

THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. _____

PASSED: _____, 2011
APPROVED: _____, 2011

AUTHORIZING NOT TO EXCEED

\$720,700

**COMMUNITY REDEVELOPMENT REVENUE NOTES
(10TH AND MILITARY CREEKSIDE VILLAGE PROJECT)**

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THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF INDEBTEDNESS IN ONE OR MORE TAXABLE OR TAX-EXEMPT SERIES IN THE AMOUNT OF NOT TO EXCEED \$720,700 IN THE FORM OF A COMMUNITY REDEVELOPMENT REVENUE NOTE (10TH AND MILITARY CREEKSIDE VILLAGE PROJECT) OF CITY OF LINCOLN, NEBRASKA, FOR THE PURPOSE OF (1) PAYING THE COSTS OF ACQUIRING, PURCHASING, CONSTRUCTING, RECONSTRUCTING, IMPROVING, EXTENDING, REHABILITATING, INSTALLING, EQUIPPING, FURNISHING AND COMPLETING CERTAIN PUBLIC IMPROVEMENTS WITHIN THE CITY'S 10TH AND MILITARY CREEKSIDE VILLAGE REDEVELOPMENT PROJECT AREA, AND (2) PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF SUCH REVENUE NOTES; PLEDGING CERTAIN TAX REVENUE AND OTHER REVENUE TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH REVENUE NOTES AS THE SAME BECOME DUE; LIMITING PAYMENT OF SUCH REVENUE NOTES TO SUCH TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; DELEGATING, AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO EXERCISE HIS INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING CERTAIN TERMS AND PROVISIONS OF SUCH REVENUE NOTES NOT SPECIFIED HEREIN; TAKING OTHER ACTIONS 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

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

(a) The City, pursuant to the Resolution (hereinafter defined), approved the Redevelopment Plan (hereinafter defined) under and pursuant to which the City shall undertake from time to time to redevelop and rehabilitate the Redevelopment Area (hereinafter defined).

(b) Pursuant to the Redevelopment Plan, the City has previously obligated itself and/or will hereafter obligate itself to acquire, purchase, construct, reconstruct, improve, extend, rehabilitate, install, equip, furnish and complete, at the cost and expense of the City, certain public improvements in the Redevelopment Area, some or all of which may be accomplished through the City's public improvements executive order process (collectively, the “**City Improvements**”), including, without limitation, construction of certain streets, utilities, landscaping and streetscape in the public rights-of-way, the installation of xeriscape, renovation of public parks and other improvements (collectively, the “**Project**”), as more fully described in the Redevelopment Agreement (hereinafter defined).

(c) The City is authorized by the Redevelopment Law (hereinafter defined) and its Home Rule Charter to issue indebtedness for the purpose of paying the costs and expenses of the Project, the principal and interest of which is payable from certain tax revenues as set forth in the Redevelopment Law.

(d) In order to provide funds to pay the costs of the Project, it is necessary, desirable, advisable, and in the best interest of the City for the City to issue one or more series of taxable or tax-exempt community redevelopment revenue notes in an aggregate principal amount not to exceed \$720,700 (the “Notes”).

(e) All conditions, acts and things required to exist or to be done precedent to the issuance of the Notes do exist and have been done as required by law.

ARTICLE II

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

Section 2.1. Definitions of Special Terms. Unless the context clearly indicates 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, any ordinance or other instrument amendatory hereof or supplemental hereto, and any certificate, opinion, instrument or document herein or therein mentioned, have the meanings specified herein, with the following definitions to be equally applicable to both the singular and plural forms of any terms defined herein:

“**Assessor**” means the Assessor of Lancaster County, Nebraska.

“**Bond Counsel**” means Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the City.

“**City Improvements**” means the public improvements to be purchased, constructed, reconstructed, acquired, improved, extended, rehabilitated, installed, equipped, furnished and completed in the Project Area in accordance with the Redevelopment Plan, including, but not limited to, the public improvements constituting the Project.

“**Clerk**” means the Clerk of the City.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

“**Cumulative Outstanding Principal Amount**” means the aggregate principal amount of all series of Notes issued and Outstanding from time to time in accordance with the provisions of this Ordinance, as reflected in the records maintained by the Registrar as provided in this Ordinance.

“**Date of Original Issue**” means the date each respective series of Notes is initially issued and delivered, which, for each series of Notes shall be the date of the first deposit of proceeds of that series in the Project Fund as further described in **Section 3.2**.

“Debt Service” means, as of any particular date of computation, and with respect to any period, the amount to be paid or set aside as of such date or such period for the payment of the principal of or interest on the Notes.

“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 Registrar, 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 pursuant to the terms of a custody agreement in form and substance acceptable to the Registrar 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 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 May 1 and November 1 of each year any Note is outstanding, commencing on the first Interest Payment Date following the Date of Original Issue.

“Lender Notes” means Notes that are owned by a party other than the Redeveloper according to the records of the Registrar.

“Notes” means the City’s Community Redevelopment Revenue Notes, issued in one or more series, which may include Taxable Notes and Tax-Exempt Notes, in an aggregate principal amount not to exceed \$720,700, issued pursuant to this Ordinance.

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

“Outstanding” means when used with reference to Notes, as of a particular date, all Notes theretofore authenticated and delivered under this Ordinance except:

- (a) Notes theretofore canceled by the Registrar or delivered to the Registrar for cancellation;
- (b) Notes which are deemed to have been paid in accordance with **Section 10.1** hereof;

(c) Notes alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in **Section 3.9** hereof; and

(d) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Ordinance.

“Owner” means the person(s) identified as the owner(s) of the Notes from time to time, as indicated on the books of registry maintained by the Registrar.

“Project Area” means the area identified and referred to as the Redevelopment Project area in the Redevelopment Agreement.

“Project Revenue” means all net rents, proceeds, revenue 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 Revenue.

“Record Date” means, for each Interest Payment Date, the 15th day of the month immediately preceding such Interest Payment Date.

“Redeveloper” means the Redeveloper as defined in the Redevelopment Agreement responsible for purchasing, constructing, reconstructing, acquiring, improving, extending, rehabilitating, installing, equipping, furnishing and completing the Project on behalf of the City.

“Redeveloper Notes” means Notes that are owned by the Redeveloper according to the records of the Registrar.

“Redevelopment Agreement” means City of Lincoln Redevelopment Agreement (10th & Military Project), dated the date of its execution, between the City and Creekside Village, Ltd., relating to the Project.

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

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

“Redevelopment Plan” means the “Antelope Valley Redevelopment Plan” passed, adopted and approved by the City pursuant to the Resolution, and shall include any amendment of such Redevelopment Plan heretofore or hereafter made by the City pursuant to law.

“Refunding Notes” means the Notes authorized to be issued pursuant to **Article V**.

“Registrar” means the Treasurer of The City of Lincoln, Nebraska, in its capacity as registrar and paying agent for the Note.

“Resolution” means, collectively, Resolution Nos. A-83093, A-83223, A-84477, A-84631, A-84844, A-84980, A-85236, and A-86303, together with any other resolution providing for an amendment to the Redevelopment Plan.

“Revenue” means the Project Revenue and the Tax Revenue.

“Special Fund” means the fund by that name created in **Section 7.1**.

“State” means the State of Nebraska.

“Tax Certificate” means the Federal Tax Certificate executed and delivered by the City on the Date of Original Issue of any Note issued as a Tax-Exempt Note, as the same may be amended or supplemented in accordance with its provisions.

“Tax Revenue” means, with respect to the Project, (a) those tax revenues referred to (1) in the last sentence of the first paragraph of Article VIII, Section 12 of the Constitution of the State and (2) in Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, and (b) all payments made in lieu thereof.

“Taxable Note” means any of a series of the City’s Community Redevelopment Revenue Notes (10th & Military Creekside Village Project), the interest on which is determined by the City to be includable in gross income for federal income tax purposes.

“Tax-Exempt Note” means any of a series of the City’s Community Redevelopment Revenue Notes (10th & Military Creekside Village Project), the interest on which is determined by the City to be excludable from gross income for federal income tax purposes.

“Treasurer” means the Treasurer of Lancaster County, Nebraska.

Section 2.2. Definitions of General Terms. Unless the context clearly indicates 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 clearly indicates 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 clearly indicates otherwise or may otherwise require, in this Ordinance: (a) 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 (b) 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 the Note 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 its Mayor, its Council Chair, its Clerk, its Treasurer, its Finance Director, its 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 NOTES; GENERAL TERMS AND PROVISIONS

Section 3.1. Authorization of Notes. Pursuant to and in full compliance with the Redevelopment Law, the Home Rule Charter of the City, and this Ordinance, and for the purpose of providing funds to pay (a) the cost of acquiring, purchasing, constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing, and completing the Project, and (b) the costs of issuing the Notes, the City shall issue Notes from time to time in one or more series, which may be Taxable Notes or Tax-Exempt Notes, in the aggregate principal amount not to exceed \$720,700. The Notes shall be designated as "The City of Lincoln, Nebraska Community Redevelopment Revenue [Taxable/Tax-Exempt] Notes (10th & Military Creekside Village Project)," shall have an appropriate series designation as determined by the Finance Director, shall be dated the Date of Original Issue for such issue, shall mature, subject to right of prior redemption, not later than November 1, 2025, as determined by the Finance Director, and shall bear interest (computed on the basis of a 360-day year consisting of twelve, 30-day months) at a rate not to exceed 5.00% per annum. Each series of Notes shall be issued as a single Note as further described in **Section 3.2.** Notes shall only be due and payable to the extent moneys are available therefor in accordance with the terms of this Ordinance.

The Notes, together with the interest thereon, are special, limited obligations of the City payable solely from the Revenue and the amounts on deposit in the funds and accounts established by this Ordinance. The Notes shall not in any event be a debt of the City (except to the extent of the Revenue 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 Revenue and other money pledged under this Ordinance), the State nor any of its political subdivisions is liable in respect thereof, nor in any event shall the principal of and interest on the Notes be payable from any source other than the Revenue and other money pledged under this Ordinance. The Notes do not constitute a debt 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. Neither any official of the City nor any person executing the Notes shall be liable

personally on the Notes by reason of its issuance. The validity of the Notes is not and shall not be dependent upon the completion of the Project or upon the performance of any obligation relative to the Project.

The Revenue and the amounts on deposit in the funds and accounts established by this Ordinance are hereby pledged and assigned for the payment of the Notes, and shall be used for no other purpose than to pay the principal of and interest on the Notes, except as may be otherwise expressly authorized in this Ordinance. The Notes shall not constitute 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 the City shall not be liable for the payment thereof out of any money of the City other than the Tax Revenue and the other funds referred to herein.

Nothing in this Ordinance shall preclude the payment of the Notes from (a) the proceeds of future Notes issued pursuant to law or (b) any other 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.

Section 3.2. Details of Notes; Authority of Finance Director.

(a) Each series of the Notes shall be dated the Date of Original Issue for the respective series and shall be issued to the respective purchasers thereof, as Owners, in installments. Each series shall be issued as a single Note.

(b) Proceeds of each series of Notes may be advanced and disbursed in the manner set forth below:

(1) There shall be submitted to the Finance Director a disbursement request in a form acceptable to the Finance Director (the “**Disbursement Request**”), executed by the City’s Director of Public Works and Utilities and an authorized representative of the Redeveloper, (A) certifying that a portion of the Project has been substantially completed and (B) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(2) The Finance Director shall determine whether the costs requested for reimbursement under the Disbursement Request are currently reimbursable under the Redevelopment Agreement and the Redevelopment Law, and if so whether such costs are properly paid or reimbursed from proceeds of a specific series of Notes (taking into account particularly the provisions of **Section 8.7** hereof and the provisions of the Federal Tax Certificate). Upon determination thereof, the Finance Director shall evidence such allocation in writing and inform the Owners of each series of Notes of any amounts allocated to each respective series of Notes.

(3) Upon notification from the Finance Director as described in **Section 3.2(b)(2)**, deposits to the accounts in the Project Fund corresponding to the applicable series of Notes may be made from time to time from funds received by the Finance Director from the Owners of the Notes in the amounts necessary to pay amounts requested in properly completed, signed and approved written Disbursement Requests as described herein. Such amounts shall be proceeds of a series of the Notes and the Finance Director shall inform the Registrar in writing of the date and amount of such deposits. The Registrar shall keep and maintain a record of the amounts deposited into the proper accounts of the Project Fund from each series of Note proceeds pursuant to the terms of this Ordinance as “Principal Amount Advanced” and shall enter the aggregate principal amount

then Outstanding as the “Cumulative Outstanding Principal Amount” on its records maintained for the Notes. The aggregate amount deposited into the Project Fund from proceeds of all series of Notes shall not exceed \$720,700.

The City shall have no obligation to pay any Disbursement Request unless such request has been properly approved as described above, and proceeds of the applicable series of Notes have been deposited by the respective Owners of the Notes into the proper accounts of the Project Fund.

Notwithstanding anything in this Ordinance to the contrary, no proceeds of a Tax-Exempt series of Notes shall be deposited in the Project Fund later than 3 years after the Date of Original Issue of such Tax-Exempt series of Notes.

The records maintained by the Registrar as to principal amount advanced and principal amounts paid on the Notes shall be the official records of the Cumulative Outstanding Principal Amount for all series of Notes for all purposes.

(c) Each Note shall be dated the Date of Original Issue, which shall be the initial date of a deposit of the proceeds of such Note in the proper account of the Project Fund.

(d) Notwithstanding anything in this Ordinance to the contrary, on the Date of Original Issue of any series of Tax-Exempt Notes, the amount entered by the Registrar as “Principal Amount Advanced” shall be not less than the lesser of \$50,000 or 5% of the maximum possible principal amount of such series of Tax-Exempt Notes. On the date of Original Issue of a Tax-Exempt series of Notes, there shall be delivered to the Registrar the following:

(1) The executed Federal Tax Certificate, including all final and executed exhibits thereto;

(2) An opinion of Bond Counsel in a form and substance satisfactory to the Finance Director, dated as of the Date of Original Issuance of such series of Notes, relating to the due authorization of such series of Notes and the excludability of interest on such series of Notes from gross income for federal income tax purposes;

(3) A signed investor’s letter in a form acceptable to the Finance Director and Bond Counsel; and

(4) Such additional certificates and other documents as the Finance Director or Bond Counsel may require.

(e) As of the Date of Original Issue of a Taxable series of Notes, there shall be delivered to the Registrar the following:

(1) An opinion of Bond Counsel in a form and substance satisfactory to the Finance Director, dated as of the Date of Original Issuance of such series of Notes, relating to the due authorization of such series of Notes;

(2) A signed investor’s letter in a form acceptable to the Finance Director and Bond Counsel; and

(3) Such additional certificates and other documents as the Finance Director or Bond Counsel may require.

(f) Notwithstanding anything in this Ordinance to the contrary, no Disbursement Request shall be approved by the Finance Director that would result in the issuance of the principal amount of any Notes the Debt Service on which, in the judgment of the Finance Director, when aggregated with the Debt Service on all Notes then Outstanding, exceeds the Revenue available for the payment of Debt Service on all Notes then Outstanding and the principal amount to be issued.

(g) Interest on the Cumulative Outstanding Principal Amount of the Notes from the respective Date of Original Issue of each series or the most recent Interest Payment Date to which interest has been paid or duly provided for on each respective series, is payable on each Interest Payment Date until the principal of the Notes has been paid, whether at maturity or upon earlier redemption; provided, however, if any interest on any Note is in default, such Note shall bear interest from the date to which interest has been paid.

(h) Both the principal of and interest on the Notes 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. Payments of interest on the Notes due prior to maturity or earlier redemption and payment of any principal upon redemption prior to maturity shall be made by check mailed by the Registrar on each Interest Payment Date to the Owners, at the Owners' address as it appears on the books of registry maintained by the Registrar on the Record Date. The principal of the Notes and the interest thereon due at maturity or upon earlier redemption shall be payable upon presentation and surrender of the Notes to the Registrar.

(i) In the event that payments of interest due on any Note on an Interest Payment Date are not timely made, such interest shall cease to be payable to the Owner thereof as of the Record Date for such Interest Payment Date and shall be payable to the Owner as of a special record date for payment of defaulted interest to be designated by the Registrar whenever money for the purpose of paying such defaulted interest becomes available.

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

(k) 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, the principal amount of each Note in accordance with **Section 3.2(a)** and the series designation thereof, (2) the maturity date of the Notes, which shall be not later than November 1, 2025, (3) whether a series of Notes shall be issued as Taxable Notes or Tax-Exempt Notes and the rate of interest per annum to be carried by Notes of such series in accordance with the first paragraph of **Section 3.1** and (4) any other term of the Notes not otherwise specifically fixed by the provisions of this Ordinance.

(l) Any Note issued upon transfer or exchange of any other Note shall be dated as of the Interest Payment Date next preceding 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 it shall be dated as of such date of registration; provided, however, that if, as shown by the records of the Registrar, interest on such Note shall be in default, the Note in lieu of the Note surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Note surrendered; and provided further, that if the date of registration shall be prior to the first Interest Payment Date, the Note shall be dated of its Date of Original Issue.

(m) When any portion of any Note shall have been duly called for redemption and payment thereof duly made or provided for, interest thereon shall cease on the principal amount of such Note so redeemed from and after the date of redemption thereof.

(n) The Notes shall be issued to the respective Owners thereof as shall be mutually agreed between the Redevelopers and the Finance Director for a price equal to 100% of the principal amount thereof. No Note shall be delivered to any Owner unless the City shall have received from the Owner thereof such documents as may be required by the Finance Director to demonstrate compliance with all applicable laws, including without limitation compliance with **Section 3.6** hereof. The City may impose such restrictions on the transfer of any Note as may be required to ensure compliance with all requirements relating to any such transfer.

Section 3.3. Form of Notes Generally. The Notes shall be issued in fully registered form without coupons. The Notes shall be in substantially 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. The Notes 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 any usage or requirement of law with respect thereto.

Section 3.4. Appointment of Registrar. The Registrar is hereby appointed the registrar and paying agent for the Notes. The Registrar shall specify its acceptance of the duties, obligations and trusts imposed upon it by the provisions of this Ordinance by a written instrument deposited with the City prior to the Date of Original Issue of the initial Note. 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 the Notes in its possession to the successor Registrar and shall deliver the Note register to the successor Registrar. The Registrar shall have only such duties and obligations as are expressly stated in this Ordinance and no other duties or obligations shall be required of the Registrar.

Section 3.5. Exchange of Notes. Any Note, upon surrender thereof at the principal office of the Registrar, together with an assignment duly executed by the Owner or its 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 another Note in a principal amount equal to the principal amount of the Note surrendered or exchanged, of the same series and maturity and bearing interest at the same rate. The City shall make provision for the exchange of the Notes at the principal office of the Registrar.

Section 3.6. Negotiability, Registration and Transfer of Notes. The Registrar shall keep books for the registration and registration of transfer of the Notes as provided in this Ordinance. The transfer of the Notes may be registered only upon the books kept for the registration and registration of transfer of the Notes upon (a) surrender thereof to the Registrar, together with an assignment duly executed by the Owner

or its attorney or legal representative in such form as shall be satisfactory to the Registrar and (b) evidence acceptable to the City that the assignee is a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission. Prior to any transfer and assignment, the Owner will obtain and provide to the City, an investor's letter in form and substance satisfactory to the City evidencing compliance with the provisions of all federal and state securities laws, and will deposit with the City an amount to cover all reasonable costs incurred by the City, including legal fees, of accomplishing such transfer. A transfer of any Note may be prohibited by the City if (1) a default then exists under the Redevelopment Agreement, (2) the assessed valuation of the Redeveloper Property (as defined in the Redevelopment Agreement) is less than \$3,982,019, (3) a protest of the valuation of the Redeveloper Property is ongoing, or (4) in the judgment of the Finance Director, the amount of projected Revenue available to pay Debt Service on all Notes Outstanding will be insufficient at any time in the future for payment of such Debt Service. Upon any such registration of transfer the City shall execute and deliver in exchange for such Note a new Note, registered in the name of the transferee, in a principal amount equal to the principal amount of the Note surrendered or exchanged, of the same series and maturity and bearing interest at the same rate.

In all cases in which any Note shall be exchanged or a transfer of a Note shall be registered hereunder, the City shall execute at the earliest practicable time execute and deliver a Note in accordance with the provisions of this Ordinance. The Note 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 Note by any 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 such Note 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 any Note during the period between a Record Date and the corresponding Interest Payment Date.

Section 3.7. Ownership of Notes. As to any Note, 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 Note and the interest on any such Note 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 Note, including the interest thereon, to the extent of the sum or sums so paid.

Section 3.8. Disposition and Destruction of Notes. The Notes, upon surrender to the Registrar for final payment, whether at maturity or upon earlier redemption, shall be canceled upon such payment by the Registrar and, upon written request of the Finance Director, be destroyed.

Section 3.9. Mutilated, Lost, Stolen or Destroyed Notes. If any Note becomes mutilated or is lost, stolen or destroyed, the City shall execute and deliver a new Note of like date and tenor as the Note mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the City. In the case of any lost, stolen or destroyed Note, there first shall be furnished to the City evidence of such loss, theft or destruction satisfactory to the City, together with indemnity to the City satisfactory to the City. If any such Note has matured, is about to mature or has been called for redemption, instead of delivering a substitute Note, the City may pay the same without surrender thereof. Upon the issuance of any substitute Note, the City may require the payment of an amount by the Owner sufficient to reimburse the City for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 3.10. Nonpresentment of Notes. If any Note is not presented for payment when the principal thereof becomes due and payable as therein and herein provided, whether at the stated maturity thereof or call for optional or mandatory redemption or otherwise, if funds sufficient to pay such Note have been made available to the Registrar all liability of the City to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Registrar to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on their part under this Ordinance or on, or with respect to, said Note. If any Note is not presented for payment within five years following the date when such Note becomes due, the Registrar shall repay to the City the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Registrar, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE IV

REDEMPTION OF NOTES

Section 4.1. Redemption of Notes. The Notes are subject to redemption at the option of the City prior to the maturity thereof at any time as a whole or in part from time to time in such principal amount as the City shall determine, at a redemption price equal to 100% of the principal amount then being redeemed plus accrued interest thereon to the date fixed for redemption.

Section 4.2. Redemption Procedures. The Finance Director is hereby authorized, without further action of the Council, to call all or any portion of the principal of the Note for payment and redemption prior to maturity on such date as the Finance Director shall determine, and shall deposit sufficient funds in the Debt Service Account from the Surplus Account to pay the principal being redeemed plus the accrued interest thereon to the date fixed for redemption. The Finance Director may effect partial redemptions of any Note without notice to the Owner and without presentation and surrender of such Note, but total redemption of any Note may only be effected with notice to the Owner and upon presentation and surrender of such Note to the Registrar. Notice of a total redemption of any Note shall be sent by the Registrar by first-class mail not less than five days prior to the date fixed for redemption to the Owner's address appearing on the books of registry maintained by the Registrar and indicate (a) the title and designation of the Note, (b) the redemption date, and (c) a recitation that the entire principal balance of such Note plus all accrued interest thereon is being called for redemption on the applicable redemption date.

Section 4.3. Determination of Outstanding Principal Amount of Notes. Notwithstanding the amount indicated on the face of any Note, the principal amount of such Note actually Outstanding from time to time shall be determined and maintained by the Registrar. The Registrar shall make a notation in the books of registry maintained for each Note indicating the original principal advance of such Note as determined in accordance with **Section 3.2** and make such additional notations as are required to reflect any additional principal advances or redemptions of such Note from time to time, including on the Table of Cumulative Outstanding Principal Amount attached to each Note if it is presented to the Registrar for that purpose. Any Owner may examine the books of registry maintained by the Registrar upon request, and the Registrar shall grant such request as soon as reasonably practicable. Any failure of the Registrar to record a

principal advance or a redemption on the Table of Cumulative Outstanding Principal Amount shall not affect the Cumulative Outstanding Principal Amount shown on the records of the Registrar.

ARTICLE V

REFUNDING NOTES

Section 5.1. Refunding Notes. Refunding Notes may be issued at any time at the direction of the Finance Director for the purpose of refunding (including by purchase) any Note or any portion thereof, including amounts to pay principal and interest to the date of maturity or redemption (or purchase) and the expenses of issuing the Refunding Notes and of effecting such refunding; provided that the Debt Service on all Notes to be outstanding after the issuance of the Refunding Notes shall not be greater in any Fiscal Year than would have been the Debt Service in such Fiscal Year were such refunding not to occur.

ARTICLE VI

EFFECTIVE DATE OF PROJECT; PLEDGE OF REVENUE

Section 6.1. Effective Date of Project. For purposes of Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, the effective date of the Project shall be determined as provided in the Redevelopment Agreement. The Finance Director is hereby directed to notify the Assessor of the effective date of the Project on the form prescribed by the Property Tax Administrator.

Section 6.2. Collection of Revenue; Pledge of Revenue. As provided for in the Redevelopment Plan, and pursuant to the provisions of the Redevelopment Law, for the period contemplated thereby, the Tax Revenue collected in the Project Area shall be allocated to and, when collected, paid into the Special Fund along with any Project Revenue collected under the terms of this Ordinance to pay the principal of and interest on the Notes. When the Notes, including interest and all other indebtedness and costs of construction incurred by the City in connection with the City Improvements and for the Project have been paid in accordance with this Ordinance, the Redevelopment Plan and the Redevelopment Agreement, the Tax Revenue shall be applied as provided for in the Redevelopment Law.

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

In accordance with the provisions of Section 18-2150, Reissue Revised Statutes of Nebraska, as amended, a copy of this **Section 6.2** shall be certified by the Clerk and filed by the Clerk with the Assessor and the Treasurer.

Section 6.3. Potential Insufficiency of Revenue. The City makes no representations, covenants, or warranties to the Owners that the Revenue will be sufficient to pay the principal of and interest on the

Notes. Payment of the principal of and interest on the Notes is limited solely and exclusively to the Revenue pledged under the terms of this Ordinance, and is not payable from any other source whatsoever.

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS; PAYMENTS THEREFROM

Section 7.1. Creation of Funds and Account. There is hereby created and established by the City the following funds and accounts which funds shall be held by the Finance Director of the City separate and apart from all other funds and moneys of the City under his control:

(a) a special trust fund called the “10th & Military Creekside Village Special Fund” (the “**Special Fund**”), and which shall contain both a Debt Service Account and a Surplus Account for each series of Notes issued and which shall be created as special trust accounts; and

(b) a special trust fund called the “10th & Military Creekside Village Project Fund” (the “**Project Fund**”) which shall contain a Project Account for each series of Notes issued and which shall be created as special trust accounts.

So long as the Notes, or any interest thereon, remains 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 7.2. Special Fund. All of the Revenue shall be deposited into the Special Fund. The Revenue accumulated in the Special Fund shall be used and credited in the following order of priority:

(a) **Debt Service Accounts.** Credits shall be made into the Debt Service Accounts on the Business Day prior to each Interest Payment Date so that the balance in each respective Debt Service Account on an Interest Payment Date shall be equal to the amount of Debt Service due on the corresponding series of Notes on such Interest Payment Date. Money in each Debt Service Account shall be used solely for the payment of Debt Service on the corresponding series of Notes as the same becomes due.

If the Notes Outstanding are all Redeveloper Notes or are all Lender Notes, to the extent that moneys on deposit in the Special Fund are not sufficient to fund Debt Service for each Outstanding series of Notes on the next Interest Payment Date such moneys will be applied on a proportionate basis to each series Debt Service Account based upon the outstanding principal amounts of each series of Notes. If both Lender Notes and Redeveloper Notes are Outstanding, the Debt Service Account for the Lender Notes will be funded with all available Revenues until an amount sufficient to pay Debt Service on the next Interest Payment Date shall have been deposited in the Debt Service Account for the Lender Notes.

(b) **Surplus Account.** After the credits required by **Section 7.2(a)** have been made, the remaining Revenue in the Special Fund shall be deposited into the Surplus Account and used and applied by the City to (1) redeem principal of the Notes (with any Lender Notes to be redeemed prior to any Redeveloper Notes, or if all Notes are either Lender Notes or Redeveloper Notes such moneys will be applied on a proportionate basis to redeem Notes based upon the outstanding principal amount of each series), (2) pay costs of construction incurred by the City in connection with the City Improvements, in its

sole and absolute discretion, or (3) pay costs allowed by the Redevelopment Agreement and the Redevelopment Law.

Section 7.3. Project Fund. The Trustee shall disburse moneys on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for the Project Costs in each case within **5 Business Days** after completion of the steps set forth in **Section 3.2(b)**. If a sufficient amount to pay a properly completed disbursement request is not in the appropriate account of the Project Fund at the time of the receipt by the Trustee of such request, the Trustee shall notify the respective Owners of the applicable series of Notes and such Owners may deposit an amount sufficient to pay such request with the Finance Director for deposit in the applicable Project Fund.

Section 7.4. Subordination of Debt Service Payments on Redeveloper Notes.

(a) Notwithstanding any other provision of this Ordinance to the contrary, the owners of Redeveloper Notes covenant and agree that, upon the issuance of Lender Notes or transfer of Redeveloper Notes to a party other than the Redeveloper, the lien and security for the payment of principal of and interest on Lender Notes shall for all purposes of this Ordinance be superior to and constitute a priority with respect to all other payments on Redeveloper Notes with respect to the use of Revenues. No payment of principal or interest, or any payment related to redemption under **Section 4.1**, will be made on Notes other than Lender Notes from the Revenues upon the occurrence and continuance of the Finance Director being unable to make the deposits required by **Section 7.2** of this Ordinance into the Debt Service Account established for Lender Notes sufficient to make payments on the Lender Notes on the next Interest Payment Date. Such limitation shall continue into effect until such payments are made in full.

(b) Upon any distribution to creditors of the City of moneys constituting Revenues in a liquidation or dissolution or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding, (1) the Owners of Lender Notes shall be entitled to receive indefeasible payment in full in cash of the principal of and interest (including interest accruing after the commencement of such proceeding) to the date of payment on the Lender Notes before the owners of the Redeveloper Notes shall be entitled to receive any payment of principal or interest thereon, and (2) until the Lender Notes are paid indefeasibly in full in cash, any distribution of Revenues to which the Owners of the Redeveloper Notes would be entitled but for these provisions shall be made to Owners of the Lender Notes.

(c) If a distribution is made to the Owner of Redeveloper Notes that because of subparagraphs (b) and (c) of this Section should not have been made, the Owner who receives such distribution shall hold it in trust for the Owners of the Lender Notes and shall promptly pay such distribution to the Finance Director for the benefit of the Owners of Lender Notes.

ARTICLE VIII

COVENANTS OF THE CITY

So long as the Notes 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 Notes, including the following covenants and agreements for the benefit of the Owners which are necessary, convenient and desirable to secure the Notes and will tend to make them more

marketable; provided, however, that such covenants do not require the City to expend any money other than the Revenue nor violate the provisions of State law with respect to tax revenue allocation.

Section 8.1. Management and Operation of Properties. The City covenants and agrees 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 8.2. 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 Revenue which have, or purport to have, any lien upon the Revenue prior or superior to or in parity with the lien of the Notes and the interest thereon; provided, however, that nothing in this Ordinance shall prevent the City from issuing and selling Notes or other obligations which have, or purport to have, any lien upon the Revenue which is junior to the Notes and the Debt Service thereon, or from issuing and selling Notes or other obligations which are payable in whole or in part from sources other than the Revenue.

Section 8.3. To Pay Principal of and Premium and Interest on Notes. The City will duly and punctually pay or cause to be paid solely from the Revenue the principal of and interest on the Notes on the dates and at the places and in the manner provided in the Notes 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 Notes and in this Ordinance.

Section 8.4. 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 Revenue 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, and a copy of the audit report shall be made available to the 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 8.5. Eminent Domain Proceeds. The City covenants and agrees that should all or any part of the Project be taken by eminent domain 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 Revenue and shall be deposited into the Special Fund and used for the purposes and in the manner described in **Section 7.2.**

Section 8.6. Protection of Security. The City is duly authorized under all applicable laws to create and issue the Notes and to adopt this Ordinance and to pledge the Revenue in the manner and to the extent provided in this Ordinance. The Revenue so pledged is 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 Notes are and will be a valid obligations of the City in accordance with its 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

Revenue pledged under this Ordinance and all the rights of the Owners under this Ordinance against all claims and demands of all persons whomsoever.

Section 8.7. Tax Covenants.

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Notes and (2) it will not use or permit the use of any proceeds of Tax-Exempt Notes or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Tax-Exempt Notes. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Tax-Exempt Notes will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that (1) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Tax-Exempt Notes, (2) it will use the proceeds of the Tax-Exempt Notes as soon as practicable and with all reasonable dispatch for the purposes for which the Tax-Exempt Notes are issued, and (3) it will not invest or directly or indirectly use or permit the use of any proceeds of the Tax-Exempt Notes or any other funds of the City in any manner, or take or omit to take any action, that would cause the Tax-Exempt Notes to be “arbitrage Notes” within the meaning of Section 148(a) of the Code.

(c) The City covenants and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to the Tax-Exempt Notes from time to time. This covenant shall survive payment in full or defeasance of the Tax-Exempt Notes. The City specifically covenants to pay or cause to be paid to the United States, the required amounts of arbitrage rebate at the times and in the amounts as determined by the Tax Certificates. Notwithstanding anything to the contrary contained herein, the Tax Certificate may be amended or replaced if, in the opinion of counsel nationally recognized on the subject of municipal Notes, such amendment or replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Notes.

(d) The City covenants and agrees that it will not use any portion of the proceeds of the Tax-Exempt Notes, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Tax-Exempt Note to be a “private activity Note.”

(e) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Notes pursuant to **Article X** of this Ordinance or any other provision of this Ordinance, until the final maturity date of the Notes.

ARTICLE IX

FORM OF NOTES

Section 9.1. Form of Notes. The Notes shall be in substantially the following form:

(FORM OF NOTES)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND THIS NOTE MAY NOT BE TRANSFERRED UNLESS THE PROPOSED ASSIGNEE IS A BANK OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION AND THE OWNER HAS OBTAINED AND PROVIDED TO THE CITY, PRIOR TO SUCH TRANSFER AND ASSIGNMENT, AN INVESTOR'S LETTER IN FORM AND SUBSTANCE SATISFACTORY TO THE CITY EVIDENCING THE COMPLIANCE WITH THE PROVISIONS OF ALL FEDERAL AND STATE SECURITIES LAWS AND CONTAINING SUCH OTHER REPRESENTATIONS AS THE CITY MAY REQUIRE.

THIS NOTE MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN SECTION ____ OF ORDINANCE NO. _____ OF THE CITY OF LINCOLN, NEBRASKA.

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF LANCASTER

THE CITY OF LINCOLN

COMMUNITY REDEVELOPMENT REVENUE NOTE,
[TAXABLE/TAX-EXEMPT] SERIES _____
(10TH & MILITARY CREEKSIDE VILLAGE PROJECT

No. R-1

Up to \$720,700
(subject to reduction as described herein)

Date of
Original Issue

Date of
Maturity

Rate of
Interest

REGISTERED OWNER:

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE NOTE SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

IN WITNESS WHEREOF, THE CITY OF LINCOLN, NEBRASKA has caused this Note to be signed by the manual signature of its Mayor, registered in the office of its Finance Director, countersigned by the manual signature of its Finance Director or Acting Finance Director, and its corporate seal imprinted hereon.

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

THE CITY OF LINCOLN, NEBRASKA

By: _____ (manual signature)
Mayor

(manual signature)
Finance Director of The
City of Lincoln, Nebraska

(Original Seal)

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 on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of The City of Lincoln, Nebraska (the “Registrar”), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in Schedule 1 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 May 1 and November 1 of each year until payment in full of such Principal Amount, beginning _____, 201_, by check or draft mailed to the Registered Owner hereof as shown on the Note registration books maintained by the Registrar on the 15th 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 Note registration books. The principal of this Note 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 Note 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 VIII, 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 _____, 2011, as from time to time amended and supplemented (the “Ordinance”).

THE PRINCIPAL AMOUNT OF THIS NOTE IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS NOTE IS \$720,700, LESS THE PRINCIPAL AMOUNT OF ANY OTHER NOTES, NOTES OR OTHER OBLIGATIONS THAT MAY BE ISSUED FROM TIME TO TIME UNDER THE TERMS OF THE ORDINANCE.

This Note has been issued by the City for the purpose of financing the costs of purchasing, constructing, reconstructing, acquiring, improving, extending, rehabilitating, installing, equipping, furnishing and completing certain public improvements within the area identified and referred to as the City’s Lincoln Center Redevelopment Plan and Antelope Valley Redevelopment Plan, which is 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 collection and disposition of certain tax and other revenues, the special funds charged with and pledged to the payment of the principal of and interest on this Note, the nature and extent of the security thereby

created, the terms and conditions under which this Note has been issued, the rights and remedies of the Registered Owner of this Note, and the rights, duties, immunities and obligations of the City. By the acceptance of this Note, the Registered Owner assents to all of the provisions of the Ordinance.

This Note is a special limited obligation of the City payable as to principal and interest solely from and is secured solely by the Tax Revenue (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 Revenue represents that portion of ad valorem taxes levied by public bodies of the State of Nebraska, including the City, on real property in the Project Area (as defined in this Ordinance) which is 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 Area 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 Note 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 Note 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 and other funds pledged under the Ordinance, which Tax Revenues and other funds have been and hereby are pledged to the punctual payment of the principal of and interest on this Note in accordance with the provisions of this Ordinance.

The registered owner may from time to time enter the respective amounts advanced pursuant to the terms of the Ordinance under the column headed "Principal Amount Advanced" on Schedule 1 hereto (the "Table") and may enter the aggregate principal amount of this Note then outstanding under the column headed "Cumulative Outstanding Principal Amount" on the Table. On each date upon which a portion of the Cumulative Outstanding Principal Amount is paid to the registered owner hereof pursuant to the redemption provisions of the Ordinance, the registered owner may enter the principal amount paid on this Note under the column headed "Principal Amount Redeemed" on the Table and may enter the then outstanding principal amount of this Note under the column headed "Cumulative Outstanding Principal Amount" on the Table. Notwithstanding the foregoing, the records maintained by the Trustee as to the principal amount issued and principal amounts paid on this Note shall be the official records of the Cumulative Outstanding Principal Amount of this Note for all purposes.

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 Note by its acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for this Note; the Tax Revenue and other money and securities pledged to the payment of the principal of and interest on this Note; 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 Note; 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 Note, and this Note 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.

This Note is subject to redemption prior to maturity, at the option of the City, in whole or in part at any time at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest

on such principal amount to the date fixed for redemption. Reference is hereby made to the Ordinance for a description of the redemption procedures and the notice requirements pertaining thereto.

In the event this Note 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 10 days prior to the date fixed for redemption, unless waived by the Registered Owner hereof. If this Note, or any portion thereof, shall have been duly called for redemption and notice of such redemption duly given as aforesaid, then upon such redemption date the portion of this Note so redeemed shall become due and payable and if money for the payment of the portion of the Note so redeemed and the accrued interest thereon to the date fixed for 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 Note is transferable by the Registered Owner hereof in person or by its attorney or legal representative 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 the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of the same series and maturity and for the same principal amount will be issued to the transferee in exchange therefor. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal of and interest due hereon and for all other purposes.

This Note is being issued as fully a registered Note without coupons. This Note is subject to exchange as provided in the Ordinance.

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 Note have happened, do exist and have been performed in regular and due time, form and manner; that this Note does not exceed any constitutional, statutory or charter limitation on indebtedness; and that provision has been made for the payment of the principal of and interest on this Note as provided in this Ordinance.

(FORM OF ASSIGNMENT)

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 Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the Note register kept by the Registrar 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
Note in every particular.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as
defined by SEC Rule 17 Ad-15 (17 CFR 240.17
Ad-15)

By: _____
Title: _____

thereof, 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 the Notes, 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.

Provided that, with respect to any total redemption of any Note, 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 any Note or portion thereof shall no longer be outstanding hereunder, as provided, such Note or portion thereof 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 Note or portion thereof shall no longer be secured by or entitled to the benefits of this Ordinance.

Any such money so deposited with the Registrar for any Note or portion thereof 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 such Note or portion thereof and interest 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 is other money deposited in that fund.

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 any Note and such Note 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 thereof without the consent of such Owner.

Section 10.2. Certain Limitations After Due Date. If sufficient money or Escrow Obligations shall have been deposited in accordance with the terms hereof with the Registrar in trust for the purpose of paying the Notes or any portion thereof and the accrued interest thereon when the same becomes due, whether at maturity or upon earlier redemption, 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 such money or Escrow Obligations, without liability to the Owners for interest thereon, in trust for the benefit of the Owners, who thereafter shall be restricted exclusively to such money or Escrow Obligations for any claim for such payment of whatsoever nature on his part.

Notwithstanding the provisions of the preceding paragraph of this **Section 10.2**, money or Escrow Obligations held by the Registrar in trust for the payment and discharge of the principal of and accrued interest on any Note which remain unclaimed for five years after the date on which such payment shall have become due and payable, either because the Notes shall have reached their maturity date or because the entire principal balance of the Notes shall have been called for redemption, if such money was 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 date when such Note 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 thereof shall look only to the City for the payment thereof.

ARTICLE XI

AMENDING AND SUPPLEMENTING OF ORDINANCE

Section 11.1. Amending and Supplementing of Ordinance Without Consent of Owners. The City may at any time without the consent or concurrence of the Owners of the Notes adopt an ordinance amendatory hereof or supplemental hereto if the provisions of such supplemental ordinance do not materially adversely affect the rights of the Owners of the Notes, 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 Notes;

(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 Owner of the Notes 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 11.1** unless in the opinion of counsel the adoption of such supplemental ordinance is permitted by the foregoing provisions of this **Section 11.1** and the provisions of such supplemental ordinance do not materially and adversely affect the rights of the Owners of the Notes.

Section 11.2. Amending and Supplementing of Ordinance with Consent of Owners. With the consent of the Owners of not less than a majority in principal amount of the Notes 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 Notes then outstanding; provided, however, that, without the specific consent of the Owner of each such Note 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 Note or the rate of interest thereon or the Redemption Price payable upon the redemption or prepayment thereof; (b) reduce the percentage of Notes, the Owners of which are required to consent to any supplemental ordinance amending or supplementing the provisions of this Ordinance; (c) give

to any Note or Notes any preference over any other Note or Notes 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 Notes except to the extent provided in **Articles III** and **V**; or (e) deprive any Owner of the Notes 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 Notes of the adoption of any supplemental ordinance authorized by the provisions of **Section 11.1**.

It shall not be necessary that the consents of the Owners of the Notes 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 Notes shall have filed their consents to the amending or supplementing hereof pursuant to this Section, the City may adopt such supplemental ordinance.

Section 11.3. Effectiveness of Supplemental Ordinance. Upon the adoption (pursuant to this **Article XI** 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 Notes 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 Owners of the Notes 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 Notes and of this Ordinance for any and all purposes.

ARTICLE XII

MISCELLANEOUS

Section 12.1. 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, City 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 Owner and its 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 the right, power and authority to exercise his independent judgment and absolute discretion in (1) determining and finalizing all terms and provisions to be carried by the Notes 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 the issuance, sale and delivery of the Notes. The execution and delivery by the Finance Director 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 Notes, 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 12.2. Proceedings Constitute Contract; Enforcement Thereof. The provisions of this Ordinance shall constitute a contract between the City and the Owners and the provisions thereof shall be enforceable by the Owners 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 any Note, 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 12.3. Benefits of Ordinance Limited to the City and the Owners. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Notes is intended or should be construed to confer upon or give to any person other than the City and the Owners of the Notes 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 Owner from time to time of the Notes as herein and therein provided.

Section 12.4. 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 Note. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 12.5. 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 12.6. 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 Notes, but the Owner of the Notes 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 12.7. 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 12.8. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, 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 12.9. 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 12.10. 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:

PASSED _____, **2011.**

AYES: _____

NAYS: _____

ABSENT OR NOT VOTING:

Approved as to Form:

City Attorney

Bond Counsel

CONFLICT OF INTEREST:

APPROVED: _____, **2011.**

Mayor