FIRST AMENDMENT

Summary - an ordinance authorizing the issuance of the City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds (Additionally Secured by Pledged Revenues), Series 2006C.

BILL NO. 2006-41

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF LAS VEGAS, NEVADA, GENERAL OBLIGATION (LIMITED TAX) ADJUSTABLE RATE VARIOUS PURPOSE BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2006C" IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $32,000,000 FOR THE PURPOSE OF FINANCING BUILDING PROJECTS, DRAINAGE AND FLOOD CONTROL PROJECTS, ENVIRONMENTAL REMEDIATION PROJECTS, PARK PROJECTS, OFF-STREET PARKING PROJECTS, RECREATIONAL PROJECTS, SEWERAGE PROJECTS, STREET PROJECTS AND WATER PROJECTS OF THE CITY; AND PROVIDING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Las Vegas in the County of Clark and State of Nevada (the "City," the "County" and the "State," respectively) is a political subdivision of the State duly organized and operating as a city under the provisions of Nevada Revised Statutes ("NRS") chapter 268 and an act entitled "AN ACT incorporating the City of Las Vegas in Clark County, Nevada, under a charter; defining the boundaries thereof; and providing other matters properly relating thereto," cited as chapter 517, Statutes of Nevada, 1983, as amended (the "Charter"); and

WHEREAS, the City Council of the City (the "Council") has determined and does hereby declare pursuant to NRS Chapter 360 and Sections 2.350 and 7.020 of its Charter (collectively, the "Project Act"), the City is authorized and empowered to pledge the Pledged Revenues (as defined herein) to pay bonds; and

WHEREAS, the Council has determined and hereby declares that the public interest, health and welfare necessitates acquiring, constructing, improving, equipping, operating and maintaining building projects as described in NRS Section 268.676, drainage and flood control projects as described in NRS Section 268.682, environmental remediation projects as described in NRS Section 268.757, park projects as described in NRS Section 268.702, off-street parking projects as described in NRS Section 268.698, recreational projects as described in NRS

Section 268.710, sewerage projects as described in NRS Section 268.714, street projects as described in NRS Section 268.722 and water projects as described in NRS Section 268.728 in the City (collectively, the "Project"); and

WHEREAS, there remain unpaid and outstanding certain bonds previously issued by the City designated as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Various Purpose Bonds (Additionally Secured with Pledged Revenues), Series 1997B" (the "1997 Bonds"), the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Redevelopment Projects Bonds (Additionally Secured by Pledged Revenues), Series November 1, 1998A" (the "1998A Bonds"), the "City of Las Vegas, Nevada General Obligation (Limited Tax) Parking Bonds (Additionally Secured by Pledged Revenues), Series October 1, 1999" (the "1999 Bonds"), "City of Las Vegas, Nevada General Obligation (Limited Tax) Parking Bonds (Additionally Secured by Pledged Revenues), Series 2002A" (the "2002 Bonds"), the "City of Las Vegas, Nevada General Obligation (Limited Tax) Redevelopment Projects Bonds (Additionally Secured by Pledged Revenues), Series 2003A" (the "2003 Bonds") and the "City of Las Vegas, Nevada General Obligation (Limited Tax) Various Purpose Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2005B" (the "2005 Bonds"), the "City of Las Vegas, Nevada General Obligation (Limited Tax) Taxable Various Purpose Bonds (Additionally Secured by Pledged Revenues), Series 2006A" (the "2006A Bonds") and the "City of Las Vegas, Nevada General Obligation (Limited Tax) Tax-Exempt Various Purpose Bonds (Additionally Secured by Pledged Revenues), Series 2006B" (the "2006B Bonds"), which 1997 Bonds, 1998A Bonds, 1999 Bonds, 2002 Bonds, 2003 Bonds, 2005 Bonds, 2006A Bonds and 2006B Bonds (collectively, the "Prior Bonds") are secured by the Pledged Revenues on a parity basis with the bonds (the "Bonds") authorized to be issued by this Ordinance (as defined herein); and

WHEREAS, there are no outstanding obligations other than the Prior Bonds which are secured in whole or in part by the Pledged Revenues; and

WHEREAS, the City has never pledged nor in any way hypothecated the Pledged Revenues to the payment of any bonds, other than the Prior Bonds, or for any other purpose; and

WHEREAS, the Council has determined that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the Bonds (the "Finding"); and

WHEREAS, pursuant to NRS Sections 350.011 to 350.0165, inclusive, as amended, the City has submitted to the Debt Management Commission of Clark County (the "Commission") the City's proposal to issue the Bonds (the "Proposal") and the Finding; and

WHEREAS, the Commission has heretofore approved the Proposal and the Finding; and

WHEREAS, pursuant to NRS Section 350.020(3), the City has published a notice of its intent to issue general obligation (limited tax) bonds additionally secured by pledged revenues for the Project, in the maximum aggregate principal amount of $79,000,000, provided no petition in conformity with NRS Section 350.020(3) requesting an election on the general obligation (limited tax) bonds additionally secured by pledged revenues is presented to the Council within 90 days after such publication; and

WHEREAS, of such $79,000,000 authorization for the issuance of general obligation (limited tax) bonds additionally secured by pledged revenues, the City has issued the 2006A Bonds in the aggregate principal amount of $18,000,000 and the 2006B Bonds in the aggregate principal amount of $50,745,000, of which $29,000,000 was new money, and the City hereby authorizes the issuance of $32,000,000 of such general obligation (limited tax) bonds additionally secured by pledged revenues for the Project; and

WHEREAS, the City has determined and hereby determines that it is necessary and in the best interests of the City and its citizens to finance the Project; and

WHEREAS, the City has determined and does hereby determine that, based upon studies and reports pertaining thereto, the Pledged Revenues will at least equal the amount required in each year for the payment of the interest on and principal of the Bonds proposed to be issued pursuant to this Ordinance, without regard to any option reserved by the City for early redemption; and

WHEREAS, the City's Director of Finance and Business Services, as the chief financial officer of the City (the "Finance Director"), or the City Manager, as the chief administrative officer of the City (the "City Manager"), is authorized to sell the Bonds to Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") through a negotiated sale pursuant to NRS Section 350.155(2)(a) as set forth in the Bond Purchase Agreement between the City and the Underwriter (the "Purchase Agreement") and the Finance Director or the City Manager is hereby authorized to accept the Purchase Agreement as a binding bid for the Bonds,

the Bonds to bear variable interest rates per annum as provided in this Ordinance, at a price equal to the principal amount thereof plus a premium or less a discount not to exceed 9 percent of the principal amount of the Bonds, all as specified by the Finance Director or the City Manager in the Purchase Agreement; and

WHEREAS, the City hereby elects to have the provisions of Chapter 348 of NRS (the "Supplemental Bond Act") apply to the Bonds.

WHEREAS, the Council has found and determined and hereby declares:

A. It is necessary and for the best interests of the City to effect the Project and to issue the Bonds;

B. Each of the limitations and other conditions to the issuance of the Bonds in the Charter, the Project Act, the Bond Act (as defined herein), the Supplemental Bond Act, and in any other relevant act of the State or the Federal Government, has been met; and pursuant to Section 350.708, Bond Act, this determination of the Council that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion; and

C. The procedure specified herein for determining the rate or rates of interest is reasonable under existing or anticipated conditions in the market and is necessary and advisable for marketing the Bonds. These findings are conclusive in accordance with the provisions of NRS Section 350.5835.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAS VEGAS DOES ORDAIN:

ARTICLE I.

SHORT TITLE, DEFINITIONS, INTERPRETATION, RATIFICATION, TRANSMITTAL, AND EFFECTIVE DATE

Section 101 Short Title. This ordinance shall be known as and may be designated by the short title "2006C Various Purpose Bond Ordinance" (this "Ordinance").

Section 102 Meanings and Construction.

A. Definitions. The terms in this section defined for all purposes of this Ordinance and of any instrument amendatory hereof or supplemental hereto, and of any other

instrument or any other document relating hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

"acquire" or "acquisition" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contract, or any combination thereof, of any properties relating to the Project, or an interest therein, or any other properties herein designated.

"Alternate Rate" means (1) with respect to Bonds in a Daily Mode, a Weekly Mode, an R-FLOATs Mode for an Interest Period of 35 days or less or a Unit Pricing Mode for an Interest Period of 30 days or less, a rate equal to the BMA Municipal Swap Index, which is reset weekly, published immediately prior to the date such Alternate Rate is determined; and (2) with respect to Bonds in an R-FLOATs Mode for an Interest Period of greater than 35 days, a Unit Pricing Mode for an Interest Period of greater than 30 days or in a Term Rate Mode, an annual rate equal to 75% of the highest quoted yield on United States Government Obligations – State and Local Government Series, with a maturity equal to the length of the Interest Period for which the Alternate Rate is calculated, which yield was published in Form PD4262, Department of Treasury, Bureau of Public Debt, as most recently published prior to the date such Alternate Rate is determined.

"annual principal and interest requirements" means the sum of the principal of and interest on the Outstanding Bonds and any other Outstanding designated securities or obligations payable from the Pledged Revenues having a lien thereon superior to or on a parity with the lien thereon of the Bonds, including the obligation to reimburse a Credit Facility Provider for draws made under a Reimbursement Agreement and including the Outstanding Prior Bonds, to be paid during any Bond Year, but excluding any reserve requirements to secure such payments unless otherwise expressly provided and excluding any amount payable from capitalized interest. In calculating this amount, the principal amount of bonds required to be redeemed prior to maturity pursuant to a mandatory redemption schedule contained in the ordinance or other instrument authorizing the issuance of such bonds shall be treated as maturing in the Bond Year in which such bonds are so required to be redeemed, rather than in the Bond Year in which the stated maturity of such bonds occurs.

"Auction Mode" means the Mode during which the Bonds bear interest at the Auction Rate.

"Authorized Denominations" means the authorized denominations as set forth in Section 302 hereof.

"BMA Municipal Swap Index" means The Bond Market Association™ Municipal Swap Index as disseminated by Municipal Market Data, a Thomson Financial Services Company, or its successor, for the most recently preceding Business Day, which is reset weekly.

"Bond Act" means NRS Sections 350.500 through 350.720, and all laws amendatory thereof, designated in Section 350.500 thereof as the Local Government Securities Law.

"Bond Counsel" means legal counsel of recognized national standing in the field of obligations the interest on which is excluded from gross income for federal income tax purposes, selected by the City and not objected to by the Paying Agent or the Credit Facility Provider (if any).

"Bond Fund" means the special account designated as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds, Series 2006C, Pledged Revenues, Interest and Principal Retirement Fund," created in Section 604(B) hereof, and required to be accumulated and maintained in Section 604 hereof which shall be held separate and apart from the Income Fund.

"Bond Requirements" means the principal of, any redemption premiums due in connection with, and the interest on the Bonds and any additional bonds or other additional securities payable from the Pledged Revenues and hereafter issued, including the obligation to reimburse a Credit Facility Provider for draws made under a Reimbursement Agreement, or such part of such securities or such other securities relating to the Project as may be designated, as such principal, premiums and interest become due at maturity or on a Redemption Date designated in a mandatory redemption schedule, in a notice of prior redemption, or otherwise.

"Bonds" means the securities issued hereunder and designated as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds (Additionally Secured by Pledged Revenues), Series 2006C".

"Bond Year" means the 12 months commencing on June 2 of any calendar year and ending on June 1 of the next succeeding calendar year.

"Budget Act" means NRS Sections 354.470 to 354.626, inclusive, and all laws amendatory thereof, designated in Section 354.470 thereof as the Local Government Budget Act.

"Business Day" means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of Nevada, the State of New York or in any state in which the office of the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), the Remarketing Agent (if any), the Tender Agent (if any), the Auction Agent (if any) or the Paying Agent is located are authorized to remain closed or a day on which the New York Stock Exchange is closed.

"City" means the City of Las Vegas in the County of Clark in the State of Nevada, and constituting a political subdivision thereof, or any successor municipal corporation.

"City Clerk" means the de jure or de facto city clerk of the City and designated as such by the City, or his or her successor in functions, if any.

"City Drawing Account" means the account established pursuant to Section 324 hereof.

"City Purchase Account" means the account by that name within the Purchase Fund established pursuant to Section 323.

"City Treasurer" means the de jure or de facto city treasurer of the City and designated as such by the City.

"combined maximum annual principal and interest requirements" means the greatest of the annual principal and interest requirements to be paid during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any bond last becomes due at maturity or on a Redemption Date on which any bond thereafter maturing is called for prior redemption. If any outstanding bonds are subject to variable interest rates, for the purpose of such computation, such interest rates shall be estimated by an Independent Accountant, an independent feasibility consultant or the Finance Director and the rate so estimated shall be used for the purpose of such computation. Any such computation shall be adjusted as provided in Section 803C hereof, and shall be made by an Independent Accountant, an independent feasibility consultant or the Finance Director if expressly so required.

"commercial bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and which is located within the United States; and such term includes, without limitation, any "trust bank" as herein defined.

"Construction Account" means the account designated in Section 401 hereof as the "Construction Account".

"Cost of the Project" means all or any part of the cost of the Project designated by the City, which cost, at the option of the City, except as limited by law, may include all or any part of the incidental costs relating to the Project, including, without limitation:

(a) Preliminary expenses advanced by the City from funds available for use therefor or from any other source, or advanced with the approval of the City from funds available therefor or from any other source by the State, the Federal Government, or by any other Person with the approval of the City (or any combination thereof);

(b) The costs of appraising, printing, estimates, advice, of engineers, architects, accountants, financial consultants, attorneys at law, clerical help, or other agents or employees;

(c) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bonds and any other securities relating to the Project, and bank fees and expenses;

(d) The costs of contingencies;

(e) The costs of the capitalization with the proceeds of the Bonds of any interest on the bonds or other securities for any period not exceeding the period estimated by the City to effect the Project plus one year, of any discount on the bonds or other securities, and of any reserves for the payment of the principal of and interest on the Bonds or other securities, of any replacement expenses, and of any other cost of the issuance of the Bonds or other securities relating to the Project;

(f) The costs of amending any ordinance, resolution or other instrument authorizing the issuance of or otherwise relating to the Outstanding Bonds or other securities relating to the Project;

(g) The costs of funding any emergency loans, construction loans and other temporary loans of not exceeding 5 years relating to the Project and of the incidental expenses incurred in connection with such loans;

(h) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;

(i) All other expenses necessary or desirable and relating to the Project, as estimated or otherwise ascertained by the City.

"Council" means the City Council of the City of Las Vegas, in the State of Nevada, including any successor to the Council.

"Credit Facility" means a letter of credit, including, if applicable, a confirming letter of credit, bond insurance policy or similar credit facility issued by a commercial bank, savings institution, insurer or other financial institution which, by its terms, shall secure the payment of the principal of and interest on the Bonds when due and may provide funds to pay the purchase price of Bonds tendered or deemed tendered for purchase which are not successfully remarketed, delivered to and received by the Tender Agent, which facility shall be delivered to the Paying Agent, including a Substitute Credit Facility. A Credit Facility and a Liquidity Facility may be a single facility. The initial Credit Facility shall be issued by Lloyds TSB Bank plc, acting through its New York Branch.

"Credit Facility Deposit Account" means the account by that name within the Purchase Fund established pursuant to Section 323.

"Credit Facility Obligations" means repayment or other obligations incurred by the City in respect of draws or other payments or disbursements made under a Credit Facility (excluding all Security Instrument Costs and Security Instrument Repayment under a Credit Facility).

"Credit Facility Provider" means the commercial bank, savings institution, insurer or other financial institution issuing a Credit Facility. The initial Credit Facility Provider shall be Lloyds TSB Bank plc, acting through its New York Branch. A Credit Facility Provider and a Liquidity Facility Provider may be the same institution.

"Current Mode" shall have the meaning specified in Section 311.

"Daily Mode" means the Mode during which the Bonds bear interest at the Daily Rate.

"Daily Rate" means an interest rate that is determined on each Business Day with respect to any Bonds in the Daily Mode pursuant to Section 306.

"Defeasance Securities" means (a) Federal Securities which are not callable for redemption prior to their maturity by any Person other than the owner thereof and (b) other investments permitted under the laws of the State (i) which either are not callable for redemption prior to their maturity by any Person other than the owner thereof or for which an option to redeem prior to maturity has previously been irrevocably exercised (or an irrevocable covenant to exercise such option has previously been made by the Person entitled to exercise such option) and the redemption date of such securities has thereby been irrevocably fixed prior to the use of any such securities as Defeasance Securities, or (ii) which at the time of their initial use as Defeasance Securities are rated in the highest generic rating category by the Rating Agencies.

"Direct-Pay Credit Facility" means a Credit Facility that is issued in the form of a direct-pay letter of credit.

"Direct-Pay Credit Facility Drawing Account" means the account established pursuant to Section 324 hereof.

"Electronic Means" means telecopy, telegraph, telex, facsimile transmission, email transmission or other similar electronic means of communication, including a telephonic communication confirmed by writing or written transmission.

"Eligible Bonds" means any Bonds other than Liquidity Facility Bonds or Bonds owned by, for the account of, or on behalf of, the City.

"Events of Default" means the events stated in Section 1103 hereof.

"Expiration Date" means (i) the date upon which a Liquidity Facility or a Credit Facility is scheduled to expire (taking into account any extensions of such Expiration Date) in accordance with its terms without regard to any early termination thereof, (ii) the date upon which a Liquidity Facility terminates following voluntary termination by the City and (iii) the date upon which a Credit Facility terminates following voluntary termination by the City.

"Favorable Opinion of Bond Counsel" means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be Bond Counsel, to the effect that such action is permitted under this Ordinance and will not, in and of itself, result in the inclusion of interest on the Bonds in gross income for federal income

tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

"Federal Government" means the United States of America, or any agency, instrumentality or corporation thereof.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

"Fiscal Year" means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada legislature changes the statutory fiscal year relating to the City, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such modification, if any.

"Fitch" means Fitch Inc. a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City by notice to the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent and the Paying Agent.

"Fixed Rate" means the interest rate on the Bonds determined pursuant to Section 308.

"Fixed Rate Bonds" means the Bonds during the Fixed Rate Mode.

"Fixed Rate Mode" means the Mode during which the Bonds bear interest at a Fixed Rate.

"General Tax Interest Fund" means the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds, Series 2006C, General Tax Interest Fund," created in Section 501 hereof.

"General Tax Principal Fund" means the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds, Series 2006C, General Tax Principal Fund," created in Section 501 hereof.

"General Taxes" or "Taxes" means general (ad valorem) taxes levied by the City against all taxable property within the boundaries of the City (unless otherwise qualified).

"hereby," "herein," "hereinabove," "hereinafter," "hereinbefore," "hereof," and any similar term refer to this Ordinance and not solely to the particular portion thereof in which the word is used; "heretofore" means before the adoption of this Ordinance; and "hereafter" means after the adoption of this Ordinance.

"Holder" or "Bondholder," when used with respect to a Bond, means the Person in whose name such Bond is registered.

"Income Fund" means the special account designated as the "City of Las Vegas, Nevada, SCCRT Pledged Revenues Income Fund, Series 1993" created in Section 602 of the Ordinance authorizing the issuance of the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Multifamily Housing Bonds (Additional Secured by Pledged Revenues), Series November 1, 1993" (the "1993 Bonds") and continued herein which shall be held separate and apart from the Bond Fund.

"Independent Accountant" means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State, as from time to time appointed and compensated by the City:

(a) Who or which is, in fact, independent and not under the domination of the City;

(b) Who or which does not have any substantial interest, direct or indirect, with the City, and

(c) Who or which is not connected with the City as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the City.

"Interest Payment Date" means (1) with respect to Bonds in a Unit Pricing Mode (a) with an Interest Period of 180 days or less, the Purchase Date, and (b) with an Interest Period of 181 days or more, each June 1 and December 1 prior to the Purchase Date and the Purchase Date; (2) with respect to Bonds in a Daily Mode, a Weekly Mode or a R-FLOATs Mode other than Bonds in a Special R-FLOATs Rate Period, the first Business Day of each month; (3) with respect to any Bonds in a Special R-FLOATs Rate Period of 90 days or less, the first Business Day of the month following the last day of such Special R-Floats Rate Period and with respect to any Bonds in a Special R-FLOATs Rate Period of more than 90 days, the first Business Day of each third month following the commencement of such Special R-FLOATs Rate Period and the

first Business Day of the month following the last day of such Special R-FLOATs Rate Period; (4) with respect to Bonds in a Term Rate Mode, each June 1 and December 1 prior to the Purchase Date and the Purchase Date; (5) with respect to Bonds in the Fixed Rate Mode, each June 1 and December 1; (6) with respect to Auction Rate Securities, the Business Day immediately following the last day of the Initial Auction Period and the Business Day immediately following the last day of each subsequent Auction Period; unless such Auction Period has been changed pursuant to Section 1.10 of Exhibit A to this Ordinance to a period of 180 days or more in which case the day which is thirteen weeks from the first day of such Auction Period and the same day of each thirteenth week thereafter (unless such day is not a Business Day in which case on the next succeeding Business Day) and the Business Day immediately following the last day of such Auction Period or unless such Auction Period has been changed pursuant to Section 1.10 of Exhibit A to this Ordinance to a six-month Auction Period in which case to the next succeeding June 1 and December 1; (7) any Mode Change Date; (8) the Maturity Date of the Bonds; and (9) with respect to Liquidity Facility Bonds, the dates set forth in the Reimbursement Agreement.

"Interest Payment Period" means the period commencing on the last Interest Payment Date to which interest has been paid (or, if no interest has been paid in such Mode, from the date of original issuance of the Bonds, or the Mode Change Date, as the case may be) to, but not including, the Interest Payment Date on which interest is to be paid.

"Interest Period" means the period of time that an interest rate remains in effect, which period:

(1) with respect to any Bonds in a Daily Mode, commences on a Business Day and extends to, but does not include, the next succeeding Business Day;

(2) with respect to any Bonds in a Weekly Mode, commences on the first day Bonds begin to accrue interest in the Weekly Mode and ends on the next succeeding Tuesday, and thereafter commences on each Wednesday and ends on Tuesday of the following week;

(3) with respect to any Bonds in a R-FLOATs Mode: (i) bearing interest at a weekly R-FLOATs Rate commences on the first day Bonds begin to accrue interest in the weekly R-FLOATs Mode and ends on the next succeeding Wednesday, and thereafter commences on each Thursday and ends on Wednesday of the following week, (ii)

bearing interest at a monthly R-FLOATs Rate commences on the first day Bonds begin to accrue interest at the monthly R-FLOATs Mode and ends on the day immediately preceding the first Business Day of the next succeeding month, and thereafter commences on the first Business Day of each month and ends on the day preceding the first Business Day of the next succeeding month; and (iii) a Special R-FLOATs Rate Period;

(4) with respect to each Bond in a Unit Pricing Mode, shall be established by the Remarketing Agent pursuant to Section 305;

(5) with respect to any Bonds in a Term Rate Mode, initially, shall be from and including the Mode Change Date to, but not including, the Purchase Date established for such Bond pursuant to Section 307 and thereafter shall be from and including such Purchase Date to but not including the next Purchase Date; and

(6) with respect to any Bonds in an Auction Mode, shall be the Auction Period.

"Interested Parties" means the City, the Paying Agent, the Tender Agent, the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any).

"Liquidity Facility" means a standby bond purchase agreement, letter of credit or similar liquidity facility issued by a commercial bank, savings institution, insurer or other financial institution which, by its terms, shall provide for the payment of the Purchase Price of the Bonds tendered and not remarketed, and delivered to the Paying Agent. A Liquidity Facility and a Credit Facility may be a single facility. The initial Credit Facility is also a Liquidity Facility for purposes of this Ordinance.

"Liquidity Facility Bond Rate" means the interest rate(s) applicable from time to time to Liquidity Facility Bonds as determined in accordance with the applicable Liquidity Facility or Substitute Liquidity Facility.

"Liquidity Facility Bond Sale Date" means the day on which a Liquidity Facility Bond ceases to be a Liquidity Facility Bond.

"Liquidity Facility Bonds" means Bonds purchased by a Liquidity Facility Provider pursuant to a Liquidity Facility, but excluding Bonds no longer considered Liquidity Facility Bonds pursuant to the terms of such Liquidity Facility.

"Liquidity Facility Deposit Account" means the account by that name within the Purchase Fund established pursuant to Section 323.

"Liquidity Facility Provider" means the commercial bank, savings institution, insurer or other financial institution issuing a Liquidity Facility. A Liquidity Facility Provider and a Credit Facility Provider may be a single institution.

"Mandatory Purchase Date" means: (1) any Purchase Date for Bonds in the Unit Pricing Mode or the Term Rate Mode; (2) any Mode Change Date; (3) the effective date of an elective change to a Special R-FLOATs Rate Period of greater than 35 days; (4) unless the provisions of Section 321 are satisfied, any Termination Date, Substitute Liquidity Facility Date or Expiration Date; and (5) any Substitute Credit Facility Date.

"Maturity Date" means the maturity date designated in the Purchase Agreement with respect to the Bonds or with respect to any Bonds upon change to the Fixed Rate Mode, such maturities determined pursuant to Section 308.

"Mayor" means the de jure or de facto Mayor of the City, or his or her successor in functions, if any.

"Maximum Rate" means the lesser of 12% per annum and the maximum interest rate permitted by law.

"Mode" means, as the context may require, the Auction Mode, the Unit Pricing Mode, the Daily Mode, the Weekly Mode, the R-FLOATs Mode, the Term Rate Mode or the Fixed Rate Mode.

"Mode Change Date" means, with respect to any Bonds, the day following the last day of one Mode for such Bonds, and the date on which another Mode begins.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City by notice to the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent and the Paying Agent.

"NRS" means Nevada Revised Statutes.

"New Mode" shall have the meaning specified in Section 311.

"newspaper" means a newspaper printed in the English language, published at least once each calendar week.

"Non-Remarketing Period" has the meaning specified in Section 306(F)(1).

"Opinion of Counsel" means a written opinion of counsel (who may be counsel for the City) selected by the City and not objected to by the Paying Agent, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any).

"Outstanding" when used with reference to the Bonds or any other designated securities and as of any particular date means all the Bonds or any such other securities payable from the Pledged Revenues or otherwise relating to the Project, as the case may be, in any manner theretofore and thereupon being executed and delivered:

(a) Except any Bond or other security canceled by the City, by the Paying Agent or otherwise on the City's behalf, at or before such date;

(b) Except any Bond or other security the payment of which is then due or past due and moneys fully sufficient to pay the same are on deposit with the Paying Agent;

(c) Except any Bond or other security for the payment or the redemption of which moneys at least equal to the City's Bond Requirements to the date of maturity or to any Redemption Date, shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 1001 hereof; and

(d) Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to Sections 306 or 1209 hereof.

"owner" or any similar term, when used in conjunction with any Bonds, or any other designated securities, means the registered owner of any Bonds or other security which is registrable for payment if it shall at the time be registered for payment otherwise than to bearer.

"Parity Bonds" or "Parity Securities" means the Outstanding Prior Bonds and any other bonds or securities which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds.

"Paying Agent" means The Bank of New York Trust Company, N.A., or any successor paying agent for the Bonds which may be appointed by the Council.

"Paying Agent Agreement" means that certain Agreement to Provide Registrar and Paying Agent Services between the City and the Paying Agent and Registrar, as such agreement may from time to time be amended and supplemented.

"Person" means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the City), partnership, association or individual, and also includes an executor, administrator, Paying Agent, receiver or other representative appointed according to law.

"Pledged Distributed Local Tax Act" means, collectively, NRS chapter 360, and each Act which authorizes or imposes one or more of the taxes or other impositions that generate revenues distributed to the City pursuant to NRS Sections 360.680, 360.690 or 360.700 and authorized to be pledged to the Bonds by NRS Section 360.698, as amended from time to time.

"Pledged Revenues" means a 15% portion of all income and revenue derived by the City from the Pledged Distributed Local Tax Act and distributed thereto pursuant to NRS Section 360.698. The Pledged Revenues means all or a portion of the Pledged Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification. "Pledged Revenues" includes income derived from any additional sources if the Council is authorized to include and elects to include the additional sources in "Pledged Revenues" for the remaining term of the Bonds.

"Project" means the acquisition, construction, improvement, equipment, operation and maintenance of building projects as described in NRS Section 268.676, drainage and flood control projects as described in NRS Section 268.682, environmental remediation projects as described in NRS Section 268.757, park projects as described in NRS Section 268.702, off-street parking projects as described in NRS Section 268.698, recreational projects as described in NRS Section 268.710, sewerage projects as described in NRS Section 268.714, street projects as described in NRS Section 268.722 and water projects as described in NRS Section 268.728 in the City.

"Project Act" means NRS Chapter 360 and Sections 2.350 and 7.020 of the City's Charter, as amended from time to time.

"Purchase Date" means (i) during the Unit Pricing Mode or the Term Rate Mode with respect to the Bonds, the date determined by the Remarketing Agent on the most recent

Rate Determination Date as the date on which such Bonds shall be subject to purchase, (ii) during the Daily Mode or the Weekly Mode, a Business Day, and (iii) for a Bond in the weekly R-FLOATs Mode, any Rate Determination Date, for a Bond in the monthly R-FLOATs Mode any Interest Payment Date, and for a Bond in the Special R-FLOATs Rate Period the Interest Payment Date immediately following such Special R-FLOATs Rate Period in each case selected by the Beneficial Owner of said Bond pursuant to Section 317, provided that the Bonds in the R-FLOATs Mode are entitled to be purchased only to the extend the proceeds of a remarketing are available for such purchase.

"Purchase Fund" means the fund by that name established pursuant to Section 323.

"Purchase Price" means (i) an amount equal to the principal amount of any Bonds purchased on any Purchase Date, plus, in the case of any purchase of Bonds in the Daily Mode, the Weekly Mode or the R-FLOATs Mode, accrued interest thereon, if any, to the Purchase Date, or (ii) an amount equal to the principal amount of any Bonds purchased on a Mandatory Purchase Date, plus accrued interest thereon, if any, to the Mandatory Purchase Date.

"Rate Determination Date," means the date on which the interest rate(s) with respect to the Bonds shall be determined, which, (i) in the case of the Unit Pricing Mode, shall be the first day of an Interest Period; (ii) in the case of the Daily Mode, shall be each Business Day commencing with the first day the Bonds become subject to the Daily Mode; (iii) in the case of the initial conversion to the Weekly Mode, shall be no later than the Mode Change Date, and thereafter, shall be each Wednesday or, if Wednesday is not a Business Day, the next Business Day immediately preceding such Wednesday; (iv) in the case of the initial conversion to the R-FLOATs Mode, shall be no later than the Business Day prior to the Mode Change Date, and thereafter, shall be in the case of R-FLOATs with a weekly R-FLOATs Rate each Thursday or, if Thursday is not a Business Day, the next succeeding day which is a Business Day, in the case of R-FLOATs with a monthly R-FLOATs Rate the first Business Day of each month and in the case of R-FLOATs in a Special R-FLOATs Rate Period the first day of such Special R-FLOATs Rate Period; (v) in the case of the Term Rate Mode, shall be a Business Day no earlier than 30 Business Days and no later than the Business Day immediately preceding the first day of an Interest Period; (vi) in the case of the Fixed Rate Mode, shall be a date determined by the

Remarketing Agent which shall be at least one Business Day prior to the Mode Change Date; and (vii) in the case of Auction Rate Securities, shall be the Auction Date.

"Rating Agency" means S&P, Moody's or Fitch to the extent such Rating Agency is then rating the Bonds.

"Rating Category" means one of the general rating categories of the Rating Agencies without regard to any refinement or graduation of such rating category by numerical modifier or otherwise.

"Rebate Fund" means the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds, Series 2006C, Rebate Fund" created in Section 607 hereof.

"Record Date" means (i) with respect to Bonds in a Unit Pricing Mode, a Daily Mode, a Weekly Mode, a R-FLOATs Mode or an Auction Mode, the day (whether or not a Business Day) immediately preceding each Interest Payment Date, and (ii) with respect to Bonds in a Term Rate Mode or a Fixed Rate Mode, the 15th day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date.

"Redemption Date" means a date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from any Pledged Revenues in any mandatory redemption schedules, or in any notice of prior redemption or otherwise fixed and designated by the City.

"Redemption Price" means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the security's terms.

"Registrar" means The Bank of New York Trust Company, N.A., or any successor paying agent for the Bonds which may be appointed by the Council.

"Reimbursement Agreement" means the agreement between the City and a Credit Facility Provider and/or Liquidity Facility Provider pursuant to which a Credit Facility and/or Liquidity Facility is issued, as amended, supplemented or extended from time to time in accordance with the provisions thereof.

"Remarketing Agent" means any remarketing agent appointed by the City in accordance with Sections 325 and 326 and not objected to by the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any) and at the time serving as such under the Remarketing Agreement. The initial Remarketing Agent shall be Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"Remarketing Agreement" means that certain remarketing agreement between the City and the Remarketing Agent, as such agreement may from time to time be amended and supplemented, to remarket the Bonds delivered or deemed to be delivered for purchase by the Holders thereof, subject to approval by the City, the Credit Facility Provider (if any) and the Liquidity Facility Provider (if any).

"Remarketing Proceeds Account" means the account by that name within the Purchase Fund established pursuant to Section 323.

"R-FLOATs Mode" means the Mode during which the Bonds bear interest at the R-FLOATs Rate.

"R-FLOATs Rate" means an interest rate that is determined on a weekly basis or a monthly basis with respect to any Bonds in the R-FLOATs Mode pursuant to Section 306 (D) hereof, unless the Bonds are in a Non-Remarketing Period in which case at the Maximum Rate pursuant to Section 306(F) hereof or in a Special R-FLOATs Rate Period in which case pursuant to Section 306(E) hereof.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the state of its organization, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City by notice to the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent and the Paying Agent.

"Security Instrument Costs" means all amounts owed by the City to the Bank (whether or not evidenced by any note or instrument), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, representing reasonable fees, premiums, reasonable expenses, and similar reasonable costs and expenses owed or payable under any Reimbursement Agreement.

"Security Instrument Repayment Obligations" means all amounts owed by the City to the Bank (whether or not evidenced by any note or instrument), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, representing the principal of and interest on payments made by the Bank under the Reimbursement Agreement or the Credit Facility.

"Special Record Date" means a special date fixed by the Paying Agent to determine the names and addresses of owners of the Bonds for the payment of any defaulted interest on any of the Bonds, as further provided in Section 302 hereof. At least 10 days' notice will be given by the Paying Agent by first-class regular mail to each owner of a Bond as stated on the Registrar's registration list at the close of business on a date fixed by the Paying Agent, stating the date of the Special Record Date and the due date fixed for the payment of such defaulted interest.

"Special R-FLOATs Rate Period" means a period not to exceed 1,095 days which ends on the last day of a month and which the Remarketing Agent determines is the shortest period which will enable the Remarketing Agent to remarket the Bonds in the R-FLOATs Mode at par plus accrued interest.

"Substitute Credit Facility" means a Credit Facility, delivered to the Paying Agent in substitution for the original or a substitute Credit Facility or as a replacement of a Liquidity Facility or a substitute Liquidity Facility but such term shall not include extensions of any Credit Facility.

"Substitute Credit Facility Date" means the date of delivery to the Paying Agent of a Substitute Credit Facility by the City.

"Substitute Liquidity Facility" means a Liquidity Facility, delivered to the Paying Agent as a replacement of a Liquidity Facility or a substitute Liquidity Facility but such term shall not include extensions of any Liquidity Facility.

"Substitute Liquidity Facility Date" means the date of delivery to the Paying Agent of a Substitute Liquidity Facility by the City.

"State" means the State of Nevada, in the United States.

"Subordinate Bonds" or "Subordinate Securities" means bonds or securities which have a lien on the Pledged Revenues that is subordinate and junior to the lien thereon of the Bonds.

"Superior Bonds" or "Superior Securities" means bonds or securities which have a lien on the Pledged Revenues that is superior to the lien thereon of the Bonds.

"Tax Code" means the Internal Revenue Code of 1986, as amended, to the date of delivery of the Bonds.

"Taxes" means General Taxes.

"Tender Agent" means any tender agent appointed in accordance with Section 327. The initial Tender Agent shall be The Bank of New York Trust Company, N.A.

"Tender Agent Agreement" means that certain Tender Agent Agreement between the City and the Tender Agent, as such agreement may from time to time be amended and supplemented.

"Tender Notice Deadline" shall mean (i) during the Daily Mode, 11:00 a.m. New York City time, on any Business Day, (ii) during the Weekly Mode, 3:00 p.m. New York City time, on a Business Day which is at least five Business Days prior to the applicable Purchase Date; and (iii) during the R-FLOATs Mode, 3:00 p.m. New York City time on the Business Day prior to the applicable Purchase Date.

"Termination Date" means (a) the date specified in a notice of termination given by a Liquidity Facility Provider to the Paying Agent specifying the date the Bonds will be subject to mandatory purchase, after which such Liquidity Facility Provider will no longer be obligated to purchase Bonds (or otherwise advance funds for the purchase of tendered Bonds) pursuant to such Liquidity Facility (which date is at least ten calendar days subsequent to the date after which the Liquidity Facility Provider delivered notice of termination to the Paying Agent and at least five calendar days prior to the termination date of the Liquidity Facility); (b) the date specified in a notice given by a Credit Facility Provider to the Paying Agent specifying the date on which the Bonds shall be subject to the mandatory tender following an event of default under the Reimbursement Agreement relating to such Credit Facility, which date shall be 5 days after the date of receipt of such notice by the Paying Agent; or (c) the date specified in a notice of termination given by a Credit Facility Provider or a Liquidity Facility Provider to the Paying Agent specifying the occurrence of an event under a Credit Facility which provides liquidity or a Liquidity Facility, as the case may be, whereby a Credit Facility or a Liquidity Facility, as the case may be, terminates immediately prior to its Expiration Date without notice and without a mandatory tender of the Bonds with respect to providing liquidity for the Bonds.

"Term Rate" means the per annum interest rate with respect to any Bonds in the Term Rate Mode determined pursuant to Section 307.

"Term Rate Mode" means the Mode during which the Bonds bear interest at the Term Rate.

"trust bank" means a "commercial bank," as defined herein, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

"Underwriter" means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"Unit Pricing Mode" means the Mode during which the Bonds bear interest at the Unit Pricing Rate.

"Unit Pricing Rate" means the per annum interest rate with respect to any Bond in the Unit Pricing Mode determined pursuant to Section 305.

"Weekly Mode" means the Mode during which the Bonds bear interest at the Weekly Rate.

"Weekly Rate" means an interest rate that is determined on a weekly basis with respect to any Bonds in the Weekly Mode pursuant to Section 306.

B. Construction. This Ordinance, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(1) Words in the singular number include the plural, and words in the plural include the singular.

(2) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(3) The titles and leadlines applied to articles, sections, subsections and paragraphs of this Ordinance are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Ordinance.

(4) Any securities payable from any Pledged Revenues and held by the City shall not be deemed to be Outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for other purposes provided herein.

Section 103 Successors. Whenever herein the City is named or is referred to, such provision shall be deemed to include any successors of the City, respectively, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the City contained herein shall bind and inure to the benefit of any officer, board, district, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the City or of their respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 104 Parties Interested Herein. Except as herein otherwise expressly provided, nothing herein expressed or implied confers upon or gives to any Person (other than the Paying Agent, the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), the owners from time to time of the Bonds, and the owners of any other securities payable from Pledged Revenues when reference is expressly made thereto, as well as the City) any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent, the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), any owner of any Bonds and any owner of any such other security in the event of such a reference.

Section 105 Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the City, the officers of the City, and otherwise by the City directed toward the Project and toward the sale of the Bonds to the Underwriter for that purpose, hereby is ratified, approved and confirmed.

Section 106 Ordinance Irrepealable. After any of the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the owner or owners of the Bonds; and this Ordinance (subject to the provisions of Section 1001 and of Article XII hereof), if any Bonds are in fact issued, shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled and discharged, except as herein otherwise expressly provided.

Section 107 Repealer. All bylaws, orders and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of the inconsistency.

This repealer shall not be construed to revive any bylaw, order or other instrument, or part thereof, heretofore repealed.

Section 108 Severability. If any section, subsection, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Section 109 Publication of Proposed Ordinance. When first proposed, this Ordinance must be read to the Council by title, after which an adequate number of copies of this Ordinance must be deposited with the City Clerk for public examination and distribution. Notice of the deposit must be published once in a newspaper published and having general circulation in the City at least 10 days before the adoption of the Ordinance, such publication to be in substantially the following form:

(Form of Publication of Notice of Deposit of an Ordinance)

BILL NO.

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF LAS VEGAS, NEVADA, GENERAL OBLIGATION (LIMITED TAX) ADJUSTABLE RATE VARIOUS PURPOSE BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2006C" IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $32,000,000 FOR THE PURPOSE OF FINANCING BUILDING PROJECTS, DRAINAGE AND FLOOD CONTROL PROJECTS, ENVIRONMENTAL REMEDIATION PROJECTS, PARK PROJECTS, OFF-STREET PARKING PROJECTS, RECREATIONAL PROJECTS, SEWERAGE PROJECTS, STREET PROJECTS AND WATER PROJECTS OF THE CITY; AND PROVIDING OTHER MATTERS RELATING THERETO.

PUBLIC NOTICE IS HEREBY GIVEN, and that an adequate number of typewritten copies of the above-numbered and entitled proposed Ordinance are available for public inspection and distribution at the office of the City Clerk of the City of Las Vegas, at her office in City Hall, 400 Stewart Avenue, Las Vegas, Nevada, and that such Ordinance was proposed July 12, 2006, and will be considered for adoption at the a regular meeting of the City Council of the City of Las Vegas held on August 2, 2006.

/s/ Barbara Jo Ronemus
City Clerk

(End of Form of Publication of Notice of Deposit of An Ordinance)

Section 110 Publication After Adoption of Ordinance; Effective Date. After this Ordinance is signed by the Mayor and attested and sealed by the City Clerk, this Ordinance shall be published once by its title only, together with the names of the Council members voting for or against its passage, such publication to be made in the Las Vegas Review-Journal, a newspaper published and having a general circulation in the City, such publication to be in substantially the following form:

(Form of Publication of Adoption of Ordinance)

ORDINANCE NO.

(OF LAS VEGAS, NEVADA)

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF LAS VEGAS, NEVADA, GENERAL OBLIGATION (LIMITED TAX) ADJUSTABLE RATE VARIOUS PURPOSE BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2006C" IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $32,000,000 FOR THE PURPOSE OF FINANCING BUILDING PROJECTS, DRAINAGE AND FLOOD CONTROL PROJECTS, ENVIRONMENTAL REMEDIATION PROJECTS, PARK PROJECTS, OFF-STREET PARKING PROJECTS, RECREATIONAL PROJECTS, SEWERAGE PROJECTS, STREET PROJECTS AND WATER PROJECTS OF THE CITY; AND PROVIDING OTHER MATTERS RELATING THERETO.

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE

PUBLIC NOTICE IS HEREBY GIVEN, and that such Ordinance was proposed on July 12, 2006, and was passed at the meeting held on August 2, 2006, by the following vote of the City Council:

Those Voting Aye: _____
_____
_____
_____
_____

Those Voting Nay: _____
Those Absent: _____

This Ordinance shall be in full force and effect from and after the ____ day of August, 2006, i.e., the day after the publication of such Ordinance by its title only.

IN WITNESS WHEREOF, the City Council of the City of Las Vegas, Nevada, has caused this Ordinance to be published by title only.

DATED this August 2, 2006.

/s/ Oscar Goodman
Mayor

Attest:

/s/ Barbara Jo Ronemus
City Clerk

(End of Form of Publication)

ARTICLE II.

CITY'S DETERMINATIONS, AUTHORITY FOR AND AUTHORIZATION OF PROJECT, NECESSITY OF PROJECT AND BONDS, PROJECT COST, AND OBLIGATION OF CITY

Section 201 Authorization for this Ordinance. This Ordinance is adopted by virtue of the Charter, the Project Act and the Bond Act and pursuant to their provisions; and the City has ascertained and hereby determines that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effectuate the purposes of the City in accordance with the Project Act and the Bond Act, and as provided in NRS Section 350.708 all limitations in the Bond Act imposed upon the issuance of bonds or other securities thereunder have been met and the total cost of the Project has been and hereby is approved.

Section 202 Life of the Project. The City has determined and does hereby declare:

A. Estimated Life. The estimated life or estimated period of usefulness of the Project to be acquired with the proceeds of the Bonds is not less than 30 years; and

B. Bond Term. The Bonds shall mature at times not exceeding such estimated life or estimated period of usefulness.

Section 203 Necessity of Project and Bonds. It is necessary and for the best interests of the City and the inhabitants thereof that the City effect the Project and defray the cost thereof by issuing the Bonds therefor; and it is hereby so determined and declared.

Section 204 Authorization of Use of Preliminary and Final Official Statements; Sale of Bonds. The distribution and use of a Preliminary Official Statement for the Bonds is hereby authorized. The distribution, use of and execution of the Final Official Statement for the Bonds in substantially the form of the Preliminary Official Statement, with such amendments, additions and deletions as are consistent with the facts and not inconsistent herewith as may be approved by the Finance Director, is hereby authorized. The Finance Director is authorized to deem the Preliminary Official Statement to be "final" (except for permitted omissions) for the purposes of Rule 15c2-12 promulgated by the Securities

Exchange Commission of the United States under the Securities and Exchange Act of 1934, as amended. The Finance Director is authorized to proceed with the sale of the Bonds to the Underwriter on the terms and conditions provided herein, and execute the Purchase Agreement with such changes as are acceptable to the Finance Director whose execution thereof shall be conclusive evidence of his consent to such changes.

Section 205 Authorization of Project . The City does hereby determine to proceed with the Project and the Project is hereby so authorized.

Section 206 Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the Outstanding Bonds (including Liquidity Facility Bonds) and any Credit Facility Obligations, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 207 General Obligations. The full faith and credit of the City are hereby pledged to the payment of the Bond Requirements of the Bonds and the Credit Facility Obligations. The Bonds and the Credit Facility Obligations shall constitute general obligations of the City and shall be payable from General Taxes on all taxable property within the City (except to the extent any Pledged Revenues or other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State.

Section 208 Additional Security. The payment of the Bond Requirements of the Bonds and of the Credit Facility Obligations is additionally secured by an irrevocable pledge of and by a lien (but not necessarily an exclusive lien) on the Pledged Revenues, subject to and after any superior liens upon such Pledged Revenues of any Superior Securities. Security Instrument Costs and Security Instrument Repayment under a Credit Facility are additionally secured by an irrevocable pledge of and by a lien (but not necessarily an exclusive lien) on the Pledged Revenues, subject to and after any superior liens upon such Pledged Revenues of any Superior Securities and any Parity Securities.

Section 209 No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except the proceeds of General Taxes, the Pledged Revenues, and any other moneys pledged for the

payment of the Bonds. No property of the City, subject to such exceptions, shall be liable to be forfeited or taken in payment of the Bonds.

Section 210 No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or for any claim based thereon or otherwise upon this Ordinance authorizing their issuance or any other instrument relating thereto, against any individual member of the City or any officer or other agent of the City, past, present or future, either directly or indirectly through the City or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as a part of the consideration of their issuance specially waived and released.

ARTICLE III.

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301 Authorization of Bonds. The "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds (Additionally Secured by Pledged Revenues), Series 2006C" in the aggregate principal amount designated in the Purchase Agreement (not to exceed the aggregate principal amount of $32,000,000), are hereby authorized to be issued, pursuant to the Project Act and the Bond Act. The City pledges irrevocably, but not necessarily exclusively, the Pledged Revenues to the payment of the Bond Requirements of the Bonds, the proceeds of the Bonds to be used solely to defray wholly or in part the cost of the Project.

Section 302 Denominations; Date; Maturity; Numbering. The Bonds shall be delivered in the form of fully registered Bonds in authorized denominations of (i) $100,000 and any integral multiple of $5,000 in excess thereof, with respect to Bonds in a Unit Pricing Mode and Term Rate Mode, (ii) $100,000 and any integral multiple of $5,000 above $100,000, with respect to Bonds in a Daily Mode or a Weekly Mode, (iii) $5,000 and any integral multiple thereof, with respect to Bonds in the Fixed Rate Mode, and (iv) $25,000 and any integral multiple thereof with respect to Bonds in an Auction Mode and R-FLOATs Mode (each an "Authorized Denomination"). The Bonds shall be registered initially in the name of "Cede & Co.," as nominee of the Securities Depository and shall be evidenced by one Bond in the total aggregate principal amount of the Bonds. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 331 hereof. The Bonds shall be dated the date of their initial issuance and shall mature (subject to prior redemption) on their respective Maturity Dates. The Bonds shall be numbered in such manner as shall be determined by the Paying Agent. Interest shall be calculated on the basis of (i) a 365- or 366-day year, as applicable, for the number of days actually elapsed, during a Unit Pricing Mode, a Daily Mode, a Weekly Mode or a R-FLOATs Mode, (ii) a 360-day year of twelve 30-day months during a Term Rate Mode, the Fixed Rate Mode or an Auction Mode of more than 183 days, and (iii) a 360-day year for the number of days actually elapsed during an Auction Mode of 183 days or less and for Bonds in any Mode of 183 days or less if the interest on such Bonds is not excludible from gross income for federal income tax purposes by the Holder of such

Bond. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof being given by first class mail to the Bondholders not less 10 days prior to such Special Record Date.

Section 303 Principal of and Interest on Bonds.

A. The principal or Redemption Price of the Bonds shall be payable by check in lawful money of the United States of America at the office designated by the Paying Agent. Interest on the Bonds shall be paid to the Person whose name appears on the bond registration records of the Paying Agent as the Holder thereof as of the close of business on the Record Date for each Interest Payment Date. Payment of the interest on (i) any Bonds in a Daily Mode, a Weekly Mode, a R-FLOATs Mode or an Auction Mode or any Bond in a Unit Pricing Mode shall be made by wire transfer in immediately available funds to an account within the United States of America designated by such Holder and (ii) any Bonds in a Term Rate Mode or a Fixed Rate Mode shall be made by check mailed by first class mail to such Holder at its address as it appears on such registration books, or, upon the written request of any Holder of at least $1,000,000 in aggregate principal amount of Bonds, submitted to the Paying Agent at least one Business Day prior to the Record Date, by wire transfer in immediately available funds to an account within the United States of America designated by such Holder. As long as Cede & Co. is the Holder of the Bonds, said principal or Redemption Price and interest payments shall be made to Cede & Co. by wire transfer in immediately available funds. CUSIP number identification shall accompany all payments of principal or Redemption Price and interest whether by check or by wire transfer. The principal of Liquidity Facility Bonds shall be paid as set forth in the Reimbursement Agreement relating to such Liquidity Facility Bonds.

B. Interest on the Bonds shall be calculated in accordance with Sections 304, 305, 306, 307, 308, 309 and 310 of this Ordinance and shall be payable on each Interest Payment Date for the immediately preceding Interest Payment Period. Notwithstanding the foregoing, Liquidity Facility Bonds shall bear interest at a rate per annum equal to the Liquidity Facility Bond Rate and interest on Liquidity Facility Bonds shall be payable as set forth in the Reimbursement Agreement relating to such Liquidity Facility Bonds. Additionally, anything

herein to the contrary notwithstanding, in no event shall any Bond bear interest at a rate per annum in excess of the Maximum Rate.

C. The Bonds maturing on and after the date set forth in the Purchase Agreement, if any (the "Term Bonds"), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. As and for a sinking fund for the redemption of the Term Bonds, there shall be deposited into the Bond Fund on or before the dates set forth in the Purchase Agreement, a sum which, together with other moneys available in the Bond Fund, is sufficient to redeem (after credit is provided below) on the dates and the principal amounts of the Term Bonds as set forth in the Purchase Agreement, plus accrued interest to the redemption date.

Not more than sixty days nor less than thirty days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (by lot in such a manner as the Registrar may determine) from all outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required sinking fund payments, and shall call such Term Bonds or portions thereof for redemption from the sinking fund on the next principal payment date, and give notice of such call as provided in Section 314 of this Ordinance.

At the option of the City to be exercised by delivery of a written certificate to the Registrar not less than sixty days preceding any sinking fund redemption date, it may (i) deliver to the Registrar for cancellation Term Bonds, or portion thereof, in Authorized Denominations in an aggregate principal amount desired by the City or, (ii) specify a principal amount of Term Bonds, or portion thereof, in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the City on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the City determines. In the event the City shall avail itself of the provisions of clause (i) of the first sentence of this paragraph, the certificate required by the first sentence of this paragraph shall be accompanied by the respective Term Bonds or portions thereof to be canceled in the event the Bonds are registered in the name of Cede & Co.

as provided in Section 331 of this Ordinance, the certificate required by the first sentence of this paragraph shall be accompanied by such direction and evidence of ownership as is satisfactory to The Depository Trust Company.

Notwithstanding the foregoing, when any Auction Rate Securities are to be redeemed from mandatory sinking fund account payments as described above, if such Principal Payment Date is not an Interest Payment Date, the redemption from mandatory sinking fund account payments shall occur on the Interest Payment Date immediately preceding such Principal Payment Date.

Section 304 Initial Modes and Interest Rates; Change of Mode

A. The first Interest Period for the Bonds shall commence on the date of their original issuance in the Daily Mode at the initial interest rate set forth in the Purchase Agreement and the first Interest Payment Date for the Bonds initially issued in the Daily Mode shall be the first Business Day of the month following the date of delivery of the Bonds.

B. Bonds in any Mode, other than the Fixed Rate Mode, may be changed to any other Mode at the times and in the manner hereinafter provided. All Bonds must be in the same Mode. While the Bonds are in a Unit Pricing Mode, the Bonds may bear interest at different rates at the same time. While Bonds are in a Daily Mode, a Weekly Mode, a R-FLOATs Mode, a Term Rate Mode, the Fixed Rate Mode (subject to Section 308) or an Auction Mode, all Bonds shall bear interest at the same interest rate. Subsequent to such change in Mode (other than a change to the Fixed Rate Mode), the Bonds may again be changed to a different Mode at the times and in the manner hereinafter provided. The Fixed Rate Mode for the Bonds shall be in effect until the Maturity Date of the Bonds, and may not be changed to any other Mode.

Section 305 Determination of Unit Pricing Rates, Purchase Date and Interest Periods During Unit Pricing Mode.

A. Interest Periods during a Unit Pricing Mode shall be of such duration of from one to 270 calendar days, ending on a day immediately preceding a Business Day or the Maturity Date, as the Remarketing Agent shall determine in accordance with the provisions of this Section 3.05. On each Rate Determination Date, the Remarketing Agent shall select for each Bond then subject to such adjustment the Interest Period which would result in the Remarketing Agent being able to remarket such Bond at par in the secondary market representing the lowest

interest rate then available and for the longest Interest Period available at such rate. If on any Rate Determination Date, the Remarketing Agent determines that current or anticipated future market conditions or anticipated future events are such that a different Interest Period would result in a lower average interest cost with respect to such Bond, then the Remarketing Agent shall select the Interest Period that, in the judgment of the Remarketing Agent, would permit such Bond to achieve such lower average interest cost. If the Remarketing Agent has received notice from the City that any Bond is to be changed from the Unit Pricing Mode to any other Mode or is to be purchased in accordance with a mandatory purchase pursuant to Section 318, the Remarketing Agent shall, with respect to such Bond, select Interest Periods which do not extend beyond the Mandatory Purchase Date.

B. On or after 4:00 p.m. New York City time on the Business Day next preceding each Rate Determination Date for Bonds in the Unit Pricing Mode, any Holder of such Bonds may telephone the Remarketing Agent and receive notice of the anticipated next Interest Period(s) and the anticipated Unit Pricing Rate(s) for such Interest Period(s).

C. By 12:30 p.m. New York City time on each Rate Determination Date, the Remarketing Agent, with respect to each Bond in the Unit Pricing Mode which is subject to adjustment on such date, shall determine the Unit Pricing Rate(s) for the Interest Periods then selected for such Bond and the Purchase Date and shall give notice by Electronic Means to the Tender Agent of the Interest Period, the Purchase Date(s) and the Unit Pricing Rate(s).

D. By 1:00 p.m. New York City time on each Rate Determination Date, the Remarketing Agent shall apply for and obtain CUSIP numbers for each Bond in the Unit Pricing Mode (which the Tender Agent will promptly assign pursuant to Section 325(A)(4)) for which a Unit Pricing Rate, a Purchase Date and Interest Period have been determined on such date and notify the Remarketing Agent of such assignment by Electronic Means.

E. By acceptance of any Bond during a Unit Pricing Mode, the Holder thereof shall be deemed to have agreed, during each Interest Period, to the Unit Pricing Rate (including the Alternate Rate, if applicable), Interest Period and Purchase Date then applicable thereto and to have further agreed to tender such Bond to the Tender Agent for purchase on the Purchase Date at the Purchase Price.

Section 306 Determination of Interest Rates During the Daily Mode, the Weekly Mode and the R-FLOATs Mode.

A. Method of Determining Interest Rates. Interest on any Bonds in the Daily Mode, Weekly Mode or R-FLOATs Mode (except during any Non-Remarketing Period for an R-FLOAT Mode, in which case interest shall accrue at the Maximum Rate pursuant to subsection (F) of this Section 306) shall accrue at the rate of interest per annum determined by the Remarketing Agent on and as of the Rate Determination Date as the minimum rate of interest which, in the judgment of the Remarketing Agent under then-existing market conditions, would result in the sale of such Bonds on the Rate Determination Date at a price equal to the Purchase Price. Such determination shall be conclusive and binding upon the City, the Paying Agent, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent and the Holders.

B. Determination Time for Daily Rate. During the Daily Mode, the Remarketing Agent shall establish the Daily Rate by 10:00 a.m. New York City time on each Business Day and shall give notice to the Paying Agent of each Daily Rate established by the Remarketing Agent by 1:00 p.m. on each Business Day by Electronic Means. The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Business Day. The Remarketing Agent shall make the Daily Rate available by telephone to any Holder or the City, the Paying Agent, the Tender Agent, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any). On the last Business Day of each month, the Remarketing Agent shall give notice to the Paying Agent of the Daily Rates that were in effect for each day of such month by Electronic Means.

C. Determination Time for Weekly Rate. During the Weekly Mode, the Remarketing Agent shall establish the Weekly Rate by 10:00 a.m. New York City time on each Rate Determination Date. The Weekly Rate shall be in effect (1) initially, from and including the first day the Bonds become subject to the Weekly Mode to and including the following Tuesday and (2) thereafter, from and including each Wednesday to and including the following Tuesday. The Remarketing Agent shall make the Weekly Rate available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Holder or the City, the Paying Agent, the Tender Agent, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any) and (ii) by Electronic Means to the Paying Agent not later than the second Business Day after the Rate Determination Date.

D. Determination Time for R-FLOATs Rate. During the R-FLOATs Mode (except during a Special R-FLOATs Rate Period in which case interest shall accrue at the R-FLOATs Rate determined pursuant to subsection (E) of this Section 306 and except during any Non-Remarketing Period in which case interest shall accrue at the Maximum Rate pursuant to subsection (F) of this Section 306), the Remarketing Agent shall establish the R-FLOATs Rate which shall be the lowest rate which in the opinion of the Remarketing Agent will result in the Bonds in the R-FLOATs Mode trading at par plus accrued interest by 10:00 a.m. New York City time on each Rate Determination Date. The R-FLOATs Rate shall be in effect during the applicable R-FLOATs Rate Period. The Remarketing Agent shall make the R-FLOATs Rate available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Holder and the Interested Parties and (ii) by Electronic Means to the Paying Agent not later than the second Business Day after the Rate Determination Date.

E. Determination Method and Time for R-FLOATs Rate on a Special R-FLOATs Rate Period. In the event that the Bonds are in a R-FLOATs Mode and are not rated A-2 and A or higher by both Moody's and S&P, respectively, then not later than 1:00 p.m. New York City time on the Business Day immediately preceding the next Interest Payment Date the Remarketing Agent shall establish the maximum period for a Special R-FLOATs Rate Period for such Special R-FLOATs Rate Period which maximum Special R-FLOATs Rate Period shall be made available after 1:00 p.m. New York City time on the Business Day immediately prior to the Rate Determination Date by posting it electronically via L.P.'s Bloomberg Professional System and by telephone to any Holder or Interested Party who contacts the Remarketing Agent. On the Rate Determination Date the Remarketing Agent shall not later than 10:00 a.m. New York City time select a Special R-FLOATs Rate Period which shall be the shortest period, but in no event longer than the maximum Special R-FLOATs Rate Period previously announced, and a R-FLOATs Rate which shall be the lowest rate which in the judgment of the Remarketing Agent would result in the Bonds trading at par plus accrued interest. The Remarketing Agent shall make the R-FLOATs Rate and Special R-FLOATs Rate Period available (i) after 10:00 a.m. New York City time on the Rate Determination Date by telephone to any Holder and any Interested Parties which contact the Remarketing Agent and (ii) by Electronic Means to the Paying Agent not later than the second Business Day following the Rate Determination Date. In the event the Remarketing Agent is unable to set a Special R-FLOATs Rate Period and R-

FLOATs Rate which will produce a sale of the Bonds at par plus accrued interest, the Bonds in the R-FLOATs Mode will bear interest at the Maximum Rate as determined pursuant to Subsection (F) of this Section 306. In addition the City may elect to have the Bonds converted into a Special R-FLOATs Rate Period having a duration of its choosing by giving at least ten days notice to the Paying Agent and the Tender Agent. Notice of such Special R-FLOATs Rate Period shall be given in the same manner as the notice of the maximum Special R-FLOATs Rate Period set forth above. On the effective date of such optional conversion to a Special R-FLOATs Rate Period of more than 35 days the affected Bonds shall be subject to mandatory purchase pursuant to Section 318 hereof.

F. Determination of R-FLOATs Non-Remarketing Period and Rate. (1) If any Bond that is part of the Bonds in the R-FLOATs Mode is optionally tendered for purchase pursuant to Section 317 or is subject to mandatory purchase pursuant to Section 318 or Section 320 and either (a) the Remarketing Agent, after using its reasonable best efforts, is unable to remarket such Bond at the Purchase Price by 2:00 p.m. New York City time on the Purchase Date or Mandatory Purchase Date (whether such inability is due to market conditions or otherwise) or (b) such Bond is returned to the Holder thereof pursuant to Section 323(C), then, from such Purchase Date or Mandatory Purchase Date until the date on which all Bonds that have been tendered or are subject to mandatory tender are successfully remarketed at the Purchase Price (the "Non-Remarketing Period"), all Bonds shall bear interest for a new Interest Period which shall be the same as the Interest Period just concluding unless such Interest Period was a Special R-FLOATs Rate Period in which case for a monthly Interest Period and shall bear interest at the Maximum Rate. Following the Non-Remarketing Period, all Bonds shall (unless converted to a different Mode) bear interest at a rate per annum determined pursuant to subsection (D) or (E) of this Section 306.

(2) During the Non-Remarketing Period, the Remarketing Agent shall continue to use its best efforts each Business Day to remarket the Bonds in the R-FLOATs Mode at the Purchase Price applicable to such Bond. In connection therewith, the Remarketing Agent may consider the day on which such Bonds are successfully remarketed at the Purchase Price to be a Rate Determination Date for such Bonds in the R-FLOATs Mode.

Section 307 Determination of Term Rates.

A. Method of Determining Term Rate, Interest Period and Purchase Date During Term Rate Mode. The Term Rate shall be the minimum rate which, in the judgment of the Remarketing Agent, will result in a sale of the Bonds at a price equal to the Purchase Price on the Rate Determination Date for the Interest Period selected by the City. The Remarketing Agent shall also determine the Purchase Date as the day following the last day of the Interest Period so selected by the City. If a new Interest Period is not selected by the City prior to the Business Day next preceding the Purchase Date for the Interest Period then in effect, the new Interest Period shall be the same length as the current Interest Period.

B. Determination Time for Term Rates. Except as provided in Section 307(C), once Bonds are changed to the Term Rate Mode, such Bonds shall continue in the Term Rate Mode until changed to another Mode in accordance with Section 311. The Term Rate shall be determined by the Remarketing Agent not later than 4:00 p.m. New York City time on the Rate Determination Date. After 4:00 p.m. New York City time, the Remarketing Agent shall make the Term Rate available by telephone to any Holder or to the City, the Paying Agent, the Tender Agent, the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any).

C. Default to Unit Pricing Mode. If, for any reason, a new Term Rate cannot be established, the Bonds will be changed automatically to the Unit Pricing Mode on the Purchase Date for Interest Period(s) determined by the Remarketing Agent on such Purchase Date.

Section 308 Determination of Fixed Rate. At the option of the City, the Bonds may be converted to bear interest at the Fixed Rate to the final Maturity Date of the Bonds unless on the date the Remarketing Agent determines the Fixed Rate, the Remarketing Agent also determines that the Bonds would bear a lower effective net interest cost if such Bonds were serial bonds or serial bonds and term bonds with the maturity (or Mandatory Sinking Account Payment) dates and principal amounts matching the Mandatory Sinking Account Payments, in which event the Bonds shall become serial bonds or serial bonds and term bonds with such maturity (or Mandatory Sinking Account Payment) dates and principal amounts and shall bear separate Fixed Rates for each maturity. The Remarketing Agent shall determine the Fixed Rate not later than 4:00 p.m. New York City time on the Rate Determination Date. The Fixed Rate shall be the minimum interest rate which, in the judgment of the Remarketing Agent, will result in a sale of the Bonds at a price equal to the Purchase Price on the Rate Determination

Date unless in the judgment of the Remarketing Agent, with the written consent of the City and delivery of an Opinion of Counsel, the Remarketing Agent determines that the lowest yield will result by selling the Bonds at a price equal to the Purchase Price (plus any original issue premium or less any original issue discount) on the Rate Determination Date. In the case of Bonds to be sold at a discount, either (A) a Liquidity Facility is in effect with respect to such Bonds and provides for the purchase of such Bonds at such discount or (B) the City agrees to transfer to the Tender Agent on the date of change to the Fixed Rate Mode, in immediately available funds, for deposit in the City Purchase Account, an amount equal to such discount. In the case of Bonds sold at a premium, the premium shall be transferred to the City on the date of change to the Fixed Rate Mode. The Remarketing Agent shall make the Fixed Rate available by telephone to any Holder or to the City, the Paying Agent, the Tender Agent or the Credit Facility Provider (if any). Upon request of any Holder, the City, the Paying Agent or the Credit Facility Provider (if any), the Tender Agent shall give notice of such rate by Electronic Means. Such determination shall be conclusive and binding upon the City, the Paying Agent, the Tender Agent, the Credit Facility Provider (if any), the Liquidity Facility Provider (if any), the Remarketing Agent and the Holders.

Section 309 Alternate Rate for Interest Calculation. In the case of Bonds other than Auction Rate Securities, if (a) the Remarketing Agent fails or is unable to determine the interest rate(s) or Interest Periods with respect to any Bonds (except as provided in Sections 306(D) and 307(C)), or (b) the method of determining the interest rate(s) or Interest Periods with respect to any Bonds shall be held to be unenforceable by a court of law of competent jurisdiction, the Bonds shall thereupon, until such time as the Remarketing Agent again makes such determination or until there is delivered an Opinion of Counsel to the effect that the method of determining such rate is enforceable, bear interest from the last date on which such rate was determined in the case of clause (a) and from the date on which interest was legally paid in the case of clause (b), at the Alternate Rate for the Mode in effect. If either of the circumstances described in clauses (a) and (b) occurs on a Rate Determination Date for the Unit Pricing Mode, the relevant Interest Period shall be from and including such Rate Determination Date to, but not including, the next succeeding Business Day, and thereafter shall commence on a Business Day and extend to, but shall not include, the next Business Day. Notwithstanding clause (a) of the first sentence of this Section 309, if the Bonds are in an R-FLOATs Mode for an

Interest Period of 35 days or less, the new R-FLOATs Interest Period shall be the same as the preceding Interest Period and the new R-FLOATs Rate shall be the same as the preceding R-FLOATs Rate, and, if the Bonds are in a Special R-FLOATs Rate Period of greater than 35 days, the new R-FLOATs Interest Period shall be a weekly R-FLOATs Interest Period and the R-FLOATs Rate for the first Interest Period will be the same as the preceding R-FLOATs Rate.

Section 310 Auction Mode. Immediately following the Initial Auction Period, the Bonds shall bear interest at Auction Rates established for 35-day Auction Periods unless, prior to the end of the Initial Auction Period, the City changes the length of the Auction Period immediately succeeding the Initial Auction Period in accordance with Section 1.10 of Exhibit A attached hereto and incorporated by this reference. Thereafter, the Auction Rate to be applicable to the Auction Rate Securities during each Auction Period shall be determined by the Auction Agent and notice thereof shall be given, all as provided in Exhibit A hereto. The initial Auction Rate and subsequent Auction Rates determined in accordance with the Auction Procedures shall be conclusive and binding upon the City, the Paying Agent, the Auction Agent, the Broker-Dealers, the Market Agent, the Credit Facility Provider (if any) and the Holders.

Section 311 Changes in Mode. Subject to the provisions of this Section 311, the City may effect a change in Mode with respect to the Bonds by following the procedures set forth in this Section. In addition, in the event the Bonds are in an R-FLOATs Mode and the ratings on the Bonds falls below A by either S&P or Fitch or A2 by Moody's, the City shall cause the Bonds to be converted from the R-FLOATs Mode to another Mode (other than the Auction Mode).

A. Changes to Modes Other Than Fixed Rate Mode. The Bonds (other than Bonds in the Fixed Rate Mode) may be changed from one Mode to another Mode as follows:

(1) Mode Change Notice; Notice to Holders. No later than the 45 days preceding the proposed Mode Change Date, the City shall give written notice to the Paying Agent, the Tender Agent (if any), the Remarketing Agent (if any), the Auction Agent (if any), the Broker-Dealer (if any), each Rating Agency then rating the Bonds, the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any) of its intention to effect a change in the Mode from the Mode then prevailing (for purposes of this Section, the "Current Mode") to another Mode (for purposes of this Section, the

"New Mode") specified in such written notice, and, if the change is to a Term Rate Mode, the length of the initial Interest Period. Notice of the proposed change in Mode shall be given to the Holders pursuant to Section 314.

(2) Determination of Interest Rates. The New Mode shall commence on the Mode Change Date and the interest rate with respect to the Bonds (together, in the case of a change to the Unit Pricing Mode, with the Interest Period(s) and Purchase Date(s)) shall be determined by the Remarketing Agent in the manner provided in Sections 304, 305, 306, 307, 308 and 309, as applicable, or, in the case of Auction Rate Securities, by the Auction Agent as provided in Section 310.

(3) Conditions Precedent.

(a) The Mode Change Date shall be a Business Day.

(b) Additionally, the Mode Change Date in the case of a change:

(i) from the Unit Pricing Mode, shall be a day which is the last Purchase Date for all Interest Periods for such Bonds set by the Remarketing Agent; and

(ii) from the Term Rate Mode, shall be the Purchase Date for such Bonds for the current Interest Period.

(c) The Paying Agent, the Tender Agent (if any), the Auction Agent (if any), the Credit Facility Provider (if any) and the Remarketing Agent (if any) shall have received on the Mode Change Date a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Paying Agent, the Tender Agent (if any), the Auction Agent (if any), the Credit Facility Provider (if any) and the Remarketing Agent (if any).

(d) If the Current Mode is the Unit Pricing Mode, no Interest Period set after delivery by the City to the Remarketing Agent of the notice of the intention to effect a change in Mode shall extend beyond the proposed Mode Change Date.

(e) If the Current Mode is a Mode other than an Auction Mode and the New Mode is an Auction Mode, the City shall have appointed an Auction

Agent, a Market Agent and a Broker-Dealer and entered into a continuing disclosure undertaking pursuant to Section 1011 hereof.

(f) If the Current Mode is the Auction Mode, the City shall have appointed a Remarketing Agent and a Tender Agent.

(g) If there shall be no Liquidity Facility in effect to provide funds for the purchase of Bonds on the Mode Change Date, the remarketing proceeds available on the Mode Change Date shall be not less than the amount required to purchase all of the Bonds at the Purchase Price (unless the City, in its sole discretion, elects to transfer to the Tender Agent the amount of such deficiency on or before the Mode Change Date).

(4) Failure to Satisfy Conditions Precedent to Mode Change. If the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect and (a) if the change was from a Unit Pricing Mode, the Bonds shall remain in the Unit Pricing Mode with interest rates with respect thereto and Interest Periods to be established in accordance with Section 305; (b) if the change was from an Auction Mode, the Bonds shall remain in the Auction Mode and bear interest at the Maximum Rate until the first Auction Date that is at least 2 Business Days after the proposed Mode Change Date; (c) if the change was from a R-FLOATs Mode, the Bonds shall remain in the R-FLOATS Mode with interest rates established in accordance with Section 306(D, (E) or (F) and (d) otherwise, all Bonds shall be changed to a Daily Mode.

B. Change to Fixed Rate Mode. At the option of the City, Bonds may be changed to the Fixed Rate Mode as provided in this Section 311(B). Not less than 45 days (or such shorter time as may be agreed to by the Paying Agent, the Remarketing Agent (if any) and Auction Agent (if any)) before the proposed Mode Change Date, the City shall give written notice to the Paying Agent, the Tender Agent (if any), the Remarketing Agent (if any), the Auction Agent (if any), the Broker-Dealer (if any), the Credit Facility Provider (if any), the Liquidity Facility Provider (if any) and each Rating Agency then rating the Bonds stating that the Mode will be changed to the Fixed Rate Mode and setting forth the proposed Mode Change Date. Any such change in Mode shall be made as follows:

(1) Conditions Precedent.

(a) The Mode Change Date shall be:

(i) in the case of a change from the Unit Pricing Mode, a day which is the last Purchase Date for all Interest Periods for such Bonds set by the Remarketing Agent;

(ii) a Business Day; and

(iii) in the case of a change from the Term Rate Mode, the Purchase Date for such Bonds for the current Interest Period.

(b) The City shall have entered into a continuing disclosure undertaking pursuant to Section 1011 hereof.

(2) Notice to Holders. Not less than the 30th day next preceding the Mode Change Date, the Tender Agent shall mail, in the name of the City, a notice of such proposed change to the Holders of the Bonds stating that the Mode will be changed to the Fixed Rate Mode, the proposed Mode Change Date and that such Holder is required to tender such Holder's Bonds for purchase on such proposed Mode Change Date.

(3) Favorable Opinion of Bond Counsel. The change to the Fixed Rate Mode shall not occur unless the Paying Agent, the Credit Facility Provider (if any) and the Remarketing Agent (if any) and the Auction Agent (if any) have received on the Mode Change Date, a Favorable Opinion of Bond Counsel dated the Mode Change Date and addressed to the Paying Agent, the Credit Facility Provider (if any) and the Remarketing Agent (if any) and the Auction Agent (if any).

(4) Failure to Satisfy Conditions Precedent to Mode Change. If any of the conditions precedent have not been satisfied on or prior to the Mode Change Date, the Fixed Rate Mode shall not become effective and all Bonds shall be changed to a Daily Mode; provided that (a) if the change was from an Auction Mode, the Bonds shall remain in the Auction Mode and bear interest at the Maximum Rate until the first Auction Date that is at least 2 Business Days after the proposed Mode Change Date and (b) if the change was from a R-FLOATs Mode, the Bonds shall remain in the R-FLOATS Mode with interest rates established on a weekly basis and with the R-FLOATs Rate for the first weekly period set at the Maximum Rate.

Section 312 Terms of Redemption.

A. Optional Redemption of Bonds in the Unit Pricing Mode. Bonds in the Unit Pricing Mode are not subject to optional redemption prior to their respective Purchase

Dates. Bonds in the Unit Pricing Mode are subject to redemption prior to their respective stated Maturity Dates, at the option of the City, in whole or in part on their respective Purchase Dates at a Redemption Price equal to the principal amount of Bonds called for redemption, without premium, plus accrued interest to the Purchase Date.

B. Optional Redemption of Bonds in the Daily Mode, the Weekly Mode or the R-FLOATs Mode. Bonds in the Daily Mode, the Weekly Mode or the R-FLOATs Mode are subject to redemption prior to their respective stated Maturity Dates, at the option of the City, in whole or in part on any Interest Payment Date at a Redemption Price equal to the principal amount of Bonds called for redemption, without premium plus accrued interest to the redemption date.

C. Optional Redemption of Bonds in the Term Rate Mode or the Fixed Rate Mode.

(1) Bonds in a Term Rate Mode are subject to redemption prior to their respective stated Maturity Dates, at the option of the City, in whole or in part on their Purchase Date at a Redemption Price equal to the principal amount of Bonds called for redemption, without premium.

(2) Bonds in the Term Rate Mode or Fixed Rate Mode are subject to redemption prior to their respective stated Maturity Dates, at the option of the City, at such times and upon such terms as shall be specified by the City in a schedule to be delivered to the Paying Agent on or prior to such change to such Term Rate Mode or Fixed Rate Mode.

D. Optional Redemption of Auction Rate Securities. Auction Rate Securities are subject to redemption prior to their respective stated Maturity Dates, at the option of the City, in whole or in part on any Interest Payment Date at a Redemption Price equal to the principal amount of Bonds called for redemption, without premium.

E. Sinking Fund Redemption. The Term Bonds, if any as set forth in Section 303(C) of this Ordinance, are also subject to redemption prior to their stated Maturity Date, in part, from mandatory sinking fund account payments deposited in the Bond Fund, together with other moneys available in the Bond Fund, is sufficient to redeem on the dates and in the amounts of the Terms Bonds as set forth in the Purchase Agreement plus accrued interest to the redemption date.

Section 313 Selection of Bonds for Redemption. Whenever provision is made in this Ordinance for the redemption of less than all of the Bonds or any given portion thereof, subject to Section 312 hereof, the Paying Agent shall select the Bonds to be redeemed, in the Authorized Denominations specified in Section 302, by lot, in any manner which the Paying Agent in its sole discretion shall deem appropriate and fair; provided, however, that Liquidity Facility Bonds shall be redeemed prior to any other Bonds. The Paying Agent shall promptly notify the City in writing of any redemption of the Bonds or portions thereof so selected for redemption. The selection of Bonds shall be at such time as determined by the Paying Agent.

Section 314 Notice of Redemption. Notice of redemption shall be mailed by first-class mail by the Paying Agent, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), the Remarketing Agent, the Rating Agencies then rating the Bonds, the Municipal Securities Rulemaking Board ("MSRB") and to the respective Holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Paying Agent. Each notice of redemption shall state the date of such notice, the date of delivery and title of the Bonds, the date fixed for redemption, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent), the CUSIP number (if any) of the Bonds, to be redeemed and, in the case of Bonds to be redeemed in part only, the portion 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 said Bonds the Redemption Price thereof or of said 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 date, interest on such Bond shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice.

Notice of redemption of Bonds shall be given by the Paying Agent, at the expense of the City.

Failure by the Paying Agent to mail notice of redemption pursuant to this Section 314 to the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), the Rating Agencies then rating the Bonds or to any one or more of the Holders of any Bonds

designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holder or Holders to whom such notice was mailed.

Notwithstanding the provisions of this section, any notice of redemption may contain a statement that the redemption is conditional upon receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Any notice given pursuant to this Section 314 may be rescinded by written notice given to the Paying Agent by the City no later than 5 Business Days prior to the date specified for redemption. The Paying Agent shall give notice of such rescission, as soon thereafter as practicable, in the same manner, to the same persons, as notice of such redemption was given pursuant to this Section 314.

Section 315 Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the Paying Agent shall authenticate and deliver to the Holder thereof, at the expense of the City, a new Bond or Bonds of Authorized Denominations equal in aggregate principal amount to the redeemed portion of the Bond surrendered.

Section 316 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Paying Agent, on the date fixed for redemption designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice plus interest accrued thereon to the date fixed for redemption, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Ordinance, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest.

Section 317 Optional Tenders of Bonds in the Daily Mode, the Weekly Mode or the R-FLOATs Mode. The Holders of Eligible Bonds (other than Liquidity Facility Bonds) in a Daily Mode, a Weekly Mode or the R-FLOATs Mode may elect to have their Bonds (or portions of those Bonds in amounts equal to the lowest denomination then

authorized pursuant to Section 302) purchased on any Business Day in the case of Bonds in a Daily Mode or a Weekly Mode, on any Rate Determination Date in the case of Bonds in a Weekly R-FLOATs Mode, on any Interest Payment Date in the case of Bonds in a monthly R-FLOATs Mode and on the Interest Payment date immediately following a Special R-FLOATs Rate Period in the case of Bonds in a Special R-FLOATs Rate Period in each case at a price equal to the Purchase Price,

(i) in the case of Bonds in a Daily Mode, upon delivery of an irrevocable telephonic notice of tender to the Remarketing Agent and the Tender Agent not later than the Tender Notice Deadline; and

(ii) in the case of Bonds in a Weekly Mode or the R-FLOATs Mode, upon delivery of an irrevocable written notice of tender or irrevocable telephonic notice of tender to the Remarketing Agent and the Tender Agent, promptly confirmed in writing to the Tender Agent, not later than the Tender Notice Deadline.

Such notices of tender shall state the CUSIP number, series designation, Bond number (if the Bonds are not registered in the name of the Securities Depository) and the principal amount of such Bond and that such Bond shall be purchased on the Purchase Date in such notice. Payment of the Purchase Price shall be made pursuant to this Section 317 only if the Bond so delivered to the Tender Agent conforms in all respects to the description thereof in the notice described in this Section 317. A Holder who gives the notice of tender as set forth above may repurchase the Bonds so tendered on such Purchase Date if the Remarketing Agent agrees to sell the Bonds so tendered to such Holder. If such Holder decides to repurchase such Bonds and the Remarketing Agent agrees to sell the specified Bonds to such Holder, the delivery requirements set forth in Section 323(D) shall be waived. The Tender Agent may assume that a Bond is an Eligible Bond unless it has actual knowledge to the contrary.

Section 318 Mandatory Purchase at End of Unit Pricing Rate Periods. Each Bond in the Unit Pricing Mode is subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. No notice of such mandatory purchase shall be given to the Holders.

Section 319 Mandatory Purchase on Mode Change Date or Election to Set a Special R-FLOATs Rate Period.

A. Bonds to be changed from one Mode to another Mode (other than a change to the Fixed Rate Mode, which Bonds are subject to mandatory purchase pursuant to subsection (B) of this Section 318) or Bonds in an R-FLOATs Mode which are to be changed to a Special R-FLOATs Rate Period of greater than 35 days at the election of the City are subject to mandatory purchase on the Mode Change Date or the effective date of the Special R-FLOATs Rate Period at the Purchase Price as provided in this subsection (A). The Tender Agent shall give notice of such mandatory purchase by Electronic Means to the Holders of the Bonds subject to mandatory purchase no less than 4 Business Days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The failure to give such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

B. Bonds to be changed to the Fixed Rate Mode are subject to mandatory purchase on the Mode Change Date at the Purchase Price (subject to Section 311(B)). The Tender Agent shall give notice of such mandatory purchase as part of the notice of change of Mode to be sent to the Holders pursuant to Section 311(B)(2). The failure to give such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

Section 320 <u>Mandatory Purchase at End of Interest Period for Term Rate Mode.</u> Bonds in the Term Rate Mode are subject to mandatory purchase on the Purchase Date for the current Interest Period at the Purchase Price. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Bonds subject to mandatory purchase no less than 30 days prior to the Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. The Tender Agent may assume that a Bond is an Eligible Bond unless it has actual knowledge that such Bond is not an Eligible Bond. The failure to mail such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which

notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

Section 321 Mandatory Purchase on Expiration Date, Substitute Liquidity Facility Date, Substitute Credit Facility Date and Termination Date.

A. On each Substitute Liquidity Facility Date and Substitute Credit Facility Date, and on the second Business Day preceding each Expiration Date, the Eligible Bonds shall be subject to mandatory purchase on such date at the Purchase Price; provided, however, that the Bonds shall not be subject to Mandatory Purchase on the Substitute Liquidity Facility Date or Substitute Credit Facility Date or the second Business Day preceding each Expiration Date if (1) on or prior to the 15th day prior to such Expiration Date, Substitute Liquidity Facility Date or Substitute Credit Facility Date, the City has furnished to the Paying Agent an agreement to extend the Liquidity Facility or Credit Facility, as applicable or (2) the Paying Agent receives written confirmation from each Rating Agency then rating the Bonds to the effect that immediately following such Substitute Liquidity Facility Date or Substitute Credit Facility Date or Expiration Date there will be no withdrawal or reduction of the long-term and short-term rating then in effect with respect to such Bonds and the Paying Agent gives notice of such substitution or expiration by mail to the Holders with a copy to the Remarketing Agent (and, if applicable, shall include with such copy notice of the written confirmation from each Rating Agency then rating the Bonds) no less than 10 days prior to such substitution or expiration. In the case of a substitution, such notice shall also specify the name of the provider of the proposed Substitute Credit Facility or Substitute Liquidity Facility. Such notice shall also (i) specify, if applicable, that the City will be the only party obligated to purchase Eligible Bonds upon the Expiration Date and (ii) state, if applicable, the name of the provider of the proposed Substitute Liquidity Facility or Substitute Credit Facility and the terms thereof. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Bonds subject to mandatory purchase and to each Rating Agency then rating the Bonds no less than 10 days prior to such Mandatory Purchase Date. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. Such notice shall also (i) specify, if applicable, that the City will be the only party obligated to purchase Eligible Bonds upon the Expiration Date and (ii) state, if applicable, the name of the provider of the proposed Substitute Liquidity

Facility or Substitute Credit Facility and the terms thereof. The failure to mail such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder. On each Substitute Liquidity Facility Date and Substitute Credit Facility Date, and on the second Business Day preceding each Expiration Date, the Tender Agent shall draw upon the then current Liquidity Facility or Credit Facility, as the case may be, in accordance with Section 322(C) hereof.

B. On each Termination Date, the Eligible Bonds shall be subject to mandatory purchase on such date at the principal amount thereof, plus accrued interest, if any, with respect thereto to the Termination Date. The Tender Agent shall give notice of such mandatory purchase by mail to the Holders of the Bonds and to each Rating Agency then rating the Bonds as soon as practicable after receipt of notice of termination from the Liquidity Facility Provider or the Credit Facility Provider. The notice shall state the Mandatory Purchase Date, the Purchase Price and that interest on Bonds subject to mandatory purchase shall cease to accrue from and after the Mandatory Purchase Date. Such notice shall also (i) specify, if applicable, that the City will be the only party obligated to purchase Eligible Bonds upon the Termination Date and (ii) state, if applicable, the name of the provider of the proposed Substitute Liquidity Facility or Substitute Credit Facility and the terms thereof. The failure to mail such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

Section 322 Remarketing of Bonds; Notices.

A. Remarketing of Bonds. The Remarketing Agent shall use its best efforts to offer for sale:

(1) all Bonds or portions thereof as to which notice of tender has been given pursuant to Section 317;

(2) all Bonds required to be purchased pursuant to Sections 318, 319, 320 and 321; and

(3) all Liquidity Facility Bonds.

B. Notice of Remarketing; Registration Instructions; New Bonds. On each Purchase Date or Mandatory Purchase Date, as the case may be:

(1) unless the Remarketing Agent has notified the Tender Agent and the Paying Agent otherwise, the Remarketing Agent shall notify the Tender Agent and the Paying Agent by Electronic Means not later than 11:00 a.m., or with respect to the Bonds in an R-FLOATs Mode not later than 2:00 p.m., New York City time of the amount of tendered Bonds which were successfully remarketed, the names of the tendering Holders and the registration instructions (i.e., the names, addresses and taxpayer identification numbers of the purchasers and the denominations then authorized pursuant to Section 302) with respect thereto (the Remarketing Agent may rescind or revise any such notice previously given up until the deadline for such notice); and

(2) the Paying Agent shall execute new Bonds for the respective purchasers thereof which shall be available for pick-up by the Remarketing Agent pursuant to Section 323(E).

C. Transfer of Funds; Draw on Liquidity Facility. On each Purchase Date or Mandatory Purchase Date, as the case may be:

(1) the Remarketing Agent shall give notice to the Tender Agent of receipt of the Purchase Price of remarketed Bonds by 11:15 a.m. New York City time;

(2) the Remarketing Agent shall cause to be paid to the Tender Agent the Purchase Price of the remarketed Bonds by 11:15 a.m. New York City time;

(3) except with respect to any Bonds in the R-FLOATs Mode, the Tender Agent shall give notice to the Paying Agent, the City and, if a Liquidity Facility is then in effect with respect to the Bonds subject to purchase, to the Liquidity Facility Provider (or the Tender Agent shall instruct the Paying Agent to give notice and the Paying Agent shall give notice) in accordance with the terms of the Liquidity Facility (which Liquidity Facility may also be a Credit Facility and issued as a single facility) by 12:30 p.m., New York City time (and promptly thereafter, the Tender Agent shall so notify the Securities Depository) of the amount equal to the Purchase Price of all Bonds tendered or deemed tendered less the aggregate amount of remarketing proceeds on hand;

(4) except with respect to any Bonds in the R-FLOATs Mode, if a Liquidity Facility is then in effect with respect to the Bonds subject to purchase, the Tender Agent (or the Paying Agent if the Paying Agent is the beneficiary under the Liquidity Facility) shall draw on the Liquidity Facility (which Liquidity Facility may also

be a Credit Facility and issued as a single facility) in accordance with the terms thereof so as to receive thereunder by 2:30 p.m. New York City time on such date an amount, in immediately available funds, sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable the Tender Agent to pay the Purchase Price in connection therewith; and

(5) except with respect to any Bonds in the R-FLOATs Mode, if:

(i) a Liquidity Facility is not then in effect with respect to the Bonds subject to purchase, or

(ii) if a Direct-Pay Credit Facility is not then in effect with respect to the Bonds subject to purchase; or

(iii) the Liquidity Facility Provider (if any) has not paid the full amount required by clause (4) of this subsection (C) at the times required therein,

then the City hereby agrees to pay to the Tender Agent by 3:00 p.m. New York City time on such date an amount, in immediately available funds from amounts on deposit in the Bond Fund or otherwise from available Pledged Revenues, sufficient, together with the proceeds of the remarketing of Bonds on such date, to enable the Tender Agent to pay the Purchase Price in connection therewith.

Section 323 General Provisions Relating to Tenders.

A. Purchase Fund. The Tender Agent shall establish and maintain a special fund designated as the "Purchase Fund," and within such fund four separate accounts designated, respectively, as the "Credit Facility Deposit Account," "Liquidity Facility Deposit Account," the "Remarketing Proceeds Account" and the "City Purchase Account." The moneys in the Purchase Fund shall be held in trust and applied solely as provided in this Section.

The Tender Agent shall deposit all moneys delivered to it hereunder for the purchase of Bonds into the Remarketing Proceeds Account and shall hold all such moneys in trust for the exclusive benefit of the Person that shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to it for the account of such Person and, thereafter, for the benefit of the Holders tendering such Bonds and not to reimburse a Credit Facility Provider or a Liquidity Facility Provider.

The Tender Agent shall deposit all moneys delivered to it hereunder from a payment by or on behalf of the Credit Facility Provider for the purchase of Bonds into the Credit Facility Deposit Account and shall hold all such moneys in trust for the exclusive benefit of the Credit Facility Provider until the Bonds purchased with such moneys shall have been delivered to or for the account of the Credit Facility Provider and, after such delivery, the Tender Agent shall hold such funds exclusively for the benefit of the Holders tendering such Bonds.

The Tender Agent shall deposit all moneys delivered to it hereunder from a payment by or on behalf of the Liquidity Facility Provider (if any) for the purchase of Bonds into the Liquidity Facility Deposit Account and shall hold all such moneys in trust for the exclusive benefit of the Liquidity Facility Provider (if any) until the Bonds purchased with such moneys shall have been delivered to or for the account of the Liquidity Facility Provider (if any) and, after such delivery, the Tender Agent shall hold such funds exclusively for the benefit of the Holders tendering such Bonds.

The Tender Agent shall deposit all moneys delivered to it hereunder from a payment by or on behalf of the City for the purchase of Bonds into the City Purchase Account and shall hold all such moneys in trust for the exclusive benefit of the City until the Bonds purchased with such moneys shall have been delivered to or for the account of the City and, after such delivery, the Tender Agent shall hold such funds exclusively for the benefit of the Holders tendering such Bonds.

Moneys in the Credit Facility Deposit Account, the Liquidity Facility Deposit Account, the Remarketing Proceeds Account and the City Purchase Account shall not be commingled with other funds held by the Tender Agent and shall remain uninvested. The City shall not have any right, title or interest in or to any moneys held in the Purchase Fund.

B. Payment of Purchase Price. At or before close of business New York City time on the Purchase Date or Mandatory Purchase Date and upon receipt by the Tender Agent of the aggregate Purchase Price of the tendered Bonds, the Tender Agent shall pay the Purchase Price of such Bonds to the Holders by bank wire transfer in immediately available funds. The Tender Agent shall pay the Purchase Price from the following accounts and in the following order of priority: (1) the Remarketing Proceeds Account to the extent funds are available therein, (2) in the case of Eligible Bonds, the Liquidity Facility Deposit Account and (3) the City Purchase Account. The Tender Agent may assume that a Bond is an Eligible Bond unless it has

actual knowledge to the contrary. If at close of business New York City time on any Purchase Date or Mandatory Purchase Date of Bonds any balance remains in the Liquidity Facility Deposit Account in excess of any unsatisfied purchase obligation, such excess shall be promptly returned to the Liquidity Facility Provider (if any). If at close of business New York City time on any Purchase Date or Mandatory Purchase Date of Bonds any balance remains in the City Purchase Account in excess of any unsatisfied purchase obligation, such excess shall be promptly returned to the City.

C. Inadequate Funds for Tenders. If the funds available for purchases of Eligible Bonds pursuant to this Article IV are inadequate for the purchase of all Bonds tendered on any Purchase Date or Mandatory Purchase Date, no purchase shall be consummated and the Tender Agent shall, after any applicable grace period, (1) return all tendered Bonds to the Holders thereof, (2) return all moneys deposited in the Remarketing Proceeds Account to the Remarketing Agent for return to the Persons providing such moneys, (3) return all moneys deposited in the Liquidity Facility Deposit Account to the Liquidity Facility Provider (if any) and (4) return all moneys deposited in the City Purchase Account to the City.

D. Delivery of Bonds by Tendering Bondholders; Undelivered Bonds Deemed Purchased. All Bonds to be purchased on any date shall be required to be delivered to the principal corporate office of the Tender Agent at or before 12:00 Noon New York City time on such Purchase Date or Mandatory Purchase Date. If the Holder of any Bond (or portion thereof) that is subject to purchase pursuant to this Article IV fails to deliver such Bond to the Tender Agent for purchase on the Purchase Date or Mandatory Purchase Date, and if the Tender Agent is in receipt of the Purchase Price therefor, such Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (E) below. Any Holder who fails to deliver such Bond for purchase shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Bond to the Tender Agent. The Tender Agent shall, as to any tendered Bonds that have not been delivered to it: (1) promptly notify the Remarketing Agent of such nondelivery; and (2) instruct the Paying Agent to place a stop transfer against an appropriate amount of Bonds registered in the name of such Holder(s) on the bond registration books. The Paying Agent shall place such stop(s) commencing with the lowest serial number Bond registered in the name of

such Holder(s) until stop transfers have been placed against an appropriate amount of Bonds until the appropriate tendered Bonds are delivered to the Tender Agent who shall deliver such Bonds to the Paying Agent. Upon such delivery, the Paying Agent shall make any necessary adjustments to the bond registration books.

E. Delivery of Bonds to Purchasers. On the Purchase Date or Mandatory Purchase Date, the Tender Agent shall direct the Paying Agent to execute and deliver all Bonds purchased on any Purchase Date or Mandatory Purchase Date as follows: (1) Bonds purchased and remarketed by the Remarketing Agent shall be registered and made available to the Remarketing Agent by 1:30 p.m. New York City time in accordance with the instructions of the Remarketing Agent; (2) Bonds purchased with amounts paid by or on behalf of the Liquidity Facility Provider (if any) shall be registered and made available in the name of or as directed in writing by the Liquidity Facility Provider (if any) on or before 1:30 p.m. New York City time and become Liquidity Facility Bonds and (3) Bonds purchased with amounts paid by or on behalf of the City shall be registered and made available in the name of or as directed in writing by the City on or before 1:30 p.m. New York City time. Notwithstanding the foregoing, the Tender Agent shall not deliver any such Bonds unless it has received notice from the Liquidity Provider that the amount available for the purchase of Bonds (prior to a conversion to Fixed Rate) is at least equal to the aggregate amount of all Bonds then Outstanding (other than Liquidity Facility Bonds) plus an amount equal to (1) 35 days' interest on Bonds in a Daily Mode or a Weekly Mode or (2) 190 days' interest on Bonds in a Unit Pricing Mode or a Term Rate Mode (assuming an interest rate equal to 12% per annum).

F. No Purchases or Sales After Payment Default. Anything in this Ordinance to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default described in Section 7.01(a) and the Credit Facility Provider (if any) has not paid such amount under the Credit Facility, then the Remarketing Agent shall not remarket any Bonds.

G. The Remarketing Agent shall not remarket any Bonds to the City, or any affiliate or guarantor of the City.

H. R-FLOATs Bonds During Non-Remarketing Period. The provisions of this Section 323 shall not apply to any Bonds in the R-FLOATs Mode during any Non-Remarketing Period.

Section 324 Direct-Pay Credit Facility Drawing Account; City Drawing Account.

(a) Upon the issuance of the Bonds and the delivery of the Credit Facility which shall be a Direct-Pay Credit Facility (which Credit Facility may also be a Liquidity Facility and issued as a single facility), and at any other time a Direct-Pay Credit Facility is in effect with respect to the Bonds, there shall be created and established in accordance with this Ordinance separate accounts for the Bonds, to be held by the Paying Agent, hereby created and designated as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds (Additionally Secured by Pledged Revenues), Series 2006C Direct-Pay Credit Facility Drawing Account" (the "Direct-Pay Credit Facility Drawing Account") and the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds (Additionally Secured by Pledged Revenues), Series 2006C City Drawing Account" (the "City Drawing Account").

(b) The City shall make payments of principal and redemption price of and interest on the Bonds in accordance with this Ordinance into the Bond Fund as and when the same shall become due and payable regardless of whether a Direct-Pay Credit Facility is in effect with respect to the Bonds.

(c) If a Direct-Pay Credit Facility is in effect with respect to the Bonds, the Paying Agent shall take all action necessary to draw or make a claim on the related Direct-Pay Credit Facility (which Credit Facility may also be a Liquidity Facility and issued as a single facility) in such amounts, at such times, and in such manner as shall be necessary to pay the principal and redemption price (including, to the extent amounts are available therefor under the Direct-Pay Credit Facility, mandatory sinking fund installments) of and interest on all Bonds payable therefrom as and when the same shall become due and payable. The Paying Agent shall promptly deposit into the related Direct-Pay Credit Facility Drawing Account all moneys so drawn by the Paying Agent under the related Direct-Pay Credit Facility, which shall not be commingled with any other moneys held by the City and which shall be applied to the payment of such principal, redemption price and interest.

(d) Subject to the immediately succeeding paragraph, on each date any amounts including any mandatory sinking fund installments, which are stated to be due or required to be

made on or with respect to a Bond are due or Redemption Date, as the case may be, and on each Interest Payment Date, the Paying Agent shall make payments of principal or redemption price of and interest on the Bonds to their owners in accordance with this Ordinance.

If a Direct-Pay Credit Facility is in effect with respect to the Bonds, notwithstanding the immediately preceding paragraph, the Paying Agent shall make payments of principal or redemption price of and interest on the Bonds to their owners in the manner provided for in this Ordinance from the moneys deposited in the related Direct-Pay Credit Facility Drawing Account pursuant to subsection (c) of this Section 324. If sufficient funds are not available in the related Direct-Pay Credit Facility Drawing Account, the City shall apply other moneys, if any, available in the Bond Fund (excluding moneys available in any other Direct-Pay Credit Facility Drawing Account established with respect to any other bonds), to the extent necessary to make such payment for deposit to the City Drawing Account. If the principal or redemption price of and interest on the Bonds has been paid in full when due and all payments required to be made under the Direct-Pay Credit Facility have been made, the City shall apply remaining moneys, if any, available in the Bond Fund (excluding moneys available in any other Direct-Pay Credit Facility Drawing Account established with respect to any other bonds) in an amount not to exceed the amount of the draw or borrowing under the Direct-Pay Credit Facility to reimburse the issuer of the Direct-Pay Credit Facility for such draw or borrowing after such draw or borrowing has been honored by the issuer of the Direct-Pay Credit Facility.

(e) Amounts held in the Direct-Pay Credit Facility Drawing Account and the City Drawing Account shall be held uninvested and separate and apart from all other funds and accounts.

Section 325 The Remarketing Agent.

A. The Remarketing Agent shall be appointed by the City and shall serve as such under the terms and provisions hereof. The Remarketing Agent and each successor Remarketing Agent appointed in accordance with this Ordinance shall designate its principal office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Paying Agent, the Tender Agent and the City, under which the Remarketing Agent (subject to subsection (B) below) will agree particularly:

(1) to hold all moneys delivered to it hereunder for the purchase of Bonds for the exclusive benefit of the Person or Persons that shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such Person or Persons;

(2) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Paying Agent, the Tender Agent, the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any) at all reasonable times;

(3) to determine the Daily Rate, the Weekly Rate, the R-FLOATs Rate the Special R-FLOATs Rate Period, the Non-Remarketing Period, the Unit Pricing Rate, the Term Rate and the Fixed Rate and give notice of such rates in accordance with Article II hereof;

(4) to use its best efforts to find purchasers for the Bonds tendered for purchase, any such sale to be made at the Purchase Price in accordance with the terms of this Ordinance;

(5) not to remarket Bonds to the City or any affiliate or guarantor of the City; and

(6) to deliver to the Tender Agent all Bonds held by it in accordance with the terms of this Ordinance and the Remarketing Agreement.

B. One or more firms may serve as co-Remarketing Agent hereunder provided that each co-Remarketing Agent satisfies the requirements of Section 325. If co-Remarketing Agents have been appointed and are performing the duties of Remarketing Agent hereunder, all references herein to the Remarketing Agent shall be deemed to refer to all the Remarketing Agents acting jointly; provided that the Remarketing Agreement may provide that one firm may perform certain specified duties hereunder in its sole capacity.

C. If the Remarketing Agent shall resign, be removed, or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the City shall not have appointed a successor as Remarketing Agent, the Tender Agent shall ipso facto be deemed to be such Remarketing Agent for all purposes of this Ordinance until the appointment by the City of a successor Remarketing Agent; provided,

however, that the Tender Agent, in its capacity as Remarketing Agent, shall not be required to sell Bonds or determine the interest rate on the Bonds hereunder if the Tender Agent should be prohibited by law from conducting such activities. The City will notify each Rating Agency then rating the Bonds of any successor Remarketing Agent or co-Remarketing Agent.

D. The Remarketing Agent may in good faith hold the Bonds or any other form of indebtedness or any security issued by the City; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

Section 326 Qualifications of Remarketing Agent.

A. The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it. The Remarketing Agent may at any time resign and be discharged of the duties and obligations described in this Ordinance by giving at least 30 days' notice to the City, the Paying Agent, the Tender Agent, the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) and each Rating Agency then rating the Bonds. Successor Remarketing Agents may be appointed from time to time by the City if not objected to by the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any). The Remarketing Agent may be removed upon 30 days' notice upon the written Request of the City and upon written notice to the Remarketing Agent, the Paying Agent, the Tender Agent, the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any), so long as a successor Remarketing Agent shall have assumed the duties thereof by the effective date of such removal.

B. Notwithstanding any other provision to the contrary contained herein, any corporation or association into which the Remarketing Agent may be converted or merged, or with which it may be consolidated, or to which it may be consolidated, or to which it may sell or transfer its marketing business and assets as a whole or substantially as a whole, shall become successor Remarketing Agent hereunder and fully vested with all of the rights, powers, trusts, duties and obligations of Remarketing Agent hereunder, without the execution or filing of any instrument or any further act.

Section 327 The Tender Agent.

A. The Tender Agent shall be appointed by the City and shall serve as such under the terms and provisions hereof. The Tender Agent and each successor Tender Agent

appointed in accordance with this Ordinance shall designate its principal corporate office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Paying Agent and the City under which each Tender Agent will agree, particularly:

(1) to hold all Bonds delivered to it for purchase hereunder in trust for the exclusive benefit of the respective Holders that shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Holders;

(2) to hold all moneys delivered to it hereunder for the purchase of Bonds in trust for the exclusive benefit of the Person that shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to it for the account of such Person and, thereafter, for the benefit of the Holders tendering such Bonds;

(3) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City, the Paying Agent, the Remarketing Agent, the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any) at all reasonable times; and

(4) for any Bonds in the Unit Pricing Mode, the Tender Agent shall assign such CUSIP numbers to the Bonds on each Rate Determination Date as provided in Section 305.

B. The Tender Agent is authorized and directed to execute the provisions of the Liquidity Facility, including making draws thereunder. The Tender Agent shall be entitled to the protections, indemnities, immunities and limitations from liability afforded the Paying Agent hereunder in the performance of its duties.

Section 328 Qualifications of Tender Agent.

A. The Tender Agent and each successor Tender Agent shall be a commercial bank with trust powers or trust company duly organized under the laws of the United States of America or any state or territory thereof, and authorized by law to perform all duties imposed upon it hereunder. The Tender Agent shall have an office, affiliate office or agency in New York, New York. The Tender Agent may at any time resign and be discharged of its duties and obligations by giving at least 60 days' notice to the City, the Paying Agent, the Remarketing

Agent, the Liquidity Facility Provider (if any), the Credit Facility Provider (if any), all Holders of Bonds then Outstanding and the City. Any Tender Agent may be removed at any time by the City upon the request of the City and notice to the Paying Agent, the Remarketing Agent, the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) and each Rating Agency then rating the Bonds. Any resignation or removal of the Tender Agent and appointment of a successor Tender Agent shall become effective upon acceptance of appointment by the successor Tender Agent. Successor Tender Agents may be appointed from time to time by the City if not objected to by the Credit Facility Provider (if any) or the Liquidity Facility Provider (if any). The Paying Agent shall provide notice of such successor Tender Agent to all Holders of the Bonds.

B. Upon the resignation or removal of a Tender Agent, such Tender Agent shall deliver any Bonds, the Liquidity Facility (if the Tender Agent is the beneficiary under the Liquidity Facility) and moneys held by it in such capacity to its successor.

C. Notwithstanding any other provision to the contrary contained herein, any corporation or association into which the Tender Agent may be converted or merged, or with which it may be consolidated, or to which it may be consolidated, or to which it may sell or transfer its marketing business and assets as a whole or substantially as a whole, shall become successor Tender Agent hereunder and fully vested with all of the rights, powers, trusts, duties and obligations of Tender Agent hereunder, without the execution or filing of any instrument or any further act.

Section 329 Negotiability. Subject to Section 331 hereof and to the registration provisions provided herein, the Bonds shall be fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code--Investment Securities, and each owner shall possess all rights enjoyed by owners of negotiable instruments under the Uniform Commercial Code--Investment Securities.

Section 330 Registration, Transfer and Exchange of Bonds. Except as otherwise provided in Section 331 hereof:

A. Registration and Transfer. Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered owner or his attorney duly authorized in writing, the

Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other Authorized Denominations, as provided in Section 302 hereof. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange or transfer of Bonds requested by the owner thereof, the City or the Registrar may make a sufficient charge to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of preparing and authenticating each new Bond. No such charge shall be levied in the case of an exchange resulting from an optional or mandatory prior redemption of a Bond.

B. Limitations upon Registration. The Registrar shall not be required to transfer or exchange (i) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) any Bond after the mailing of notice calling such Bond or any portion thereof for redemption as herein provided.

C. Effect of Registration. The person in whose name any Bond shall be registered, in the registration records kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for the purpose of making payments thereof (except to the extent otherwise provided in Section 302 hereof with respect to interest payments) and for all other purposes; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitation provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. Replacement of Bond. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it, the Registrar or the City, may reasonably require, and upon payment of all expenses in connection therewith, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not

previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, the Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement.

E. Cancellation of Bond upon Payment or Reissuance. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City Treasurer and the City.

Section 331 Custodial Deposit.

A. Notwithstanding the foregoing provisions of Section 302 to 330 hereof, the Bonds shall initially be evidenced by one Bond for each year in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing in that year. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in subsection 3 of NRS Section 104.8102, and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this subsection A, or a determination by the City that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the City of another depository institution acceptable to the City and to the depository then holding the Bonds, which new depository institution must be both a "clearing corporation" as defined in subsection 3 of NRS Section 104.8102 and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor or new depository; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this subsection A, or a

determination of the City that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the City, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of subsection A hereof or designation of a new depository pursuant to clause (2) of subsection A hereof, upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of subsection A hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3) of subsection A hereof, and upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of $5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 302 hereof, registered in the names of such Persons, and in such denominations as are requested in such written transfer instructions: however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The City, the Registrar and the Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the City, the Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners (the "Beneficial Owners") of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to subsection A hereof.

D. The City, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of subsection A hereof in effectuating payment of the Bond Requirements of the Bonds by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Upon any partial redemption of any maturity of the Bonds, Cede & Co. (or its successor), in its discretion may request the City to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment.

Section 332 Execution of Bonds. The Bonds shall be executed as follows:

A. Filings with Secretary of State. Pursuant to the Bond Act, and to the act cited as the Uniform Facsimile Signatures of Public Officials Act, cited as chapter 351 of NRS, and prior to the execution of any Bonds, the Mayor, the City Clerk and the City Treasurer shall each file with the Secretary of State of the State his or her manual signature certified by him or her under oath.

B. Manner of Execution. Each Bond shall be approved, signed and executed in the name of and on behalf of the City with the manual or facsimile of the signature of the Mayor shall be countersigned and executed with the manual or facsimile of the signatures of the City Treasurer and shall be authenticated with the manual or facsimile impression of the official seal of the City; and shall be signed, executed, and attested with such a manual or facsimile signature of the City Clerk.

C. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, substantially in the form hereinafter provided has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds delivered pursuant to the Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Ordinance.

Section 333 Use of Predecessor's Signature. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City, notwithstanding that before the delivery thereof and the payment therefor any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. Each of the Mayor, the City Treasurer and City Clerk, at the time of the

execution of the Bonds and of a signature certificate pertaining thereto by the Mayor, the City Treasurer and the City Clerk, respectively, may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds.

Section 334 Incontestable Recital in Bonds. Pursuant to Section 350.628, Bond Act, each Bond shall recite that it is issued pursuant to the Project Act, to the Bond Act, and to the Supplemental Bond Act, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance.

Section 335 State Tax Exemption. Pursuant to Section 350.710 of the Bond Act, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to chapter 375B of NRS.

Section 336 Bond Execution. The Mayor, the City Treasurer, and the City Clerk are hereby authorized and directed to prepare and to execute the Bonds as herein provided.

Section 337 Bond Delivery. After registration of the Bonds by the City Treasurer and Registrar pursuant to Section 331 and after their execution and authentication pursuant to Section 332 and other provisions herein supplemental thereto, the City Treasurer shall cause the Bonds to be delivered to the Underwriter thereof, upon payment being made therefor on the terms of the sale of the Bonds.

Section 338 Bond Form. Subject to the provisions of this Ordinance, each Bond shall be in substantially the following form with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

CITY OF LAS VEGAS, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
ADJUSTABLE RATE VARIOUS PURPOSE BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2006C

NO._____ $_____

Maturity Date	Dated As Of	CUSIP
June 1, _	_____, 2006	

REGISTERED OWNER: **CEDE & CO.**

PRINCIPAL AMOUNT: DOLLARS

The City of Las Vegas in the County of Clark and in the State of Nevada (the "City", the "County," and the "State", respectively), for value received hereby acknowledges itself to be indebted and promises to pay to the Registered owner specified above the Principal Amount specified above, on the Maturity Date specified above (unless called for earlier redemption), and to pay interest thereon on the dates and at the rates per annum determined as described in the City's ordinance designated by the short title "Adjustable Rate Various Purpose Bond Ordinance," adopted and approved on _____, 2006 authorizing the issuance of the Bonds (the "Ordinance"), until the principal sum is paid or payment has been provided therefor. This is one of an authorized series of bonds issued under the Ordinance in the aggregate principal amount of $32,000,000 (the "Bonds"). The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Ordinance. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Ordinance. This Bond bears interest, matures, is payable, is subject to optional tender and mandatory purchase, is subject to redemption and is transferable as provided in the Ordinance.

Reference is made to the Ordinance and to all ordinances supplemental thereto, with respect to the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, rights, duties and obligations of the City, the Paying Agent, the Tender Agent and the Credit Facility Provider, and, the rights of the owners of the Bonds, the events of defaults and remedies, the circumstances under which any Bond is no longer Outstanding, the issuance of additional bonds and the terms on which such additional bonds may be issued under and secured by the Ordinance, the ability to amend the Ordinance, and to all the provisions of which the owner hereof by the acceptance of this Bond assents.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of

DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Bonds shall not be transferable or exchangeable, except as set forth in the Ordinance.

Upon any partial prior redemption of this Bond, Cede & Co., in its discretion, may request the Registrar to authenticate a new Bond or shall make an appropriate notation on this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Paying Agent prior to payment.

This Bond must be registered in the name of the Registered Owner as to both principal and interest on the registration records kept by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Ordinance. No transfer of this Bond shall be valid unless made on the registration records maintained at the principal office of the Registrar by the Registered Owner or his attorney duly authorized in writing.

The City and the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the Ordinance with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes and the City, and Paying Agent and Registrar shall be not affected by notice to the contrary.

The Bonds are issued by the City and upon the credit thereof, for the purpose of financing various capital improvement projects described in NRS chapter 268 and in the Ordinance, under the authority of and in full conformity with the Constitution and laws of the State and the City and pursuant to the Ordinance.

It is hereby certified, recited and warranted that the total indebtedness of the City, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State; that provision has been made for the levy and collection of annual general (ad valorem) taxes ("General Taxes") sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent other moneys are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the Bond Requirements according to the terms of this Bond.

The payment of the Bonds, as to all Bond Requirements, is additionally secured by an irrevocable pledge of revenues derived by the City from the Pledged Revenues (as defined in the Ordinance).

Payment of the Bond Requirements due in connection with the Bonds may be made from and as security for such payment there is irrevocably and exclusively pledged, pursuant to the Ordinance, a special account thereby created and identified as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds,

Series 2006C, Pledged Revenues, Interest and Principal Retirement Fund," into which account the City covenants to pay from the revenues derived from the Pledged Revenues sums sufficient to pay when due the Bond Requirements of the Bonds, except to the extent other moneys are available therefor.

The Bonds are equitably and ratably secured by a lien on the Pledged Revenues and the Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues, on a parity with the lien on the Pledged Revenues of the Parity Securities and subject to and after any superior liens upon such Pledged Revenues of any Superior Bonds or Superior Securities. Bonds and other securities, in addition to the Bonds, subject to expressed conditions, may be issued and made payable from the Pledged Revenues having a lien thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon superior to or on a parity with the lien, of the Bonds, in accordance with the provisions of the Ordinance.

The City covenants and agrees with the owner of this Bond and with each and every person who may become the owner hereof that it will keep and will perform all of the covenants of the Ordinance.

Reference is made to the Ordinance, NRS Chapter 360, as amended from time to time, to the City Charter, as amended from time to time, to an act cited as NRS 350.500 through 350.720, and all laws amendatory thereof, designated in Section 350.500 thereof as the Local Government Securities Law, to Chapter 348 of NRS (the "Supplemental Bond Act"), and to all laws supplemental thereto, for an additional description of the nature and extent of the security for the Bonds, the General Taxes, accounts, funds and revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued, and a statement of rights and remedies of the owners of the Bonds.

The Bonds are issued pursuant to the Project Act, the Local Government Securities Law, and the Supplemental Bond Act, and pursuant to NRS Section 350.628, Local Government Securities Law, this recital is conclusive evidence of the validity of the Bonds and the regularity of their issuance; and pursuant to NRS Section 350.710, Local Government Securities Law, the Bonds, their transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to chapter 375B of NRS.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance or any instrument amendatory thereof or supplemental thereto may be modified or amended by action of the City taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of revenues and other obligations of the City under the Ordinance may be discharged at or prior to the respective maturities of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

It is further certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, particularly under the terms and provisions of the Project Act, the Local Government Securities Law, the Supplemental Bond Act, and all laws supplemental thereto, and with the Ordinance; and that this Bond does not contravene any constitutional or statutory limitation.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise upon the Ordinance or other instrument relating thereto, against any individual member of the City Council of the City, any individual member of the City, or any officer or other agent of the City, past, present or future, either directly or indirectly through such board or the City, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

This Bond shall not be valid or obligatory for any purpose until a manual signature of a duly authorized officer of the Registrar has been affixed on the certificate of authentication hereon.

IN WITNESS WHEREOF, the City has caused this Bond to be signed and executed in its name and upon its behalf with the manual or facsimile signature of the Mayor, to be countersigned and executed with the manual or facsimile signature of the City Treasurer and has caused a manual impression or a facsimile of the seal of the City to be affixed hereon; and has caused this Bond to be signed, executed and attested with the manual or facsimile signature of the City Clerk, all as of the date written above.

CITY OF LAS VEGAS, NEVADA

(Manual or Facsimile Signature)
Mayor
Las Vegas, Nevada

Countersigned:

(Manual or Facsimile Signature)
City Treasurer

(Manual or Facsimile Seal)

Attest:

(Manual or Facsimile Signature)
City Clerk

(End of Form of Bond)

(Form of Certificate of Authentication for Bonds)

Date of authentication
and registration: _____

This is one of the Bonds described in the within-mentioned Ordinance, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

THE BANK OF NEW YORK TRUST
COMPANY, N.A., as Paying Agent

By: (Manual Signature)
Authorized Officer

(End of Form of Certificate of Authentication for Bonds)

*(Form of Assignment for Bonds)

For value received, the undersigned hereby sells, assigns and transfer unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books kept for registration of the within Bond, with full power of substitution in the premises.

_____

Dated: _____

Signature Guaranteed:

_____

Name and address of transferee:

_____
_____
_____

Social Security or other tax identification number of transferee:

_____

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever. Signature(s) must be guaranteed by an eligible guarantor institution as defined in 17 CFR § 240.17Ad-15(a)(2).

(End of Form of Assignment for Bonds)*

ARTICLE IV.

USE OF BOND PROCEEDS

Section 401 Disposition of Bond Proceeds. The proceeds of the Bonds upon the receipt thereof at any time or from time to time, shall be accounted for in the following manner and priority and are hereby pledged therefor:

Construction Account. The balance of the proceeds received from the sale of the Bonds shall be deposited into a special account hereby created and designated as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds (Additionally Secured by Pledged Revenues), Series 2006C Construction Account" (the "Construction Account") to be held by the City. Moneys in the Construction Account shall be used solely to defray wholly or in part the cost of the Project including, without limitation, as provided in NRS Section 350.516, all costs of issuing the Bonds, and the costs of rebates to the United States under Section 148 of the Tax Code, which the Council hereby determines are necessary and desirable and appertain to the Project. After the Project is complete and after all expenses have been paid or adequate provision therefor is made, pursuant to NRS Section 350.650, any unexpended balance of Bond proceeds (or, unless otherwise required by law, any other moneys) remaining in the Construction Account shall be deposited into the Bond Fund hereinafter created to be used to pay the principal of and interest on the Bonds pursuant to Section 604(B) hereof.

Section 402 Prevention of Bond Default. The City Treasurer shall use any Bond proceeds credited to the Construction Account without further order or warrant, to pay the Bond Requirements of the Bonds as the same become due whenever and to the extent moneys in the Bond Fund or otherwise available therefor are insufficient for that purpose, unless the Bond proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and relating to the Project. The City Treasurer shall promptly notify the Finance Director of any such use. Any moneys so used shall be restored to the Construction Account, from the first Pledged Revenues thereafter received and not needed to meet the requirements provided in Sections 603 through 607 hereof.

Section 403 Completion of Project. When any amounts in the Construction Account are no longer needed to pay the Cost of the Project, the Finance Director

shall cause to be transferred to the Bond Fund all surplus moneys remaining in the Construction Account, if any, except for any moneys designated by the Finance Director to be retained to pay any unpaid accrued costs or contingent obligations and the sums so transferred shall be applied to the payment of the principal and interest due on the Bonds.

Section 404 Underwriter Not Responsible. The validity of the Bonds shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the acquisition of the improvements, or any part thereof, or to the completion of the Project. The Underwriter, any associate thereof, and any subsequent owner of any Bonds shall in no manner be responsible for the application or disposal by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 405 Lien on Bond Proceeds. Until proceeds of the Bonds are applied as hereinabove provided the Bond proceeds shall be subject to a lien thereon and pledge thereof for the benefit of the owners of the Bonds from time to time as provided in Section 601 hereof.

ARTICLE V.

GENERAL TAXES

Section 501 General Tax Levies. Pursuant to Section 350.596 of the Bond Act, the Bond Requirements of the Bonds falling due at any time when there are not on hand from General Tax levies sufficient funds to pay the same, shall be paid out of the general fund of the City or out of any other funds that may be available for such purpose. For the purpose of repaying any moneys so paid from any such fund or funds (other than any moneys available for the payment of such Bond Requirements on other than a temporary basis) and for the purpose of the payment thereafter of the Bonds and the interest thereon, there are hereby created the separate and special accounts known respectively as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds, Series 2006C, General Tax Principal Fund" (the "General Tax Principal Fund") and as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds, Series 2006C, General Tax Interest Fund" (the "General Tax Interest Fund"). Pursuant to Sections 350.592 and 350.594 of the Bond Act, there shall be levied immediately after the issuance of the Bonds, and annually thereafter (if necessary to implement this Ordinance), until all of the Bond Requirements shall have been fully paid, satisfied and discharged, a General Tax on all property, both real and personal, subject to taxation within the boundaries of the City fully sufficient to reimburse such funds for such installments of Bond Requirements, together with the revenue which will result from application of the rate to the net proceeds of minerals, to pay the interest on the Bonds, and to pay and retire the same as hereinabove provided, and after there are made due allowances for probable delinquencies. The proceeds of the annual levies shall be duly credited to such separate accounts for the payment of the Bond Requirements. In the preparation of the annual budget or appropriation resolution or ordinance for the City, the City shall first make proper provisions through the levy of sufficient General Taxes for the payment of the interest on and the retirement of the principal of the bonded indebtedness of the City, including, without limitation, the Bonds, subject to the limitations imposed by NRS Section 361.453 and Section 2, Article. 10, Nevada Constitution, and the amount of money necessary for this purpose shall be a first charge against all the revenues received by the City.

Section 502 Priorities for Bonds. As provided in NRS Section 361.463 in any year in which the total General Taxes levied against the property in the City by all overlapping units within the boundaries of the City may exceed the limitation of $3.64 on each $100 of assessed valuation, or a lesser or greater amount fixed by the State board of examiners if the State board of examiners is directed by law to fix a lesser or greater amount for that Fiscal Year as provided in NRS Section 361.453, and it shall become necessary by reason thereof to reduce the levies made by any and all such units, the reductions so made shall be in General Taxes levied by such unit or units (including, without limitation, the City and the State) for purposes other than the payment of their bonded indebtedness, including interest thereon. The General Taxes levied for the payment of such bonded indebtedness and the interest thereon shall always enjoy a priority over General Taxes levied by each such unit (including, without limitation, the City and the State) for all other purposes where reduction is necessary in order to comply with the limitation of NRS Section 361.453.

Section 503 Correlation of Levies. Such General Taxes shall be levied and collected in the same manner and at the same time as other General Taxes are levied and collected, and the proceeds thereof for the Bonds shall be kept by the City Treasurer in the General Tax Principal Fund and in the General Tax Interest Fund, which shall be used for no other purpose than the payment of principal of and interest on the Bonds, and any other Parity Securities hereinafter issued in accordance with Section 910 hereof, respectively, as the same fall due.

Section 504 Use of General Fund. Any sums becoming due on the Bonds at any time when there are on hand from such tax levy or levies (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from general funds on hand belonging to the City, reimbursement to be made for such general funds in the amounts so advanced when the Taxes herein provided for have been collected, pursuant to Section 350.596, Bond Act.

Section 505 Use of Other Funds. Nothing herein prevents the City from applying any funds (other than General Taxes) that may be available for that purpose to the payment of such interest or principal, as the same, respectively, mature, including, without limitation, the payment of the Bonds as provided in Section 604 hereof and elsewhere herein,

and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to Section 350.598 of the Bond Act.

Section 506 Legislative Duties. In accordance with Section 350.592 of the Bond Act, and NRS Section 361.463, it shall be the duty of the City annually, at the time and in the manner provided by law for levying other General Taxes of the City, if such action shall be necessary to effectuate the provisions of this Ordinance, to ratify and carry out the provisions hereof with reference to the levy and collection of General Taxes; and the City shall require the officers of the City to levy, extend and collect such General Taxes in the manner provided by law for the purpose of creating funds for the payment of the principal of the Bonds and interest thereon. Such General Taxes when collected shall be kept for and applied only to the payment of the principal of and the interest on the Bonds as hereinbefore provided.

Section 507 Appropriation of General Taxes. In accordance with Section 350.602 of the Bond Act, there is hereby specially appropriated the proceeds of the General Taxes to the payment of such principal and interest; and such appropriations shall not be repealed nor the General Taxes postponed or diminished (except as herein otherwise expressly provided) until the principal of and interest on the Bonds have been wholly paid.

ARTICLE VI.

ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 601 Pledge Securing Bonds. Subject only to the right of the City to cause amounts to be withdrawn to pay the Cost of the Project as provided herein, all of the Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any account under this article or under Section 401 hereof, excluding, however, all amounts held in the Rebate Fund and in the Purchase Fund, are hereby pledged to secure the payment of the Bond Requirements of the Bonds. This pledge shall be valid and binding from and after the date of the first delivery of any Bonds, and the moneys, as received by the City and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the City and, except for the Outstanding Prior Bonds and any Outstanding Parity Securities hereafter authorized the liens of which on the Pledged Revenues are on a parity with the lien thereon of the Bonds and any Outstanding Superior Securities hereafter issued the liens of which on the Pledged Revenues are superior to the lien thereon of the Bonds; and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 602 Income Fund Deposits. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the entire Pledged Revenues, upon their receipt from time to time by the City, shall continue to be set aside and credited immediately to a special fund heretofore created and designated as the "City of Las Vegas, Nevada, SCCRT Pledged Revenues Income Fund, Series 1993" (the "Income Fund"). Such Income Fund shall be maintained by the City Treasurer separate and apart from all other City funds, including the Bond Fund.

Section 603 Administration of Income Fund. So long as any of the Bonds hereby authorized shall be Outstanding, as to any Bond Requirements, each Fiscal Year the Income Fund shall be administered, and the moneys on deposit therein shall be applied in the following order of priority, all as provided in Sections 604 through 608 hereof.

Section 604 Superior Bond Fund and Bond Fund Payments.

A. First, from any moneys in the Income Fund, i.e., from the Pledged Revenues, there shall be credited to any bond fund created to pay the principal of, interest on and redemption premiums, if any, due on any Superior Bonds or Superior Securities issued in accordance with the provisions of this Ordinance:

(1) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Superior Bonds or Superior Securities, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Superior Bonds or Superior Securities then outstanding.

(2) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Superior Bonds or Superior Securities coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Superior Bonds or Superior Securities coming due at maturity, or, if any, an amount sufficient to pay the principal of, interest on and any redemption premiums due on the outstanding Superior Bonds or Superior Securities.

B. Second, subject to the provisions of Section 606 hereof, the following transfers shall be credited to the fund which is hereby created and designated as the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds, Series 2006C, Pledged Revenues, Interest and Principal Retirement Fund" (the "Bond Fund"), to be held by the City Treasurer, concurrently with the payments required for any Outstanding Parity Securities into the bond funds therefor, as required by the Ordinances authorizing those bonds:

(1) Monthly, commencing on the first day of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever

source, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

(2) Monthly, commencing one year before the first principal maturity date of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, or pursuant to Section 303(C) hereof, if any.

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds as the Bond Requirements become due, including any mandatory sinking fund payments pursuant to Section 303(C) hereof, if any. All amounts in the Bond Fund shall be used and withdrawn by the City solely (i) for the purpose of paying the Bond Requirements of the Bonds as the same becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Ordinance), or (ii) to reimburse the Credit Facility Provider (if any) with respect to drawings under the Credit Facility for such purposes and in such event to transfer such amounts to the Tender Agent for deposit to the City Purchase Account or to the Paying Agent for deposit into the City Drawing Account, as the case may be or (iii) to deposit funds to the City Drawing Account pursuant to Section 324 of this Ordinance in the event sufficient funds are not available in the Direct-Pay Credit Facility Drawing Account. Unless there has been an Event of Default, so long as the Credit Facility is in effect and has been drawn upon to provide sufficient funds to pay in full the principal of and interest when due as required herein, the City shall use moneys in the Bond Fund and transfer funds to the Tender Agent, if necessary, for deposit to the City Purchase Account or to the Paying Agent for deposit into the City Drawing Account, to reimburse the Credit Facility Provider (if any) for such drawing in such manner as to provide for receipt by the Credit Facility Provider (if any) on the same Business Day as the draw is honored.

Section 605 Termination of Deposits. No payment need be made into the Bond Fund, if the amount in the Bond Fund totals a sum at least equal to the entire amount of the Outstanding Bonds as to all Bond Requirements, to their respective maturities, and both accrued and not accrued interest, in which case moneys in that account in an amount at least equal to such Bond Requirements shall be used solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Pledged Revenues shall be applied as hereafter provided.

Section 606 Payment of Additional Securities. Third, and subject to the provisions hereinabove in this Article, but either prior to, concurrently with or subsequent to the payments required by Section 604 hereof, as provided in Article VIII hereof, any moneys remaining in the Income Fund may be used by the City for the payment of Bond Requirements of the Outstanding Parity Securities, additional bonds or other additional securities payable from the Pledged Revenues and hereafter authorized to be issued in accordance with Article VIII and any other provisions herein supplemental thereto, including reasonable reserves for such securities, as the same accrue. The lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities shall be superior to, on a parity with or subordinate to the lien and pledge of the Bonds as herein provided. Payments for bond and reserve funds for any Superior Securities shall be made concurrently with the payments for Superior Securities required by Section 604 hereof. Payments for bond and reserve funds for the Outstanding Parity Securities and additional Parity Securities shall be made concurrently with the payments for the Bonds required by Section 604 hereof. Payments for bond and reserve funds for additional Subordinate Securities and payments of Security Instrument Costs and Security Instrument Repayment Obligations shall be made after the payments required by Sections 604 and 607 hereof.

Section 607 Payment of Rebate. Fourth, and subject to the provisions hereinabove in this Article, there shall be transferred into the "City of Las Vegas, Nevada, General Obligation (Limited Tax) Adjustable Rate Various Purpose Bonds, Series 2006C, Rebate Fund," hereby created, after making in full the monthly deposits required by Sections 604 and 606, but prior to the transfer of any Pledged Revenues to the payment of Subordinate Securities, such amounts as are required to be deposited therein to meet the City's obligations under the covenant contained in Section 920 hereof, in accordance with

Section 148(f) of the Tax Code. Amounts in the Rebate Fund shall be used for the purpose of making the payments to the United States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Fund in excess of those required to be on deposit therein by Section 920 hereof and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose relating to the Project.

Section 608 Use of Remaining Revenues. After the payments hereinabove required to be made in this Article VI are made, any remaining Pledged Revenues in the Income Fund may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to the Bond Fund, to the Rebate Fund and to each other bond fund and reserve fund, if any, for the payment of any other securities payable from the Pledged Revenues, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, as hereinabove provided in this Article, for any one or any combination of lawful purposes relating to the Project, or otherwise, as the City may from time to time determine.

ARTICLE VII.

GENERAL ADMINISTRATION

Section 701 Administration of Accounts. The special accounts designated in Articles IV and VI hereof shall be administered as provided in this Article.

Section 702 Places and Times of Deposits. Each of the special accounts hereinabove designated in Articles IV and VI hereof shall be maintained as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor, and the moneys accounted for in such special book accounts shall be deposited in one bank account or more in a commercial bank or commercial banks as determined and designated by the City (except as otherwise expressly stated herein). Nothing herein prevents the commingling of moneys accounted for in any two or more book accounts relating to the Project or any other City accounts in any bank account or any investment in securities hereunder. Each bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then the payment shall be made on or before the next preceding secular day. Notwithstanding any other provision herein to the contrary, moneys sufficient to pay the Bond Requirements then coming due on the Outstanding Bonds shall be deposited with the Paying Agents at least on the day of each interest payment date herein designated and, in any event, in sufficient time to make timely payment of such Bond Requirements.

Section 703 Investment of Moneys. Any moneys in any account designated in Articles IV and VI hereof, and not needed for immediate use, may be invested or reinvested by the City Treasurer in any investments permitted under the laws of the State. For the purpose of any such investment or reinvestment, the securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 704 Required and Permissive Investments. The City Treasurer shall not have any obligation to make any investment or reinvestment hereunder,

unless any moneys on hand and accounted for in any one account exceeds $5,000 and at least $5,000 therein will not be needed for a period of not less than 60 days. In that event the City Treasurer shall invest or reinvest in securities to the extent practicable not less than substantially all the amount which will not be needed during such 60-day period, except for any moneys on deposit in an interest-bearing account in any commercial bank, regardless of whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to Section 707 hereof. The City Treasurer may invest or reinvest any moneys on hand at any time as provided in Section 703 hereof even though he is not obligated to do so.

Section 705 Accounting for Investments. The securities purchased as an investment or reinvestment of moneys in any such account shall be deemed at all times to be a part of the account and held in trust therefor. Except as herein otherwise provided, any interest or other gain in any account resulting from any such investments and reinvestments in securities and from any deposits of moneys in any commercial bank pursuant to this Article shall be credited to that Fund, and any loss in any account resulting from any such investments and reinvestments in securities and from any such deposits in any commercial bank shall be charged or debited to that Fund. No loss or profit in any account on any investments or reinvestments in securities or any certificates of deposit shall be deemed to take place as a result of fluctuations in the market quotations of the investments, reinvestments or certificates before the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided, securities and certificates of deposit shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligation) and other bank deposits shall be valued at the amounts deposited, exclusive of any accrued interest or any other gain to the City until such gain is realized. The expenses of purchase, safekeeping, sale and all other expenses incident to any investment or reinvestment of moneys pursuant to this Article shall be accounted for as an expense of the Project and charged to the Construction Account.

Section 706 Redemption or Sale of Investment Securities. The City Treasurer having jurisdiction over moneys designated herein shall present for redemption at maturity or sale on the prevailing market at the best price obtainable any securities and certificates of deposit so purchased as an investment or reinvestment of moneys in any account whenever it shall be necessary to do so in order to provide moneys to meet any withdrawal,

payment or transfer from such account. The City Treasurer and each other officer of the City shall not be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Ordinance.

Section 707 Character of Funds. The moneys in any account herein authorized shall consist either of lawful money of the United States or permitted securities, or both. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of any commercial bank pursuant to Section 703 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 708 Accelerated Payments. Nothing contained in Article VI hereof prevents the accumulation in any account herein designated of any monetary requirements at a faster rate than the rate or minimum rate provided in Article VI therefor, as the case may be; but no payment shall be so accelerated if such acceleration shall cause the City to default in the payment of any obligation of the City relating to the Pledged Revenues or the Project. Nothing contained herein, in connection with the Pledged Revenues received in any Fiscal Year, requires the accumulation in any account for the payment of Bond Requirements due in connection with any series of bonds or other securities payable from the Pledged Revenues and heretofore, herein or hereafter authorized, in excess of the Bond Requirements required to be accumulated in that fiscal year, and of any reserves required to be accumulated and maintained therefor, and of any existing deficiencies, and payable from such account, as the case may be, except as may be otherwise provided in Section 604 or elsewhere herein.

Section 709 Payment of Securities Requirements. The moneys credited to any account designated in Article VI hereof for the payment of the Bond Requirements due in connection with any series of bonds or other securities payable from the Pledged Revenues and heretofore, herein or hereafter authorized shall be used, without requisition, voucher, warrant or further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements payable from such account as such bonds or other securities become due, upon the respective interest payment dates and Redemption Dates, if any, on which the City is obligated to pay the bonds or other securities, or upon the respective interest payment and maturity dates of such bonds or other securities, as provided therefor herein or otherwise, except to the extent any other moneys are available therefor, including, without limitation, moneys accounted for in the Bond Fund.

Section 710 Payment of Redemption Premiums. Notwithstanding any other provision herein, this Ordinance requires the accumulation in any account designated in Article VI hereof for the payment of any series of bonds or other securities payable from the Pledged Revenues of amounts sufficient to pay not only the principal thereof and interest thereon payable from such account but also the redemption premiums due in connection therewith, if any, as the same become due, whenever the City shall have exercised or shall have obligated itself to exercise a prior redemption option relating thereto, except to the extent provision is otherwise made therefor, if any redemption premium is due in connection therewith. In that event moneys shall be deposited into such account in due season for the payment of all such Bond Requirements without default as the same become due.

ARTICLE VIII.

SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 801 Lien of Bonds. The Bonds authorized herein constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues, subject to and after any superior liens upon such Pledged Revenues of any Superior Bonds or Superior Securities and on a parity with the parity liens upon such Pledged Revenues of the Outstanding Prior Bonds and any other Parity Bonds or Parity Securities.

Section 802 Equality of Bonds. The Bonds, the Outstanding Parity Securities and any Parity Securities hereafter authorized to be issued and from time to time Outstanding are equally and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any other such securities, it being the intention of the City that there shall be no priority among the Bonds and any such Parity Securities, regardless of the fact that they may be actually issued and delivered at different times.

Section 803 Issuance of Superior or Parity Securities. Nothing herein, subject to the limitations stated in Sections 806, 811 and 812 hereof, prevents the issuance by the City of additional bonds or other additional securities payable from the Pledged Revenues and constituting a lien thereon superior to or on a parity with, the lien thereon of the Bonds, nor prevents the issuance of bonds or other securities refunding all or a part of the Bonds (or funding or refunding any other then Outstanding securities payable from Pledged Revenues), except as provided in Sections 807 through 812 hereof; but before any such additional superior or Parity Bonds or other additional superior or Parity Securities are authorized or actually issued (excluding any superior or parity refunding securities other than any securities refunding Subordinate Bonds or other Subordinate Securities, as permitted in Section 810C hereof):

A. Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the City shall not be in default in making any payments required by Sections 604, 606 or 607 hereof with respect to any superior or Parity Securities.

B. Earnings Test. Except as hereinafter otherwise provided: (1) the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance of the

additional superior or Parity Securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements (to be paid during any one Bond Year, commencing with the Bond Year in which the additional superior or Parity Securities are issued and ending on the first day of the Bond Year in which any then Outstanding Bonds last mature) of the Outstanding Parity Securities, Outstanding Bonds and any other Outstanding superior or Parity Securities of the City and the bonds or other securities proposed to be issued (excluding the reserves therefor); or, (2) the Pledged Revenues estimated by the Finance Director, independent feasibility consultant or an Independent Accountant to be derived in the first five Fiscal Years immediately succeeding the issuance of the other additional superior or Parity Securities proposed to be issued, shall be at least equal to such annual principal and interest requirements to be paid during such Fiscal Years.

C. Adjustment of Pledged Revenues. In any computation of such earnings test as to whether or not additional superior or Parity Securities may be issued as provided in subsection B of this Section, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the Finance Director, independent feasibility consultant or Independent Accountant making the computations under this Section, which loss or gain results from any change in rate of levy of the taxes and impositions provided in the Pledged Distributed Local Tax Act which will result in a change in the amount of Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such superior or Parity Securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made before the computation of the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year.

Section 804 Certification of Revenues. A written certification or written opinion by the Finance Director, an independent feasibility consultant or an Independent Accountant, based upon estimates thereby as provided in Section 803B and Section 803C hereof, that the annual revenues when adjusted as hereinabove provided in Section 803C hereof, are sufficient to pay such amounts as provided in Section 803B hereof, shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver additional bonds or additional securities superior to or on a parity with the Bonds.

Section 805 Subordinate Securities Permitted. Nothing herein, subject to the limitations stated in Sections 811 and 812 hereof, prevents the City from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

Section 806 Superior Securities Permitted. Nothing herein, subject to the requirements stated in this Article VIII hereof, prevents the City from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon prior and superior to the lien thereon of the Bonds; however, such additional Superior Bonds or other additional Superior Securities shall not be issued as general obligations of the City.

Section 807 Issuance of Refunding Securities. At any time after the Bonds, or any part thereof, are issued and remain Outstanding, if the City shall find it desirable to refund any Outstanding Bonds or other Outstanding securities payable from and constituting a lien upon any Pledged Revenues, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the City's option upon proper call, unless the owner or owners of all such Outstanding Bonds or other securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as provided in Sections 806 and 808 through 812 hereof).

Section 808 Partial Refundings. The refunding bonds or other refunding securities so issued, unless issued as Subordinate Securities, shall enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the owner or owners of the refunding securities shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

Section 809 Limitations Upon Refundings. Any refunding bonds or other refunding securities payable from any Pledged Revenues shall be issued with such details as the City may by instrument provide, subject to the provisions of Sections 811 and 812 hereof, and subject to the inclusion of any such rights and privileges designated in Section 808 hereof, but without any impairment of any contractual obligation imposed upon the City by any

proceedings authorizing the issuance of any unrefunded portion of the Outstanding securities of any one or more issues (including, without limitation, the Bonds).

Section 810 Protection of Securities Not Refunded. If only a part of the Outstanding Bonds and other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

A. Requirements Not Increased. Unless the refunding securities do not increase for any Bond Year the annual principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, if any, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Pledged Revenues is not raised to a higher priority than the lien thereon of the bonds or other securities thereby refunded; or

B. Subordinate Lien. Unless the lien on any Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

C. Default and Earnings Test. Unless the refunding bonds or other refunding securities are issued in compliance with Section 803 hereof (including subsections A through C thereof) and Section 804 hereof.

Section 811 Payment Dates of Additional Securities. Any additional superior, parity or Subordinate Bonds or other additional superior, parity or Subordinate Securities (including, without limitation, any funding or refunding securities) issued in compliance with the terms hereof shall bear interest payable at the times and shall mature on the dates designated by the City in the Supplemental Ordinance authorizing such securities as provided in Section 812 hereof.

Section 812 Supplemental Ordinance. Additional bonds or other additional securities payable from the Pledged Revenues shall be issued only after authorization thereof by a supplemental instrument of the City stating the purpose or purposes of the issuance of the additional bonds or other additional securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, principal amount, maturity or maturities, designation and numbers thereof, the

maximum rate or rates of interest to be borne thereby, any prior redemption privileges of the City with respect thereto and other provisions thereof not in conflict with this Ordinance. All additional bonds or other additional securities shall bear such date, shall bear such numbers and series designation, letters or symbols prefixed to their numbers distinguishing them from each other security, shall be payable at such place or places at such times, may be subject to redemption prior to maturity on such terms and conditions, and shall bear interest at such rate or at such different and varying rates per annum, as may be fixed by instrument or other document of the City.

ARTICLE IX.

MISCELLANEOUS PROTECTIVE COVENANTS

Section 901 General. The City hereby particularly covenants and agrees with the owners of the Bonds and makes provisions which shall be a part of its contract with such owners to the effect and with the purposes set forth in the following provisions and sections of this article.

Section 902 Performance of Duties. The City shall faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues and the Project required by the Constitution and laws of the State and the various resolutions, ordinances and other instruments of the City, including, without limitation, the proper segregation of the proceeds of the Bonds and the Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 903 Further Assurances. At any and all times the City, except when otherwise required by law, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Pledged Revenues, and other moneys and accounts hereby pledged or assigned, or which the City may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Ordinance and to comply with the Project Act, the Bond Act and all laws supplemental thereto. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every owner of any Bonds against all claims and demands of all Persons whomsoever.

Section 904 Conditions Precedent. Upon the date of issuance of any Bonds, all conditions, acts and things required by the Constitution or statutes of the State, including without limitation, the Project Act and the Bond Act, or this Ordinance, to exist, to have happened, and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other

obligations of the City, shall not contravene any debt or other limitation prescribed by the State Constitution or statutes.

Section 905 Covenant to Perform. The City shall observe and perform all of the terms and conditions contained in this Ordinance and the Project Act, the Bond Act and all laws supplemental thereto and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative of judicial body applicable to the Project, to any such other facilities, or to the City.

Section 906 Protective Security. The City and the officers, agents and employees of the City shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any owner of any Bond or other security payable from the Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 907 Accumulation of Interest Claims. In order to prevent any accumulation of coupons or claims for interest after maturity, the City shall not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest on any of the Bonds or any other securities payable from the Pledged Revenues; and the City shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such coupons or other claims for interest. If the time for the payment of any such coupons or of any other such installment of interest shall be extended in contravention of the foregoing provisions, such coupon or installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior payment in full of the principal of all Bonds and any such other securities then Outstanding and of all matured interest on such securities the payment of which has not been extended.

Section 908 Prompt Payment of Bonds. The City shall promptly pay the Bond Requirements of every Bond issued hereunder and secured hereby at the places, on the dates, and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

Section 909 Use of Bond Fund. The Bond Fund shall be used solely, and the moneys credited to such account are hereby pledged, for the purpose of paying the Bond Requirements of the Bonds, subject to the provisions concerning surplus moneys in Sections 605, 608 and 1001 hereof.

Section 910 Additional Securities. Any other securities hereafter authorized to be issued and payable from the Pledged Revenues shall not hereafter be issued, unless the additional securities are also issued in conformance with the provisions of Articles VI and VIII hereof.

Section 911 Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the Project, or any part thereof, or on or against the Pledged Revenues derived or to be derived.

Section 912 Corporate Existence. The City shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the City and is obligated by law to fix and collect the Pledged Revenues as herein provided without adversely affecting to any substantial degree at any time the privileges and rights of any owner of any Outstanding Bond.

Section 913 City Treasurer's Report. If the City defaults in paying promptly the Bond Requirements of the Bonds and any other securities payable from the Pledged Revenues as the same fall due, or in the keeping of any covenants herein contained, and if such default continues for a period of 60 days, or if the Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of the Outstanding Bonds and any other securities (including all reserves therefor specified in the authorizing proceedings) payable from the Pledged Revenues in any such Bond Year, the City Treasurer shall (a) submit to the Council a report on such deficiency and a proposal setting forth a plan to produce Pledged Revenues in the following Fiscal Year sufficient to pay such amounts, to the extent practicable and (b) submit to the Council quarterly reports on the progress made in implementing the plan so long as such default continues or so long as the Pledged Revenues are less than the amount hereinabove designated in this Section.

Section 914 Budgets. The City and officials of the City shall annually and at such other times as may be provided by law prepare and adopt a budget relating to the Project.

Section 915 Amendments of Pledged Distributed Local Tax Act. The City shall not consent to any amendment of the Pledged Distributed Local Tax Act which would materially adversely affect the owners of the Bonds.

Section 916 Records. So long as any of the Bonds and any other securities payable from the Pledged Revenues remain Outstanding, proper books of record and account shall be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Project or the Pledged Revenues, or to both. Such books shall include (but not necessarily be limited to) monthly records showing:

A. Receipts. The revenues received from the Pledged Revenues, and

B. Expenses. A detailed statement of the expenditures from the Pledged Revenues.

Section 917 Maintenance and Inspection of Records. All requisitions, requests, certificates, opinions and other documents received by any individual on behalf of the City in connection with the Project under the provisions of this Ordinance shall be retained in the City's official records. Any owner of any of the Bonds or any other securities payable from the Pledged Revenues, or any duly authorized agent or agents of such owner, or the Underwriter, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the Project and the Pledged Revenues, to make copies of such records, accounts and data.

Section 918 Tax Levies. The City annually shall levy, or cause to be levied, General Taxes on all taxable property in the City fully sufficient to pay the Bond Requirements of Outstanding Bonds (and any other indebtedness or other obligations of the City), except to the extent other revenues are available therefor, including, without limitation, the Pledged Revenues pledged for the payment of the Bonds, as the Bond Requirements accrue, reasonable allowance being made for delinquent tax collections anticipated at the time of each levy, at the time and in the manner provided by law for levying other Taxes; and the City and the Council shall require the officers of the City to levy, extend, and collect General Taxes in the

manner provided by law for the purpose of creating funds for the payment of the Bond Requirements of the Bonds, other indebtedness, or general obligations. General Taxes for the Bonds, when collected, shall be kept for and applied only to the payment of the Bond Requirements of the Bonds, as herein provided.

Section 919 Completion of Project. The City, with the proceeds derived from the sale of the Bonds and any other available moneys, shall proceed to cause the Project to be effected without delay to the best of the City's ability and with due diligence, as herein provided.

Section 920 Tax Covenant. The City covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the City or any project financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met.

Section 921 Provision of Liquidity Facility. The City covenants for the benefit of the owners of the Bonds that it will use its best efforts to provide a Liquidity Facility as long as the Bonds are in the Daily Mode, the Weekly Mode or the Unit Pricing Mode. A Liquidity Facility and a Credit Facility may be issued as a single facility.

ARTICLE X.

MISCELLANEOUS

Section 1001 Defeasance. When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations hereunder as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be due payment of any Outstanding Bond or other security when the City has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Defeasance Securities in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond or other security, as the same become due to the final maturity of the Bond or other security, or upon any Redemption Date as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond or other security for payment then. The Defeasance Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and the bank at the time of the creation of the escrow or trust, or the Defeasance Securities shall be subject to redemption at the option of the owners thereof to assure availability as so needed to meet the schedule. The Paying Agent shall notify the Rating Agencies of any defeasance of the Bonds.

A Bond (other than a Fixed Rate Bond) shall be deemed to be paid within the meaning of this Section only if (x)(A) such Bond is called for redemption on or prior to the next date upon which such Bond is subject to purchase pursuant to Sections 317 through 321, inclusive, hereof, and (B) the Paying Agent and the City receive evidence from independent certified public accountants satisfactory to the Paying Agent that the moneys and Defeasance Securities deposited with the Paying Agent or other trust bank pursuant to this Section are in an amount sufficient to pay the purchase price of the Bonds which may be tendered for purchase pursuant to Sections 317 through 321, inclusive, hereof during the period prior to payment in full of the Bond Requirements of such Bonds, in which case the Bonds purchased with the moneys deposited with the Paying Agent or other Trust Bank will be canceled; and (y) the City waives, to the satisfaction of the Paying Agent, its right to convert the method for determining the

interest rate borne by such Bond pursuant to Section 311 hereof and a verification report delivered by independent certified accountants confirms that the moneys and Defeasance Securities deposited with the Paying Agent or other Trust Bank for such purpose pursuant to and subject to the provisions of this Section will be sufficient to pay in full (in addition to the principal of such Bonds) all interest which may accrue on such Bond until its final payment.

To accomplish the discharge of liability in respect of the Bonds, the City shall cause to be delivered (a) a report of an independent firm of nationally recognized certified public accountants or such other accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity, redemption or payment date ("Verification"), (b) an escrow agreement, and (c) an opinion of bond counsel to the effect that the Bonds are no longer "Outstanding" under this Ordinance; each Verification and defeasance opinion shall be acceptable in form and substance to the City, and shall be addressed to the City. In the event a forward purchase agreement is to be employed in the refunding of Bonds, such agreement shall be accompanied by such opinions of counsel as may be required by the City. Nothing herein contained shall be deemed to limit or prevent the defeasance of less than all of the Outstanding Bonds from any moneys available therefor.

Section 1002 Delegated Powers. The Mayor, the City Clerk and City Treasurer, and other officers and agents of the City hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

A. Printing Bonds. The printing of the Bonds including, if applicable, a statement of insurance pertaining to the Bonds; and

B. Final Certificates. The execution of such certificates as may be reasonably required by the Underwriter, relating, inter alia, to

(1) The signing of the Bonds,

(2) The tenure and identity of the officials of the City,

(3) The delivery of the Bonds and the receipt of the bond purchase price,

(4) The exclusion of the interest on the Bonds from gross income for federal income tax purposes,

(5) If it is in accordance with fact, the absence of litigation, pending or threatened, affecting the validity therefor,

(6) The accuracy and completeness of the statements made in the Final Official Statement, and

(7) The execution and delivery of the Purchase Agreement, the Tender Agent Agreement, the Paying Agent Agreement and the Remarketing Agreement by the Finance Director and the execution of the Reimbursement Agreement, including the Pledge Agreement attached thereto, using the manual signatures of the Mayor and the City Treasurer, attested by the City Clerk with the seal of the City in substantially the forms on file with the City Clerk with such changes as are approved by the officers executing such documents whose execution thereof shall be conclusive evidence of such officers consent to such changes.

Section 1003 Statute of Limitations. No action or suit based upon the Bonds or other obligation of the City shall be commenced after it is barred by any statute of limitations relating thereto. Any trust or fiduciary relationship between the City and the owner of any Bonds or other obligee regarding any such other obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the Bonds are presented for payment or demand for payment of any such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any account reserved, pledged or otherwise held for the payment of any such obligation, action or suit for the collection of which has been barred, shall revert to the Income Fund, unless the City shall otherwise provide by instrument of the City. Nothing herein prevents the payment of any such obligation after any action or suit for its collection has been barred if the City deems it in the best interests of the public to do so and orders such payment to be made.

Section 1004 Evidence of Ownership. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the owner of any Bonds or other securities may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such owner in person or by his or her attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the securities, shall be sufficient

for any purpose of this Ordinance (except as otherwise herein expressly provided) if made in the following manner, but the City may, nevertheless, in its discretion require further or other proof in cases when it deems the same desirable:

A. Proof of Execution. The fact and the date of the execution by any owner of any Bonds or other securities or his or her attorney of such instrument may be provided by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Paying Agent and Registrar or of and notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the individual signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before the notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate owner of any securities may be established without further proof if the instrument is signed by an individual purporting to be the president or a vice president of the corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if the instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Ownership. The ownership of any of the Bonds or other securities held by any Persons executing any instrument as a holder of securities, and the numbers, date and other identification thereof, together with the date of his or her holding the securities, shall be proved by the registration records at the City kept by the Registrar.

Section 1005 Warranty upon Issuance of Bonds. Any Bonds authorized as herein provided, when duly executed and delivered for the purpose provided for in this Ordinance shall constitute a warranty by and on behalf of the City for the benefit of each and every future holder of any of the Bonds that the Bonds have been issued for a valuable consideration in full conformity with law.

Section 1006 Immunities of Underwriter. The Underwriter and any associate thereof are under no obligation to any holder of the Bonds for any action that they may or may not take or in respect of anything that they may or may not do by reason of any information contained in any reports or other documents received by them under the provisions

of this Ordinance. The immunities and exemptions from liability of the Underwriter and any associate thereof hereunder extend to their partners, directors, successors, employees and agents.

Section 1007 Police Power. Nothing herein prohibits or otherwise limits or inhibits the exercise by the Federal Government, the State, any agency thereof or any public body thereof, including, without limitation, the City, of the police power, i.e., essential governmental powers for the public welfare. The provisions hereof are subject to any proper exercise hereafter of the police power thereby. The City cannot contract away the police power thereof nor limit or inhibit by contract the proper exercise of the police power thereby, and this Ordinance does not purport to do so.

Section 1008 Qualifications of Registrar and Paying Agent. Each of the Registrar and Paying Agent and each successor thereto shall be a commercial bank with trust powers or trust company duly organized under the laws of the United States of America or any state or territory thereof, and authorized by law to perform all duties imposed upon it hereunder.

Section 1009 Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent so appointed shall resign, or if the City shall reasonably determine that the Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, upon notice mailed to each owner of any Bond at his or her address last shown on the registration records, appoint a successor Registrar or Paying Agent or both. Every such successor Registrar or Paying Agent shall be a trust bank. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder. No resignation or dismissal of the Registrar or the Paying Agent may take effect until a successor is appointed. Any successor by merger with the Registrar and Paying Agent is automatically appointed as Registrar and Paying Agent hereunder without any further action of the Council, as long as the successor otherwise is qualified to act as Registrar and Paying Agent pursuant to this section. Any bank, trust company or national banking association into which the Registrar and/or Paying Agent or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust business shall be the successor of the Registrar and/or Paying Agent under this Ordinance with the same rights, powers, duties and obligations and subject to the same restrictions, limitations, and liabilities as

its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1010 Provisions Related to the Paying Agent and Registrar. The Paying Agent and Registrar shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Paying Agent and Registrar; it being understood that the Paying Agent and Registrar shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Each of the Paying Agent and Registrar agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Ordinance provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions either of the Paying Agent and/or Registrar shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Paying Agent and/or Registrar shall have received a current incumbency certificate containing the specimen signature of such designated person.

Section 1011 Continuing Disclosure Undertaking. If (i) the interest rate Mode on the Bonds is converted to a Mode with an Interest Period in excess of 270 days, (ii) the interest rate Mode on the Bonds is converted to a Mode in which the Authorized Denomination is less than $100,000, or (iii) otherwise required by law, the City agrees that it will enter into a written understanding for the benefit of the beneficial owners of the Bonds in order to comply with or allow the Underwriter to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule").

Section 1012 Notices.

All notices, requests, demands to be given or made hereunder by the City, the Tender Agent, the Remarketing Agent, the Auction Agent, the Broker-Dealer, the Credit Facility Provider, the

Liquidity Facility Provider, the Paying Agent or the Rating Agencies shall, unless otherwise expressly provided herein, be given or made in writing and shall be deemed to be properly given or made if by United States registered or certified mail, return receipt requested, postage prepaid, addressed as set forth below. Notices, demands and requests that may be given by Electronic Means may be sent to the telephone, fax numbers or email address, as applicable, set forth below:

(i)	As to the City:	City of Las Vegas, Nevada 400 Stewart, Las Vegas, Nevada 89101 Attention: Director of Finance and Business Services, Telecopy No. (702) 383-0769
(ii)	As to the Tender Agent:	The address, phone number and fax number specified in the Tender Agent Agreement.
(iii)	As to the Remarketing Agent:	The address, phone number and fax number specified in the related Remarketing Agreement.
(iv)	As to the Auction Agent:	The address, phone number and fax number specified in the Auction Agreement.
(v)	As to the Broker-Dealer:	The address, phone number and fax number specified in the related Broker-Dealer Agreement.
(vi)	As to an insurer:	The address specified by such insurer.

(vii) As to the Credit Facility Provider(s) and Liquidity Facility Provider(s):	The address, phone number and fax number specified in the related Credit Facility or Liquidity Facility, as the case may be.
(viii) As to the Paying Agent:	The Bank of New York Trust Company, N.A. Attn: Lisa Stroud 700 South Flower Street, Suite 500 Los Angeles, CA 90017 Phone: (213) 630-6263 Fax: (213) 630-6480 email: lstroud@bankofny.com
(ix) As to S&P:	Standard & Poor's 55 Water Street, 38th Floor New York, New York 10041 Email: pubfin_structured@sandp.com
(x) As to Fitch:	Fitch Ratings 1 State Street Plaza New York, New York 10004 Attention: Municipal Structured Finance Email: mspgsurveillance@moodys.com
(xi) As to Moody's:	

or to such other address as is provided by the entity.

ARTICLE XI.

PRIVILEGES, RIGHTS AND REMEDIES

Section 1101 Bondowner's Remedies. Each owner of any Bond issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted in the Project Act and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided in Sections 207 through 211 hereof, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

Section 1102 Right to Enforce Payment. Nothing in this article affects or impairs the right of any owner of any Bond to enforce the payment of the Bond Requirements due in connection with his Bond or the obligation of the City to pay the Bond Requirements of each Bond to the owner thereof at the time and the place expressed in the Bond.

Section 1103 Events of Default. Each of the following events is hereby declared an "event of default":

A. Nonpayment of Principal and Premium. Payment of the principal of any of the Bonds, or any redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity, on the mandatory redemption dates specified in Section 303(C) hereof, or by proceedings for optional prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on the Bonds is not made when the same becomes due and payable;

C. Incapable to Perform. The City for any reason is rendered incapable of fulfilling its obligations hereunder, excluding, however, any obligations pursuant to Section 1011 of this Ordinance;

D. Nonperformance of Duties. The City fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues, or otherwise, including, without limitation, this Ordinance, excluding, however, the provisions of Section 1011 of this Ordinance, and such failure continues for 60 days after receipt of notice from the owners of 10% in principal amount of the Bonds then Outstanding;

E. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the City is not vacated or discharged or stayed on appeal within 60 days after entry; and

F. Default of Any Provision. The City makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed, except with respect to the provisions of Section 1011 of this Ordinance, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the City by the owners of 10% in principal amount of the Bonds then Outstanding or the Underwriter of the Bonds.

Section 1104 Remedies for Default. Upon the happening and continuance of any of the events of default, as provided in Section 1103 hereof, then and in every case the owner or owners or not less than 10% in principal amount of the Bonds then Outstanding may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the City to act as it if were the Paying Agent of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds and any Parity Securities then Outstanding.

Anything in this Ordinance to the contrary notwithstanding including Section 1103(C), for so long as the Credit Facility Provider is not in default of its obligations under the Credit Facility, the Credit Facility Provider (if any), or the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, but with the consent of the Credit Facility

Provider (if any), shall have the right to direct the method of conducting all remedial proceedings hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Ordinance, and that in no event shall the Bondholders directly have the right to make drawings under the Liquidity Facility.

Section 1105 Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of owners hereunder, the consent to any such appointment being hereby expressly granted by the City, receive and apply all Pledged Revenues arising after the appointment of the receiver in the same manner as the City itself might do.

Section 1106 Rights and Privileges Cumulative. The failure of any owner of any Outstanding bond to proceed in any manner herein provided shall not relieve the City or any officers, agents or employees thereof of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any owner is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any owner shall not be deemed a waiver of any other right or privilege thereof.

Section 1107 Duties upon Defaults. Upon the happening of any of the events of default as provided in Section 1103 hereof, the City, in addition, shall do and perform all proper acts on behalf of and for the owners of the Bonds to protect and to preserve the security created for the payment of their Bonds and to insure the payment of the Bond Requirements promptly as the same become due. During any period of default, so long as any of the Bonds issued hereunder, as to any Bond Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Pledged Revenues shall be paid into the 2006 Bond Fund, or, in the event of securities heretofore and hereafter issued and Outstanding during that period of time on a parity with the Bonds, shall be paid into the bond accounts for all Parity Securities on an equitable and prorated basis, and used for the purposes therein provided. If the City fails or refuses to proceed as in this Section provided, the owner or owners of not less than 10% in principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the owners of the Bonds as hereinabove provided; and to that end any such owners of Outstanding Bonds shall be subrogated to all rights of the City under any agreement, lease or other contract the Pledged Revenues entered into before the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding.

Section 1108 Prejudicial Action Unnecessary. Nothing in this article requires the City to proceed as provided therein if the City determines in good faith and without any gross abuse of its discretion that if the City so proceeds it is more likely than not to incur a net loss rather than a net gain, or the action is otherwise likely to affect materially and prejudicially the owners of the Outstanding Bonds and any Outstanding Parity Securities.

ARTICLE XII.

AMENDMENT OF ORDINANCE

Section 1201 Privilege of Amendments. This Ordinance may be amended or supplemented by instruments adopted by the City in accordance with the laws of the State, without receipt by the City of any additional consideration, but with the written consent of the Credit Facility Provider, if any, or the owners of at least a majority in aggregate principal amount of the Bonds authorized by this Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding, pursuant to paragraph (4) of Section 102B hereof, any Bonds which may then be held or owned for the account of the City, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the City.

Section 1202 Limitations upon Amendments. No such instrument shall permit without the written consent of all owners of the Bonds adversely and materially affected thereby:

A. Changing Payment. A change in the maturity or in the terms of redemption of the principal of any Outstanding Bond or any installment of interest thereon; or

B. Reducing Return. A reduction in the principal amount of any Bond, the rate of interest thereon, or any redemption premium payable in connection therewith, without the consent of the owner of the bond; or

C. Modifying Any Bond. A reduction of the percentages or otherwise affecting the description of Bonds the consent of the owners of which is required for any modification or amendment; or

D. Priorities between Bonds. The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Ordinance; or

E. Partial Modification. The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bonds then Outstanding.

Section 1203 Notice of Amendment. Whenever the City proposes to amend or modify this Ordinance under the provisions of this Article, it shall cause notice of

the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to each:

(1) The Paying Agent,

(2) Registrar,

(3) Tender Agent,

(4) Remarketing Agent,

(5) Credit Facility Provider, if any,

(6) Liquidity Facility Provider, if any,

(7) The Rating Agencies, and

(8) The registered owner of each of the Bonds Outstanding.

The notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory instrument is on file in the office of the City Clerk for public inspection.

Section 1204 Time for Amendment. Whenever at any time within one year from the date of the mailing of such notice there shall be filed in the office of the City Clerk an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument, thereupon, but not otherwise, the City may adopt the amendatory instrument and the instrument shall become effective.

Section 1205 Binding Consent to Amendment. If the owners of at least a majority in aggregate principal amount of the Bonds Outstanding, at the time of the adoption of the amendatory instrument, or the predecessors in title of such owners shall have consented to and approved the adoption thereof as herein provided, no owner of any Bond, whether or not the owner shall have consented to or shall have revoked any consent as in this article provided, shall have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the City from taking any action pursuant to the provisions thereof.

Section 1206 Time Consent Binding. Any consent given by the owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the mailing of the notice above provided for in Section 1203 hereof, and

shall be conclusive and binding upon all future owners of the same Bond during that period. The consent may be revoked at any time after 6 months from the date of the mailing of the notice, by the owner who gave the consent or by a successor in title by filing notice of the revocation with the City Clerk, but the revocation shall not be effective if the owners of a majority in aggregate principal amount of the Bonds Outstanding, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

Section 1207 Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and the provisions of this Ordinance or of any instrument amendatory hereof or supplemental hereto and the rights and the obligations of the City and of the owners of the Bonds hereunder may be modified or amended in any respect upon the adoption by the City and upon the filing with the City Clerk of an instrument to that effect and with the consent of the owners of all the then Outstanding Bonds, the consent to be given as provided in Section 1005 hereof; and no notice to owners of Bonds, by mailing shall be required as provided in Section 1203 hereof, nor shall the time of consent be limited except as may be provided in the consent.

Section 1208 Exclusion of City's Bonds. At the time of any consent or of other action taken under this Article, the City shall furnish to the City Clerk a certificate of the City Treasurer, upon which the City may rely, describing all Bonds to be excluded, for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for in this Article, and the City shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, pursuant to paragraph (4) of Section 102B hereof.

Section 1209 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the City as to the action; and if any Bond so authenticated and delivered shall bear such notation, then upon demand of the owner of any Bond Outstanding at such effective date and upon presentation of his or her Bond for the purpose at the principal office of the Secretary, suitable notation shall be made on the Bond by the Secretary as to any such action. If the City so determines, new Bonds so modified as in the opinion of the City to conform to such action shall be prepared, authenticated and delivered; and

upon demand of the owner of any Bond then Outstanding, shall be exchanged without cost to the owner for Bonds then Outstanding upon surrender of the Bonds.

Section 1210 Proof of Ordinances and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing the instrument, and the date of his holding the same may be proved as provided by Section 1004 hereof.

_____
Mayor

(SEAL)

Attest:

_____
City Clerk

This Ordinance shall be in full force and effect from and after August __, 2006, i.e., the date after the publication of such ordinance by its title.

STATE OF NEVADA)
)
COUNTY OF CLARK) ss.
)
CITY OF LAS VEGAS)

I, Barbara Jo Ronemus, the duly chosen, qualified and acting City Clerk of Las Vegas (the "City"), in the State of Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of an ordinance which was introduced at the meeting of the Council on July 12, 2006 and finally adopted and approved on August 2, 2006.

2. The following members of the Council were present at the July 12, 2006 Council meeting:

Mayor: Oscar Goodman
Council members:

Gary Reese
Larry Brown
Lawrence Weekly
Steve Wolfson
Lois Tarkanian
Steven D. Ross

Those Absent: _____
_____

3. The foregoing Ordinance was first proposed and read by title to the City Council on July 12, 2006, and referred to a committee composed for recommendation; thereafter the said committee reported favorably on said Ordinance on August 2, 2006, which was a regular meeting of said Council; that at said regular meeting, the proposed Ordinance was again read by title to the City Council and adopted as amended. The members of the City Council were present at the August 2, 2006 meeting and voted upon the adoption of the Ordinance as follows:

Those Voting Aye: Mayor: Oscar Goodman
Council members:

Gary Reese
Larry Brown
Lawrence Weekly
Steve Wolfson
Lois Tarkanian
Steven D. Ross

Those Voting Nay: _____
_____

Those Absent: _____

_____

4. The original of the Ordinance has been approved and authenticated by the signatures of the Mayor of the City and myself as Clerk of the City, and sealed with the seal of the City, and has been recorded in the journal of the Council kept for that purpose in my office, which record has been duly signed by such officers and properly sealed.

5. All members of the Council were given due and proper notice of the meetings held on July 12 and August 2, 2006. Pursuant to Section 241.020, Nevada Revised Statues, written notice of the meetings was given no later than 9:00 a.m. on the third working day before the meetings including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice by 9:00 a.m. at least three working days before the meetings at the principal office of the Council, or if there is no principal office, at the building in which the meeting is to be held, on the City's website and at least three (3) other separate, prominent places within the jurisdiction of the Council, to wit:

(i) Bulletin Board
City Hall Plaza (next to Metro Records)
Las Vegas, Nevada

(ii) City Clerk's Bulletin Board
City Hall Plaza, 2nd Floor Skybridge
Las Vegas, Nevada

(iii) Las Vegas Library
833 Las Vegas Boulevard North
Las Vegas, Nevada

(iv) Clark County Government Center
500 South Grand Central Parkway
Las Vegas, Nevada

(v) Grant Sawyer Building
555 E. Washington Avenue
Las Vegas, Nevada

and

(b) By mailing a copy of the notice by 9:00 a.m. no later than three working days before the meetings to each person, if any, who has requested notice of the meetings of the Council in the same manner in which notice is required to be mailed to a member of the Council.

6. A copy of such notice so given of the meeting of the Council on July 12, 2006 is attached to this certificate as Exhibit A and a copy of the notice so given of the meeting of the Council on August 2, 2006 is attached to this certificate as Exhibit B.

7. Upon request, the governing body provides, at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance or regulation which will be discussed at the public meeting, and any other supporting materials provided to the members of the governing body for an item on the agenda, except for certain confidential materials and materials pertaining to the closed meetings, as provided by law.

IN WITNESS WHEREOF, I have hereunto set my hand on this August 2, 2006.

_____

City Clerk

EXHIBIT A

(Attach Copy of Notice of July 12, 2006 Meeting)

EXHIBIT B

(Attach Copy of Notice of August 2, 2006 Meeting)

EXHIBIT C

(Attach Affidavit of Publication of Notice of Deposit of the Bond Ordinance)

EXHIBIT D

(Attach Affidavit of Publication of Adoption of Bond Ordinance)

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EXHIBIT A

AUCTION RATE SECURITIES AUCTION PROCEDURES

Section 1.01. Certain Definitions. In addition to the terms defined elsewhere in this Ordinance, the following terms shall have the following meanings with respect to Bonds of any Series while they are Auction Rate Securities, unless the context otherwise requires:

"Agent Member" means a member of, or participant in, the Securities Depository who will act on behalf of a Bidder.

"All Hold Rate" means, as of any Auction Date, a per annum rate equal to 65% of the Auction Rate Index in effect on such Auction Date.

"Auction" means each periodic implementation of the Auction Procedures.

"Auction Agent" means the auction agent appointed in accordance with Section 1.11 or 1.12 of this Exhibit A.

"Auction Agreement" means an agreement between the Auction Agent and the City pursuant to which the Auction Agent agrees to follow the procedures specified in this Exhibit A, as such agreement may from time to time be amended or supplemented.

"Auction Date" means the Business Day immediately preceding the first day of each Auction Period (or such other day that the Market Agent shall establish as the Auction Date therefor pursuant to Section 1.10(b) of this Exhibit A); *provided, however,* that the last Auction Date in an Auction Period shall be the earlier of (i) the Business Day next preceding the last Interest Payment Date before a Mode Change Date and (ii) the Business Day next preceding the last Interest Payment Date before the Maturity Date of such Series of Bonds.

"Auction Period" means for any Bonds while they are Auction Rate Securities:

(i) the period from and including an Auction Rate Mode Change Date, to and including the first Auction Date following such Auction Rate Mode Change Date, as applicable; and

(ii) thereafter until a Mode Change Date or until the Maturity Date of the Bonds of such Series, each period of 35 days (unless changed as described in Section 1.10 of this Exhibit A) from and including the last Interest Payment Date for the immediately preceding Auction Period, to and including the next succeeding Auction Date or, in the event of an Auction Period with an Interest Payment Date on a Monday, the Sunday following the next succeeding Auction Date, or in the event of a change to a different Mode, to but excluding the Mode Change Date;

provided, if any day that would be the last day of any such period does not immediately precede a Business Day, such period shall end on the next day which immediately precedes a Business Day.

"Auction Procedures" means the procedures for conducting Auctions for the Auction Rate Securities during an Auction Period set forth in this Exhibit A.

"Auction Rate" means the rate of interest to be borne by the Auction Rate Securities during each Auction Period, not greater than the Maximum Rate, determined in accordance with Section 310 of this Ordinance and Section 1.05 of this Exhibit A. *"Auction Rate"* means (i) if Sufficient Clearing Bids exist, the Winning Bid Rate; *provided, however,* that if all of the Auction Rate Securities are the subject of Submitted Hold Orders, the Auction Rate will be the All Hold Rate and (ii) if Sufficient Clearing Bids do not exist, the Auction Rate will be the Maximum Rate.

"Auction Rate Index" has the meaning specified in Section 1.08 of this Exhibit A.

"Auction Rate Mode Change Date" means the date on which the Bonds of any Series convert from a Mode other than an Auction Mode and begin to bear interest at an Auction Rate.

"Auction Rate Securities" means the Bonds of any Series during any Auction Period.

"Available Bonds" means the aggregate principal amount of the Auction Rate Securities that are not the subject of Submitted Hold Orders.

"Beneficial Owner" means the customer of a Broker-Dealer for such Series of Bonds who is listed on the records of that Broker-Dealer (or, if applicable, the Auction Agent) as a holder of a Bond of such Series.

"Bid" has the meaning specified in subsection (a) of Section 1.03 of this Exhibit A.

"Bidder" means each Existing Owner and Potential Owner who places an Order.

"Broker-Dealer" means any entity that is permitted by law to perform the function required of a Broker-Dealer in this Exhibit A that is a member of, or a direct participant in, the Securities Depository, that has been selected by the City, and that is a party to a Broker-Dealer Agreement with the Auction Agent.

"Broker-Dealer Agreement" means an agreement between the Auction Agent and a Broker-Dealer pursuant to which such Broker-Dealer agrees to follow the procedures specified in this Exhibit A, as such agreement may from to time be amended or supplemented.

"Broker-Dealer Rate" means a rate of 0.25% or such different rate as may be established pursuant to a Broker-Dealer Agreement, *provided* that the Broker-Dealer Rate must be the same in all Broker-Dealer Agreements.

"Existing Owner" means a Person or a Broker-Dealer who is listed as the Beneficial Owner of the Auction Rate Securities in the records of the Auction Agent.

"Hold Order" has the meaning specified in subsection (a) of Section 1.03 of this Exhibit A.

"Market Agent" means Merrill Lynch, Pierce, Fenner & Smith Incorporated or any successor market agent appointed in accordance with Section 1.13 of this Exhibit A.

"Order" means a Hold Order, Bid or Sell Order.

"Potential Owner" means any Person, including any Existing Owner, who may be interested in acquiring a beneficial interest in Auction Rate Securities in addition to the Auction Rate Securities at the time owned by such Person, if any.

"Principal Office of the Auction Agent" means the office of the Auction Agent designated in writing to the Issuer, the Trustee, the Market Agent, the City and each Broker-Dealer.

"Securities Depository" means The Depository Trust Company and its successors and assigns or any other securities depository selected by the Trustee which agrees to follow the procedures required to be followed by such securities depository in connection with the Auction Rate Securities.

"Sell Order" has the meaning specified in subsection (a) of Section 1.03 of this Exhibit A.

"Submission Deadline" means 1:00 p.m., New York City time, on each Auction Date, or such other time on such date as shall be specified from time to time by the Auction Agent pursuant to the Auction Agreement as the time by which Broker-Dealers are required to submit Orders to the Auction Agent.

"Submitted Bid" has the meaning specified in subsection (b) of Section 1.05 of this Exhibit A.

"Submitted Hold Order" has the meaning specified in subsection (b) of Section 1.05 of this Exhibit A.

"Submitted Order" has the meaning specified in subsection (b) of Section 1.05 of this Exhibit A.

"Submitted Sell Order" has the meaning specified in subsection (b) of Section 1.05 of Exhibit A.

"Sufficient Clearing Bids" means an Auction for which the aggregate principal amount of the Auction Rate Securities that are the subject of Submitted Bids by Potential Owners specifying one or more rates not higher than the Maximum Rate is not less than the aggregate principal amount of the Auction Rate Securities that are the subject of Submitted Sell Orders and of Submitted Bids by Existing Owners specifying rates higher than the Maximum Rate.

"Winning Bid Rate" means the lowest rate in any Submitted Bid which, if selected by the Auction Agent as the Auction Rate, would cause the aggregate principal amount of Auction Rate Securities that are the subject of Submitted Bids specifying rates not greater than such rate to be at least equal to the aggregate principal amount of Available Bonds.

Section 1.02. Auction Procedures. While the Bonds of any Series bear interest at the Auction Rate, Auctions shall be conducted on each Auction Date (other than the Auction Date immediately preceding (i) each Auction Period commencing after the ownership of the Auction Rate Securities is no longer maintained in the book-entry system pursuant to Section 329 of this Ordinance; (ii) each Auction Period commencing after the occurrence and during the continuance of a Payment Default; or (iii) any Auction Period commencing less than two Business Days after the cure of a Payment Default). If there is an Auction Agent on such Auction Date, Auctions shall be conducted in the manner set forth in this Exhibit A.

Section 1.03. Orders by Existing Owners and Potential Owners. (a) Prior to the Submission Deadline on each Auction Date:

(i) each Existing Owner may submit to a Broker-Dealer, in writing or by such other method as shall be reasonably acceptable to such Broker-Dealer, information as to:

(A) the principal amount of the Auction Rate Securities, if any, held by such Existing Owner which such Existing Owner irrevocably commits to continue to hold for the next succeeding Auction Period without regard to the rate determined by the Auction Procedures for such Auction Period,

(B) the principal amount of the Auction Rate Securities, if any, held by such Existing Owner which such Existing Owner irrevocably commits to continue to hold for the next succeeding Auction Period if the rate determined by the Auction Procedures for such Auction Period shall not be less than the rate per annum then specified by such Existing Owner (and which such Existing Owner irrevocably offers to sell on the next succeeding Interest Payment Date if the rate determined by the Auction Procedures for the next succeeding Auction Period shall be less than the rate per annum then specified by such Existing Owner), and/or

(C) the principal amount of the Auction Rate Securities, if any, held by such Existing Owner which such Existing Owner irrevocably offers to sell on the next succeeding Interest Payment Date without regard to the rate determined by the Auction Procedures for the next succeeding Auction Period; and

(ii) for the purpose of implementing the Auctions and thereby to achieve the lowest possible interest rate on the Auction Rate Securities, the Broker-Dealers shall contact Potential Owners, including Persons that are Existing Owners, to determine the principal amount of the Auction Rate Securities, if any, which each such Potential Owner irrevocably offers to purchase if the rate determined by the Auction Procedures for the next succeeding Auction Period is not less than the rate per annum then specified by such Potential Owner.

An Order containing the information referred to in clause (i)(A) of this subsection (a) is herein referred to as a *"Hold Order,"* an Order containing the information referred to in clause (i)(B) or clause (ii) of this subsection (a) is herein referred to as a *"Bid"*, and an Order containing the information referred to in clause (i)(C) of this subsection (a) is herein referred to as a *"Sell Order."*

(b)(i) A Bid by an Existing Owner shall constitute a revocable offer to sell:

(A) the principal amount of the Auction Rate Securities specified in such Bid if the rate determined by the Auction Procedures on such Auction Date shall be less than the rate specified therein; or

(B) such principal amount or a lesser principal amount of the Auction Rate Securities to be determined as set forth in subsection (a)(v) of Section 1.06 hereof if the rate determined by the Auction Procedures on such Auction Date shall be equal to such specified rate; or

(C) a lesser principal amount of the Auction Rate Securities to be determined as set forth in subsection (b)(iv) of Section 1.06 hereof if such specified rate shall be higher than the Maximum Rate and Sufficient Clearing Bids do not exist.

(ii) A Sell Order by an Existing Owner shall constitute a revocable offer to sell:

(A) the principal amount of the Auction Rate Securities specified in such Sell Order; or

(B) such principal amount or a lesser principal amount of the Auction Rate Securities as set forth in subsection (b)(iv) of Section 1.06 hereof if Sufficient Clearing Bids do not exist.

(iii) A Bid by a Potential Owner shall constitute a revocable offer to purchase:

(A) the principal amount of the Auction Rate Securities specified in such Bid if the rate determined by the Auction Procedures on such Auction Date shall be higher than the rate specified therein; or

(B) such principal amount or a lesser principal amount of the Auction Rate Securities as set forth in subsection (a)(vi) of Section 1.06 hereof if the rate determined by the Auction Procedures on such Auction Date shall be equal to such specified rate.

(c) Anything herein to the contrary notwithstanding:

(i) for purposes of any Auction, any Order which specifies the Auction Rate Securities to be held, purchased or sold in a principal amount which is not $25,000 or an integral multiple thereof shall be rounded down to the nearest $25,000, and the Auction Agent shall conduct the Auction Procedures as if such Order had been submitted in such lower amount;

(ii) for purposes of any Auction, any portion of an Order of an Existing Owner which relates to an Auction Rate Security which has been called for redemption on or prior to the Interest Payment Date next succeeding such Auction

shall be invalid with respect to such portion and the Auction Agent shall conduct the Auction Procedures as if such portion of such Order had not been submitted; and

(iii) for purposes of any Auction, no portion of an Auction Rate Security which has been called for redemption on or prior to the Interest Payment Date next succeeding such Auction shall be included in the calculation of Available Bonds for such Auction.

Section 1.04. Submission of Orders by Broker-Dealers to Auction Agent. (a) Each Broker-Dealer shall submit to the Auction Agent in writing or by such other method as shall be reasonably acceptable to the Auction Agent, prior to the Submission Deadline on each Auction Date, all Orders obtained by such Broker-Dealer and specifying with respect to each Order:

(i) the name of the Bidder placing such Order;

(ii) the aggregate principal amount of the Auction Rate Securities that are the subject of such Order;

(iii) to the extent that such Bidder is an Existing Owner:

(A) the principal amount of the Auction Rate Securities, if any, subject to any Hold Order placed by such Existing Owner;

(B) the principal amount of the Auction Rate Securities, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and

(C) the principal amount of the Auction Rate Securities, if any, subject to any Sell Order placed by such Existing Owner; and

(iv) to the extent such Bidder is a Potential Owner, the rate specified in such Bid.

(b) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one thousandth of one percent (0.001%).

(c) If an Order or Orders covering all of the Auction Rate Securities held by an Existing Owner is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Owner covering the principal amount of the Auction Rate Securities held by such Existing Owner and not subject to Orders submitted to the Auction Agent; *provided, however,* that if there is a conversion from one Auction Period to another Auction Period and Orders have not been submitted to the Auction Agent prior to the Submission Deadline covering the aggregate principal amount of the Auction Rate Securities held by such Existing Owner, the Auction Agent shall deem a Sell Order to have been submitted on behalf of such Existing Owner covering the principal amount of the Auction Rate Securities held by such Existing Owner not subject to Orders submitted to the Auction Agent.

(d) If one or more Orders covering in the aggregate more than the principal amount of the Outstanding Auction Rate Securities held by any Existing Owner are submitted to the Auction Agent, such Orders shall be considered valid as follows:

(i) all Hold Orders shall be considered Hold Orders, but only up to and including in the aggregate the principal amount of the Auction Rate Securities held by such Existing Owner;

(ii) (A) any Bid of an Existing Owner shall be considered valid as a Bid of an Existing Owner up to and including the excess of the principal amount of the Auction Rate Securities held by such Existing Owner over the principal amount of the Auction Rate Securities subject to Hold Orders referred to in paragraph (i) above;

(B) subject to clause (A), all Bids of an Existing Owner with the same rate shall be aggregated and considered a single Bid of an Existing Owner up to and including the excess of the principal amount of the Auction Rate Securities held by such Existing Owner over the principal amount of the Auction Rate Securities held by such Existing Owner subject to Hold Orders referred to in paragraph (i) above,

(C) subject to clause (A), if more than one Bid with different rates is submitted on behalf of such Existing Owner, such Bids shall be considered Bids of an Existing Owner in the ascending order of their respective rates up to the amount of the excess of the principal amount of the Auction Rate Securities held by such Existing Owner over the principal amount of the Auction Rate Securities held by such Existing Owner subject to Hold Orders referred to in paragraph (i) above, and

(D) the principal amount, if any, of such Auction Rate Securities subject to Bids not considered to be Bids of an Existing Owner under this paragraph (ii) shall be treated as the subject of a Bid by a Potential Owner; and

(iii) all Sell Orders shall be considered Sell Orders, but only up to and including a principal amount of the Auction Rate Securities equal to the excess of the principal amount of the Auction Rate Securities held by such Existing Owner over the sum of the principal amount of the Auction Rate Securities considered to be subject to Hold Orders pursuant to paragraph (i) above and the principal amount of the Auction Rate Securities considered to be subject to Bids of such Existing Owner pursuant to paragraph (ii) above.

(e) If more than one Bid is submitted on behalf of any Potential Owner, each Bid submitted with the same rate shall be aggregated and considered a single Bid and each Bid submitted with a different rate shall be considered a separate Bid with the rate and the principal amount of the Auction Rate Securities specified therein.

(f) The City, the Issuer, the Trustee, the Market Agent and the Auction Agent shall not be responsible for the failure of any Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner.

Section 1.05. Determination of Auction Rate. (a) Not later than 9:30 a.m., New York City time, on each Auction Date, the Auction Agent shall advise the Broker-Dealers and the Trustee by telephone of the All Hold Rate and the Auction Rate Index.

(b) Promptly after the Submission Deadline on each Auction Date, the Auction Agent shall assemble all Orders submitted or deemed submitted to it by the Broker-Dealers (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to as a *"Submitted Hold Order,"* a *"Submitted Bid"* or a *"Submitted Sell Order,"* as the case may be, and collectively as a *"Submitted Order"*) and shall determine (i) the Available Bonds, (ii) whether there are Sufficient Clearing Bids, and (iii) the Auction Rate.

(c) Promptly after the Auction Agent has made the determinations pursuant to subsection (b) above, the Auction Agent shall advise the Trustee and the City by telephone (promptly confirmed in writing), telex or facsimile transmission of the Auction Rates for the next succeeding Auction Period.

(d) In the event the Auction Agent shall fail to calculate or, for any reason, shall fail to provide the Auction Rate for any Auction Period, (i) if the preceding Auction Period was a period of 35 days or less (other than a daily Auction Period), the new Auction Period shall be the same as the preceding Auction Period and the Auction Rate for the new Auction Period shall be the same as the Auction Rate for the preceding Auction Period, and (ii) if the preceding Auction Period was a period of greater than 35 days, the preceding Auction Period shall be extended to the seventh day following the day that would have been the last day of such Auction Period had it not been extended (or if such seventh day is not followed by a Business Day then to the next succeeding day which is followed by a Business Day) and the Auction Rate in effect for the preceding Auction Period shall continue in effect for the Auction Period as so extended. In the event the Auction Period is extended as set forth in clause (ii) of the preceding sentence, an Auction shall be held on the last Business Day of the Auction Period as so extended.

(e) In the event of a failed change of Mode to a Unit Pricing Mode, a Daily Mode, a Weekly Mode, a Term Rate Mode or a Fixed Rate Mode, or in the event of a failure to change the length of the current Auction Period due to the lack of Sufficient Clearing Bids at the Auction on the Auction Date for the first new Auction Period, the Auction Rate for the next Auction Period shall be the Maximum Rate and the Auction Period shall be a 35-day Auction Period.

In the event the Bonds are no longer held in book-entry form by the Securities Depository, the Auction Rate shall be the Maximum Rate.

Section 1.06. Allocation of the Auction Rate Securities. (a) In the event of Sufficient Clearing Bids, subject to the further provisions of subsections (c) and (d) below, Submitted Orders shall be accepted or rejected in the following order of priority:

(i) the Submitted Hold Order of each Existing Owner shall be accepted, thus requiring each such Existing Owner to continue to hold the Auction Rate Securities that are the subject of such Submitted Hold Order;

(ii) the Submitted Sell Order of each Existing Owner shall be accepted and the Submitted Bid of each Existing Owner specifying any rate that is higher than the Winning Bid Rate shall be rejected, thus requiring each such Existing Owner to sell the Auction Rate Securities that are the subject of such Submitted Sell Order or Submitted Bid;

(iii) the Submitted Bid of each Existing Owner specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Auction Rate Securities that are the subject of such Submitted Bid;

(iv) the Submitted Bid of each Potential Owner specifying any rate that is lower than the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the Auction Rate Securities that are the subject of such Submitted Bid;

(v) the Submitted Bid of each Existing Owner specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Auction Rate Securities that are the subject of such Submitted Bid, but only up to and including the principal amount of the Auction Rate Securities obtained by multiplying (A) the aggregate principal amount of the Outstanding Auction Rate Securities which are not the subject of Submitted Hold Orders described in paragraph (i) above or of Submitted Bids described in paragraphs (iii) or (iv) above by (B) a fraction the numerator of which shall be the principal amount of the Outstanding Auction Rate Securities held by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the aggregate principal amount of the Outstanding Auction Rate Securities subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate, and the remainder, if any, of such Submitted Bid shall be rejected, thus requiring each such Existing Owner to sell any excess amount of the Auction Rate Securities;

(vi) the Submitted Bid of each Potential Owner specifying a rate that is equal to the Winning Bid Rate shall be accepted, thus requiring each such Potential Owner to purchase the Auction Rate Securities that are the subject of such Submitted Bid, but only in an amount equal to the principal amount of the Auction Rate Securities obtained by multiplying (A) the aggregate principal amount of the Outstanding Auction Rate Securities which are not the subject of Submitted Hold Orders described in paragraph (i) above or of Submitted Bids described in paragraphs (iii), (iv) or (v) above by (B) a fraction the numerator of which shall be the principal amount of the Outstanding Auction Rate Securities subject to such Submitted Bid and the denominator of which shall be the sum of the aggregate principal amount of the Outstanding Auction Rate Securities subject to such Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate, and the remainder of such Submitted Bid shall be rejected; and

(vii) the Submitted Bid of each Potential Owner specifying any rate that is higher than the Winning Bid Rate shall be rejected.

(b) In the event there are not Sufficient Clearing Bids, subject to the further provisions of subsections (c) and (d) below, Submitted Orders shall be accepted or rejected as follows in the following order of priority:

(i) the Submitted Hold Order of each Existing Owner shall be accepted, thus requiring each such Existing Owner to continue to hold the Auction Rate Securities that are the subject of such Submitted Hold Order;

(ii) the Submitted Bid of each Existing Owner specifying any rate that is not higher than the Maximum Rate shall be accepted, thus requiring each such Existing Owner to continue to hold the Auction Rate Securities that are the subject of such Submitted Bid;

(iii) the Submitted Bid of each Potential Owner specifying any rate that is not higher than the Maximum Rate shall be accepted, thus requiring each such Potential Owner to purchase the Auction Rate Securities that are the subject of such Submitted Bid;

(iv) the Submitted Sell Orders of each Existing Owner shall be accepted as Submitted Sell Orders and the Submitted Bids of each Existing Owner specifying any rate that is higher than the Maximum Rate shall be deemed to be and shall be accepted as Submitted Sell Orders, in both cases only up to and including the principal amount of the Auction Rate Securities obtained by multiplying (A) the aggregate principal amount of the Auction Rate Securities subject to Submitted Bids described in paragraph (iii) of this subsection (b) by (B) a fraction the numerator of which shall be the principal amount of the Outstanding Auction Rate Securities held by such Existing Owner subject to such Submitted Sell Order or such Submitted Bid deemed to be a Submitted Sell Order and the denominator of which shall be the principal amount of the Outstanding Auction Rate Securities subject to all such Submitted Sell Orders and such Submitted Bids deemed to be Submitted Sell Orders, and the remainder of each such Submitted Sell Order or Submitted Bid shall be deemed to be and shall be accepted as a Hold Order and each such Existing Owner shall be required to continue to hold such excess amount of the Auction Rate Securities; and

(v) the Submitted Bid of each Potential Owner specifying any rate that is higher than the Maximum Rate shall be rejected.

(c) If, as a result of the procedures described in subsection (a) or (b) above, any Existing Owner or Potential Owner would be required to purchase or sell an aggregate principal amount of Auction Rate Securities which is not an integral multiple of $25,000 on any Auction Date, the Auction Agent shall by lot round up or down the principal amount of the Auction Rate Securities to be purchased or sold by any Existing Owner or Potential Owner on such Auction Date so that the aggregate principal amount of the Auction Rate Securities purchased or sold by each Existing Owner or Potential Owner on such Auction Date shall be an integral multiple of $25,000, even if such allocation results in one or more of such Existing Owners or Potential Owners not purchasing or selling any of the Auction Rate Securities on such Auction Date.

(d) If, as a result of the procedures described in subsection (a) above, any Potential Owner would be required to purchase less than $25,000 in principal amount of the Auction Rate Securities

on any Auction Date, the Auction Agent shall by lot allocate the Auction Rate Securities for purchase among Potential Owners so that the principal amount of Auction Rate Securities purchased on such Auction Date by any Potential Owner shall be an integral multiple of $25,000, even if such allocation results in one or more of such Potential Owners not purchasing the Auction Rate Securities on such Auction Date.

Section 1.07. Notice of Auction Rate. (a) On each Auction Date, the Auction Agent shall notify by telephone each Broker-Dealer that participated in the Auction held on such Auction Date and submitted an Order on behalf of any Existing Owner or Potential Owner of:

(i) the Auction Rate fixed for the succeeding Auction Period;

(ii) whether Sufficient Clearing Bids existed for the determination of the Winning Bid Rate;

(iii) if such Broker-Dealer submitted a Bid or a Sell Order on behalf of an Existing Owner, whether such Bid or Sell Order was accepted or rejected, in whole or in part, and the principal amount of the Auction Rate Securities, if any, to be sold by such Existing Owner;

(iv) if such Broker-Dealer submitted a Bid on behalf of a Potential Owner, whether such Bid was accepted or rejected, in whole or in part, and the principal amount of the Auction Rate Securities, if any, to be purchased by such Potential Owner;

(v) if the aggregate principal amount of the Auction Rate Securities to be sold by all Existing Owners on whose behalf such Broker-Dealer submitted Bids or Sell Orders is different from the aggregate principal amount of the Auction Rate Securities to be purchased by all Potential Owners on whose behalf such Broker-Dealer submitted a Bid, the name or names of one or more Broker-Dealers (and the Agent Member, if any, of each such other Broker-Dealer) and the principal amount of the Auction Rate Securities to be (A) purchased from one or more Existing Owners on whose behalf such other Broker-Dealers submitted Bids or Sell Orders or (B) sold to one or more Potential Owners on whose behalf such Broker-Dealer submitted Bids; and

(vi) the immediately succeeding Auction Date.

(b) On each Auction Date, each Broker-Dealer that submitted an Order on behalf of any Existing Owner or Potential Owner shall:

(i) advise each Existing Owner and Potential Owner on whose behalf such Broker-Dealer submitted a Bid or Sell Order whether such Bid or Sell Order was accepted or rejected, in whole or in part;

(ii) instruct each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, to instruct such Potential Owner's Agent Member to pay to such Broker-Dealer (or its Agent Member) through the Securities

Depository the amount necessary to purchase the principal amount of the Auction Rate Securities to be purchased pursuant to such Bid against receipt of such Auction Rate Securities;

(iii) instruct each Existing Owner on whose behalf such Broker-Dealer submitted a Sell Order that was accepted or a Bid that was rejected, in whole or in part, to instruct such Existing Owner's Agent Member to deliver to such Broker-Dealer (or its Agent Member) through the Securities Depository the principal amount of the Auction Rate Securities to be sold pursuant to such Bid or Sell Order against payment therefor;

(iv) advise each Existing Owner on whose behalf such Broker-Dealer submitted an Order and each Potential Owner on whose behalf such Broker-Dealer submitted a Bid of the Auction Rate for the next succeeding Auction Period;

(v) advise each Existing Owner on whose behalf such Broker-Dealer submitted an Order of the Auction Date of the next succeeding Auction; and

(vi) advise each Potential Owner on whose behalf such Broker-Dealer submitted a Bid that was accepted, in whole or in part, of the Auction Date of the next succeeding Auction.

(c) On the basis of the information provided to it pursuant to paragraph (a) above, each Broker-Dealer that submitted a Bid or Sell Order shall allocate any funds received by it pursuant to subparagraph (b)(ii) above, and any Auction Rate Securities received by it pursuant to (b)(iii) above, among the Potential Owners, if any, on whose behalf such Broker-Dealer submitted Bids, the Existing Owners, if any, on whose behalf such Broker-Dealer submitted Bids or Sell Orders, and any Broker-Dealer identified to it by the Auction Agent pursuant to subparagraph (a)(v) above.

(d) On the Business Day after the Auction Date, the Securities Depository shall execute the transactions described above, debiting and crediting the accounts of the respective Agent Members as necessary to effect the purchase and sale of Auction Rate Securities as determined in the Auction.

Section 1.08. Auction Rate Index. (a) The Auction Rate Index on any Auction Date with respect to the Auction Rate Securities in any Auction Period of 35 days or less shall be the Seven-Day "AA" Composite Commercial Paper Rate on such date. The Auction Rate Index with respect to the Auction Rate Securities in an Auction Period of more than 35 days shall be the rate on United States Treasury Securities having a maturity which most closely approximates the length of the Auction Period, as last published in *The Bond Buyer*. If either rate is unavailable, the Auction Rate Index shall be a rate agreed to by all Broker-Dealers and the City.

"Seven-Day 'AA' Composite Commercial Paper Rate" on any date of determination means the interest equivalent of the seven-day rate on commercial paper placed on behalf of non-financial issuers whose corporate bonds are rated AA by S&P, or the equivalent of such rating by S&P, as made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date of determination, or if the Federal Reserve Bank of

New York does not make available any such rate, then the arithmetic average of such rates, as quoted on a discount basis or otherwise, by Merrill Lynch, Pierce, Fenner & Smith Incorporated or, in lieu of any thereof, its respective affiliates or successors which are commercial paper dealers (the *"Commercial Paper Dealer"*), to the Auction Agent for the close of business on the Business Day immediately preceding such date of determination.

For purposes of the definition of *"Seven-Day 'AA' Composite Commercial Paper Rate,"* the *"interest equivalent"* means the equivalent yield on a 360-day basis of a discount-basis security to an interest-bearing security.

(b) If for any reason on any Auction Date, the Auction Rate Index shall not be determined as hereinabove provided in this Section, the Auction Rate Index shall be the Auction Rate Index for the Auction Period ending on such Auction Date.

(c) The determination of the Auction Rate Index as provided herein shall be conclusive and binding upon the Issuer, the City, the Trustee, the Credit Facility Provider (if any), the Broker-Dealers, the Auction Agent, the Market Agent and the Holders and Beneficial Owners of the Auction Rate Securities.

Section 1.09. Miscellaneous Provisions Regarding Auctions. (a) In this Exhibit A, each reference to the purchase, sale or holding of "Auction Rate Securities" shall refer to beneficial interests in the Auction Rate Securities, unless the context clearly requires otherwise.

(b) During an Auction Period, the provisions of Section 1.03 hereof and this Exhibit A may be amended pursuant to Article XII of this Ordinance. If the amendment is pursuant to Section 1201 of this Ordinance, on the first Auction Date occurring at least 20 days after the date on which the Trustee mailed notice of such proposed amendment to the Holders of the Outstanding Auction Rate Securities affected by such amendment, as required by Section 1201, (i) Sufficient Clearing Bids have been received or all of the Auction Rate Securities are subject to Submitted Hold Orders, and (ii) there is delivered to the Issuer and the Trustee a Favorable Opinion of Bond Counsel with respect to such amendment, the proposed amendment shall be deemed to have been consented to by the Holders of all Outstanding Auction Rate Securities affected by such amendment.

(c) During an Auction Period, so long as the ownership of the Auction Rate Securities is maintained in book-entry form by the Securities Depository, an Existing Owner or a Beneficial Owner may sell, transfer or otherwise dispose of an Auction Rate Security only pursuant to a Bid or Sell Order in accordance with the Auction Procedures or to or through a Broker-Dealer, *provided* that (i) in the case of all transfers other than pursuant to Auctions, such Existing Owner or its Broker-Dealer or its Agent Member advises the Auction Agent of such transfer and (ii) a sale, transfer or other disposition of the Auction Rate Securities from a customer of a Broker-Dealer who is listed on the records of that Broker-Dealer as the Holder of such Auction Rate Securities to that Broker-Dealer or another customer of that Broker-Dealer shall not be deemed to be a sale, transfer or other disposition for purposes of this Section 1.09 if such Broker-Dealer remains the Existing Owner of the Auction Rate Securities so sold, transferred or disposed of immediately after such sale, transfer or disposition.

Section 1.10. Changes in Auction Period or Auction Date.

(a) *Changes in Auction Period.* (i) During any Auction Period, the City may, from time to time on any Interest Payment Date, change the length of the Auction Period with respect to the Auction Rate Securities to a period of any integral multiple of 7 days (*provided* that the length of the first Auction Period after such change in length or a change in Auction Date may be the number of days necessary to result in the immediately following Auction Period having a length which is an integral multiple of seven days) or to a six-month Auction Period in order to accommodate economic and financial factors that may affect or be relevant to the length of the Auction Period and the interest rate borne by such Auction Rate Securities. The City shall initiate the change in the length of the Auction Period by giving written notice at least 10 Business Days prior to the Auction Date for such Auction Period to the Issuer, the Trustee, the Auction Agent, the Market Agent, the Broker-Dealers, the Credit Facility Provider (if any) and the Securities Depository that the Auction Period will change if the conditions described herein are satisfied and the proposed effective date of the change.

(ii) Any such changed Auction Period shall be for a period of any integral multiple of 7 days and shall be for all of the Auction Rate Securities in an Auction Period.

(iii) The change in the length of the Auction Period shall not be allowed unless Sufficient Clearing Bids existed at both the Auction before the date on which the notice of the proposed change was given as provided in this subsection (a) and the Auction immediately preceding the proposed change.

(iv) The change in length of the Auction Period shall take effect only if Sufficient Clearing Bids exist at the Auction on the Auction Date for such first Auction Period. For purposes of the Auction for such first Auction Period only, each Existing Owner shall be deemed to have submitted Sell Orders with respect to all of its Auction Rate Securities except to the extent such Existing Owner submits an Order with respect to such Auction Rate Securities. If the condition referred to in the first sentence of this paragraph (iv) is not met, the Auction Rate for the next Auction Period shall be the Maximum Rate, and the Auction Period shall be a 35-day Auction Period.

(b) *Changes in Auction Date.* During any Auction Period, the Market Agent, with the written consent of the City and the Credit Facility Provider (if any), may specify an earlier Auction Date (but in no event more than five Business Days earlier) than the Auction Date that would otherwise be determined in accordance with the definition of "Auction Date" in order to conform with then current market practice with respect to similar securities or to accommodate economic and financial factors that may affect or be relevant to the day of the week constituting an Auction Date and the interest rate borne on the Auction Rate Securities. The Market Agent shall provide notice of its determination to specify an earlier Auction Date for an Auction Period by means of a written notice delivered at least 45 days prior to the proposed changed Auction Date to the Trustee, the City, the Issuer, the Broker-Dealers, the Auction Agent and the Securities Depository.

Section 1.11. Auction Agent. (a) The initial Auction Agent shall be determined by the Finance Director of the City prior to the conversion of the interest rate Mode on the Bonds to the Auction Mode or any successor appointed by the City with the consent of the Credit Facility

Provider (if any) to perform the functions specified herein. The Auction Agent shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument, delivered to the Issuer, the Trustee, the City, the Market Agent, the Credit Facility Provider (if any) and each Broker-Dealer which will set forth such procedural and other matters relating to the implementation of the Auction Procedures as shall be satisfactory to the City and the Trustee.

(b) Subject to any applicable governmental restrictions, the Auction Agent may be or become the owner of or trade in the Auction Rate Securities with the same rights as if such entity were not the Auction Agent.

Section 1.12. Qualifications of Auction Agent: Resignation; Removal. The Auction Agent shall be (a) a bank or trust company organized under the laws of the United States or any state or territory thereof having a combined capital stock, surplus and undivided profits of at least $30,000,000, or (b) a member of NASD having a capitalization of at least $30,000,000 and, in either case, authorized by law to perform all of the duties imposed upon it by this Ordinance and a member of or a participant in, the Securities Depository. The Auction Agent may at any time resign and be discharged of the duties and obligations created by this Ordinance by giving at least 90 days notice to the Issuer, the City, the Trustee and the Credit Facility Provider (if any). The Auction Agent may be removed at any time by the City by written notice, delivered to the Auction Agent, the Market Agent, the Trustee and the Insurer. Upon any such resignation or removal, the City shall appoint a successor Auction Agent meeting the requirements of this Section. In the event of the resignation or removal of the Auction Agent, the Auction Agent shall pay over, assign and deliver any moneys and Auction Rate Securities held by it in such capacity to its successor. The Auction Agent shall continue to perform its duties hereunder until its successor has been appointed by the City. In the event that the Auction Agent has not been compensated for its services, the Auction Agent may resign by giving 45 days notice to the Issuer, the City, the Market Agent, the Trustee and the Credit Facility Provider (if any) even if a successor Auction Agent has not been appointed.

Section 1.13. Market Agent. The City has appointed Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the initial Market Agent. The Market Agent, including any successor appointed pursuant hereto, shall be a member of the National Association of Securities Dealers, Inc. having capitalization of at least $25,000,000, and be authorized by law to perform all the duties imposed upon it by this Ordinance. The Market Agent may be removed at any time at the direction of the City, by written notice delivered to the Market Agent, the Auction Agent and the Trustee, provided that such removal shall not take effect until the appointment of a successor Market Agent. The Market Agent may resign upon 30 days' written notice delivered to the City, the Broker-Dealer and the Trustee. The City shall use its best efforts to appoint a successor Market Agent that is a qualified institution, effective as of the effectiveness of any such resignation or removal. Any successor Market Agent must be approved by the Credit Facility Provider (if any).