and

(e) To grant to or confer upon the Owners of the Bonds any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them.

The City shall not adopt any supplemental ordinance authorized by the foregoing provisions of this **Section 8.1** unless in the opinion of counsel the adoption of such supplemental ordinance is permitted by the foregoing provisions of this **Section 8.1** and the provisions of such supplemental ordinance do not materially and adversely affect the rights of the Owners of the Bonds then outstanding.

Section 8.2. Amendment of Ordinance with Consent of Owners of Bonds. With the consent of the Owners of not less than a majority in principal amount of the Bonds then outstanding, the City from time to time and at any time may adopt an ordinance amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Ordinance, or modifying or amending the rights and obligations of the City under this Ordinance, or modifying or amending in any manner the rights of the Owners of the Bonds then outstanding; provided, however, that, without the specific consent of the Owner of each such Bond which would be affected thereby, no supplemental ordinance amending or supplementing the provisions hereof shall: (a) change the fixed maturity date for the payment of interest thereon or the terms of the redemption thereof, or reduce the principal amount of any Bond or the rate of interest thereon or the Redemption Price payable upon the redemption or prepayment thereof; (b) reduce the percentage of Bonds, the Owners of which are required to consent to any supplemental ordinance amending or supplementing the provisions of this Ordinance; (c) give to any Bond or Bonds any preference over any other Bond or Bonds secured hereby; (d) authorize the creation of any pledge of the Tax Revenues and other money and securities pledged hereunder, prior, superior or equal to the pledge of and lien and charge thereon created herein for the payment of the Bonds except to the extent provided in **Articles III** and **V**; or (e) deprive any Owner of the Bonds in any material respect of the security afforded by this Ordinance. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the Owners of the Bonds of the adoption of any supplemental ordinance authorized by the provisions of **Section 8.1**.

It shall not be necessary that the consents of the Owners of the Bonds approve the particular form of wording of the proposed amendment or supplement or of the proposed supplemental ordinance effecting such amendment or supplement, but it shall be sufficient if such consents approve the substance of the proposed amendment or supplement. After the Owners of the required percentage of Bonds shall have filed their consents to the amending or supplementing hereof pursuant to this Section, the City may adopt such supplemental ordinance.

Section 8.3. Effectiveness of Supplemental Ordinance. Upon the adoption (pursuant to this Article and applicable law) by the City of any supplemental ordinance amending or supplementing the provisions of this Ordinance or upon such later date as may be specified in such supplemental ordinance, (a) this Ordinance and the Bonds shall be modified and amended in accordance with such supplemental ordinance, (b) the respective rights, limitations of rights, obligations, duties and immunities under this Ordinance and the Owner of the Bonds shall thereafter be determined, exercised and enforced under this Ordinance subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental ordinance shall be a part of the terms and conditions of the Bonds and of this Ordinance for any and all purposes.

ARTICLE IX

FORM OF BONDS

The Bonds shall be in substantially the form set forth in this **Article IX**, with necessary or appropriate variations, omissions and insertions as are incidental to their numbers, denomination, maturities, interest rate or rates, paying agencies, registration provisions, redemption provisions, Series designation and other details thereof and of their form or as are otherwise permitted or required by law or by this Ordinance.

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF LANCASTER
THE CITY OF LINCOLN

PEROT SYSTEMS REDEVELOPMENT PROJECT
TAXABLE TAX ALLOCATION BOND, SERIES 2008

No. _____ **$_____**

Interest Rate	Date of Original Issue	Date of Maturity	CUSIP No.

REGISTERED OWNER:

PRINCIPAL AMOUNT: **THOUSAND DOLLARS**

THE CITY OF LINCOLN, NEBRASKA (the **"City"**) acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues and other funds hereinafter specified, to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount stated above upon presentation and surrender hereof at the office of the paying agent and bond registrar, **WELLS FARGO BANK, NATIONAL ASSOCIATION** (the **"Registrar"**), and in like manner to pay interest on such Principal Amount at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to

which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on _____ and _____ of each year until payment in full of such Principal Amount, beginning _____, 200__, by check or draft mailed to the Registered Owner as shown on the bond registration books maintained by the Registrar on the _____ day of the month preceding the month in which the applicable interest payment date occurs, at such owner's address as it appears on such bond registration books. The principal of this bond and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This bond is issued by the City under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, the Home Rule Charter of the City, and under and pursuant to Ordinance No. _____ duly passed and adopted by the City, on _____ , as from time to time amended and supplemented (the **"Ordinance"**).

This bond has been issued by the City for the purpose of financing the cost of acquisition and construction of certain public improvements within its Perot Systems Redevelopment Project more specifically described in the Ordinance, and to carry out the City's corporate purposes and powers in connection therewith.

Reference is hereby made to the Ordinance for the provisions, among others, with respect to the issuance of additional tax allocation bonds on a parity with prior series of bonds issued thereunder, including this bond, the custody and application of the proceeds of bonds issued under this Ordinance, the collection and disposition of certain tax and other revenues, the special funds charged with and pledged to the payment of the interest and redemption premium, if any, on and the principal of the bonds issued under and secured by this Ordinance, the nature and extent of the security thereby created, the terms and conditions under which bonds are or may be issued, the rights and remedies of the registered owners of the bonds, and the rights, duties, immunities and obligations of the City. By the acceptance of this bond, the Registered Owner assents to all of the provisions of this Ordinance.

This bond is a special limited obligation of the City payable as to principal and interest solely from and is secured solely by the Tax Revenues (as defined in the Ordinance) and certain other money, funds and securities pledged under the Ordinance, all on the terms and conditions set forth in the Ordinance. The Tax Revenues represent that portion of ad valorem taxes levied by public bodies of the State of Nebraska, including the City, on real property constituting a part of the Project (as defined in this Ordinance) which are in excess of that portion of such ad valorem taxes produced by the levy at the rate fixed each year by or for each such public body upon the valuation of the Project as of a certain date and as has been certified by the County Assessor of Lancaster County, Nebraska to the City in accordance with law.

The principal of and interest hereon shall not be payable from the general funds of the City nor shall this bond constitute a legal or equitable pledge, charge, lien, security interest or encumbrance upon any of the property or upon any of the income, receipts, or money and securities of the City or of any other party other than those specifically pledged under the Ordinance. This bond is not a debt of the City within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City, and does not impose any general liability upon the City and the City shall not be liable for the payment hereof out of any funds of the City other than the Tax Revenues (as defined in the Ordinance), which Tax Revenues have been and hereby are pledged to the punctual payment of the principal of and interest on this bond in accordance with the provisions of this Ordinance.

Reference is hereby made to the Ordinance, a copy of which is on file in the office of the City Clerk, and to all of the provisions of which each owner of this bond by its acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for this bond; the Tax Revenues and other money and securities pledged to the payment of the principal of and interest on this bond; the nature and extent and manner of enforcement of the pledge; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the owner of this bond; the rights, duties and obligations of the City and the Registrar thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this bond, and this bond thereafter no longer be secured by the Ordinance or be deemed to be outstanding thereunder, if money or certain specified securities shall have been deposited with the Registrar sufficient and held in trust solely for the payment hereof; and for the other terms and provisions thereof.

The bonds of the series of bonds of which this bond is one are subject to redemption prior to maturity, at the option of the City, on or after _____, 20__, in whole at any time or in part from time to time in inverse order of maturity and by lot within a maturity, at the Redemption Price equal to the stated principal amount thereof, together with the interest accrued thereon to the date of redemption thereof, but without redemption premium.

In the event this bond is called for prior redemption, notice of such redemption shall be given by first-class mail to the Registered Owner hereof at its address as shown on the registration books maintained by the Registrar not less than 30 days prior to the date fixed for redemption. If this bond shall have been duly called for redemption and notice of such redemption duly given as provided, then upon such redemption date this bond shall become due and payable and if money for the payment of this bond at the then applicable Redemption Price or together with the then applicable redemption premium, if any, and the interest accrued on the principal amount hereof to the date of redemption shall be held for the purpose of such payment by the Registrar, interest shall cease to accrue and become payable hereon from and after the redemption date.

This bond is transferable by the Registered Owner in person or by its attorney duly authorized in writing at the principal office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in this Ordinance and upon surrender and cancellation of this bond. Upon such transfer, a new bond or bonds of the same series and of the same maturity, of authorized denomination or denominations and for the same aggregate principal amount, will be issued to the transferee in exchange therefor. The City and the Registrar may deem and treat the Registered Owner as the absolute owner for the purpose of receiving payment of or on account of principal and premium, if any, hereon and interest due hereon and for all other purposes.

The bonds of this series are issuable only as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof not exceeding the principal amount maturing in any one year. As provided in this Ordinance and subject to certain limitations therein set forth, the bonds of this series are exchangeable for a like aggregate principal amount of bonds of this series of a different authorized denomination, as requested by the Registered Owner or its duly authorized attorney upon surrender thereof to the Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this bond have happened, do exist and have been performed in regular and due time, form and manner; that this bond does not exceed any constitutional or statutory or charter limitation on indebtedness; and that provision has been made for the payment of the principal of and interest on this bond as provided in this Ordinance.

IN WITNESS WHEREOF, the City has caused this bond to be signed by the manual or facsimile signature of its Mayor and to be registered in the office of its Finance Director by and with the manual or facsimile signature of such Finance Director, and this bond to be dated as of the Date of Original Issue specified above.

THE CITY OF LINCOLN, NEBRASKA

(SEAL)

By: _____
Mayor

Registered in the Office of the Finance Director
of The City of Lincoln, Nebraska

By: _____
Finance Director

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Ordinance.

Date of Authentication:_____

WELLS FARGO BANK, NATIONAL ASSOCIATION, Registrar

By_____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

_____
Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bonds on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

_____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bonds in every particular.

Signature Guaranteed By:

_____
(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-19 (17 CFR 240.17 Ad-19))

By: _____
Title: _____

ARTICLE X

DEFEASANCE; MONEY HELD FOR PAYMENT OF DEFEASED BONDS

Section 10.1. Discharge of Liens and Pledges; Bonds No Longer Outstanding Hereunder. The obligations of the City under this Ordinance, including any ordinances, resolutions or other proceedings supplemental hereto, and the liens, pledges, charges, trusts, assignments, covenants and agreements of the City herein or therein made or provided for, shall be fully discharged and satisfied as to any Bond and such Bond shall no longer be deemed to be outstanding hereunder and thereunder,

(a) when such Bond shall have been canceled, or shall have been surrendered for cancellation or is subject to cancellation, or shall have been purchased from money in any of the funds held under this Ordinance, or

(b) as to any Bond not canceled or surrendered for cancellation or subject to cancellation or so purchased, when payment of the principal or Redemption Price of such Bond, plus interest on such principal to the due date thereof (whether such due date be by reason of maturity or upon redemption or prepayment, or otherwise), either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Registrar for such Bond, in trust and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Escrow Obligations maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the Registrar shall have been paid or the payment thereof provided for to the satisfaction of the Registrar.

Provided that, with respect to Bonds called or to be called for redemption prior to the stated maturity thereof, notice of redemption shall have been duly given or provision satisfactory to the Registrar shall have been made therefor, or waiver of such notice, satisfactory in form, shall have been filed with the Registrar.

At such time as a Bond shall no longer be outstanding hereunder, as provided, such Bond shall cease to draw interest from the due date thereof (whether such due date be by reason of maturity or upon redemption or prepayment or otherwise) and, except for the purposes of any such payment from such money or such Escrow Obligations, such Bond shall no longer be secured by or entitled to the benefits of this Ordinance.

Any such money so deposited with the Registrar for the Bonds as provided in this **Section 10.1** may at the direction of the Finance Director also be invested and reinvested in Escrow Obligations, maturing in

the amounts and times as hereinbefore set forth. All income from all Escrow Obligations in the hands of the Registrar which is not required for the payment of the Bonds and interest and premium thereon with respect to which such money shall have been so deposited, shall be paid to the City and deposited in the Special Fund as and when realized and collected for use and application as are other money deposited in that fund.

Notwithstanding any provision of this Ordinance or of ordinances, resolutions or proceedings supplemental hereto which may be contrary to the provisions of this **Section 10.1** or **Section 10.2**, all money or Escrow Obligations set aside and held in trust pursuant to the provisions of this **Section 10.1** and **Section 10.2** for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and applied solely for the payment of the particular Bonds (including Redemption Price and interest) with respect to which such money and Escrow Obligations have been so set aside in trust.

Anything in this Ordinance to the contrary notwithstanding, if money or Escrow Obligations have been deposited or set aside with the Registrar pursuant to this **Section 10.1** for the payment of a specific Bond and such Bond shall not have in fact been actually paid in full, no amendment to the provisions of this **Section 10.1** shall be valid as to or binding upon the Owner of such Bond without the consent of such Owner.

The City may at any time surrender to the Registrar for cancellation by it any Bond previously executed and delivered which the City may have acquired in any manner whatsoever, and such Bonds upon such surrender for cancellation shall be deemed to have been paid and no longer outstanding hereunder.

Section 10.2. Certain Limitations After Due Date. If any Bond shall not be presented for payment when the principal thereof shall become due, whether at maturity or upon redemption or prepayment or otherwise, and if money or Escrow Obligations shall have been deposited in accordance with the terms hereof with the Registrar, in trust for that purpose sufficient and available to pay the principal or Redemption Price of such Bond, together with all interest due on such Bond to the due date thereof or to the date fixed for the redemption or prepayment thereof, all liability of the City for such payment shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Registrar to hold said money or such Escrow Obligations, without liability to the Owners for interest thereon, in trust for the benefit of the Owner of such Bond, who thereafter shall be restricted exclusively to said money or said Escrow Obligations for any claim for such payment of whatsoever nature on his part.

Notwithstanding the provisions of the preceding paragraph of this section, money or Escrow Obligations held by the Registrar in trust for the payment and discharge of any Bond which remains unclaimed for five years after the date on which such Bond shall have become due and payable, either at its stated maturity date or by call for earlier redemption, if such money were held by the Registrar or such paying agent at such date, or for five years after the date of deposit of such money, if deposited with the Registrar after the such date when such Bond became due and payable, shall, at the written request of the City be repaid by the Registrar to the City as the City's property and free from the trust created by this Ordinance, and the Registrar shall thereupon be released and discharged with respect thereto, and the Owner of the Bond payable from such money shall look only to the City for the payment of such Bond.

ARTICLE XI

MISCELLANEOUS

Section 11.1. General and Specific Authorizations; Ratification of Prior Actions. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the City Council

hereby (a) authorizes and directs the Mayor, Finance Director, City Treasurer, Clerk, City Attorney, City Controller and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with bond counsel, the purchaser or purchasers of the Bonds and its or their counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Ordinance, including without limitation the execution and delivery of all related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Finance Director or the City Controller the right, power and authority to exercise his or her own independent judgment and absolute discretion in (1) determining and finalizing all terms and provisions to be carried by the Bonds not specifically set forth in this Ordinance and (2) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate issuance, sale and delivery of the Bonds. The execution and delivery by the Finance Director or the City Controller or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Ordinance, shall constitute conclusive evidence of both the City's and their approval of the terms, provisions and contents thereof and of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the City and the authorization, approval and ratification by the City of the documents, instruments, certifications and opinions so executed and the actions so taken.

All actions heretofore taken by the Finance Director and all other officers, officials, employees and agents of the City, including without limitation the expenditure of funds and the selection, appointment and employment of bond counsel and financial advisors and agents, in connection with issuance and sale of the Bonds, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 11.2. Proceedings Constitute Contract; Enforcement Thereof. The provisions of this Ordinance, of any supplemental ordinance, and of any resolutions or other proceedings providing for the sale of the Bonds and the terms and provisions thereof shall constitute a contract between the City and the Owners and the provisions thereof shall be enforceable by any Owner for the equal benefit and protection of all such Owners similarly situated, by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is presently or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. Such contract is made under and is to be construed in accordance with the laws of the State.

After the issuance and delivery of the Bonds, this Ordinance and any supplemental ordinance shall not be repealable, but shall be subject to modification or amendment to the extent and in the manner provided in this Ordinance, but to no greater extent and in no other manner.

Section 11.3. Benefits of Ordinance Limited to the City and Owners of the Bonds. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Bonds is intended or should be construed to confer upon or give to any person other than the City and the Owners, any legal or equitable right, remedy or claim under or by reason of or in respect to this Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City and the Owners from time to time of the Bonds as herein and therein provided.

Section 11.4. No Personal Liability. No officer or employee of the City shall be individually or personally liable for the payment of the principal of or interest on any Bond. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 11.5. Effect of Saturdays, Sundays and Legal Holidays. Whenever this Ordinance requires any action to be taken on a Saturday, Sunday or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 11.6. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Ordinance on the part of the City or the Registrar to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds, but the Owners of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of this Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 11.7. Law and Place of Enforcement of this Ordinance. The Ordinance shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Ordinance shall be instituted in a court of competent jurisdiction in the State except to the extent necessary for enforcement, by any trustee or receiver appointed by or pursuant to the provisions of this Ordinance, or remedies under this Ordinance.

Section 11.8. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Ordinance.

Section 11.9. Repeal of Inconsistent Ordinance. Any ordinance of the City, and any part of any ordinance or resolution, inconsistent with this Ordinance is hereby repealed to the extent of such inconsistency.

Section 11.10. Publication and Effectiveness of This Ordinance. Pursuant to Article VII, Section 7, of the City Charter, this Ordinance shall be posted on the official bulletin board of the City in lieu of and in place of newspaper publication with notice of passage and such posting to be given by publication one time in the official newspaper by the City Clerk.

[The remainder of this page intentionally left blank.]

INTRODUCED BY:

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PASSED _____, 2008.

ABSENT OR NOT VOTING:

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AYES: _____

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NAYS: _____

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Approved as to Form:

_____
City Attorney

_____
Bond Counsel

CONFLICT OF INTEREST:

_____

APPROVED: _____, 2008.

_____
Mayor