
TRUST INDENTURE
Dated as of November 1, 2005

By and Between

The City of Milwaukee, Wisconsin

And

J.P. Morgan Trust Company, National Association,
as Trustee

Relating to

City of Milwaukee, Wisconsin
Variable Rate General Obligation Corporate Purpose Bonds,
Series 2005 V8

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TRUST INDENTURE

THIS TRUST INDENTURE (the “Indenture”), dated as of November 1, 2005, is made and entered into by and between the City of Milwaukee, Wisconsin (the “City”), a political subdivision, a body politic and corporate, of the State of Wisconsin (the “State”), and J.P. Morgan Trust Company, National Association, as trustee, and its successors and assignees in trust (the “Trustee”);

WITNESSETH:

WHEREAS, the City is authorized under Chapters 65 and 67 of the Wisconsin Statutes, the acts supplementary thereto, the Charter of the City and resolutions duly passed by the Common Council of the City including particularly Resolution Number 050610 duly adopted by such Council on November 15, 2005 (the “Resolution”), to issue bonds for the purpose of financing a portion of the costs of various projects for the City and paying costs of issuance thereof; and

WHEREAS, pursuant to the Resolution, the City has determined to issue its Variable Rate General Obligation Corporate Purpose Bonds, Series 2005 V8, in the principal amount of \$_____ (the “Bonds”), and

WHEREAS, the City is entering into this Indenture for the purpose of establishing certain details with respect to the Bonds; and

WHEREAS, the form of the Bonds and the certificate of authentication thereon to be endorsed by the Trustee shall be substantially in the form set forth in Exhibit A to this Indenture with such variations, omissions and insertions as are required or permitted by this Indenture; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State, the Charter of the City and the resolutions duly passed by the Common Council of the City, to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, exist and have been performed as so required to make this Indenture a valid and binding indenture with respect to the Bonds in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof;

GRANTING CLAUSES

The City, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any and interest on all of the Bonds issued and Outstanding under this Indenture from time to

time according to their tenor and effect and to secure the performance and observance by the City of all the covenants, agreements and conditions herein and in the Bonds (including Bank Bonds) contained, does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust for as long as the Bonds are Outstanding, and does hereby grant a security interest unto the Trustee and its successors and assigns in trust, in (a) all moneys and securities in the Series 2005 V8 Debt Service Account, as hereinafter defined, held by the Trustee under the terms of this Indenture and all monies derived from a drawing under a Letter of Credit for the purpose of paying the principal of and interest on the Bonds subject to the terms of Section 5.02 hereof and (b) such other collateral of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the City, at its sole discretion, or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof (the "Trust Estate").

TO HAVE AND TO HOLD, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust as long as the Bonds are Outstanding, nevertheless, upon the terms and conditions herein set forth for the equal and pro rata benefit and security of each and every Owner, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date.

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that, if the City or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the City, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the City and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the City such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the City, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force.

NOW, THEREFORE, in consideration of the premises and of the covenants and undertakings herein expressed, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATIONS

Section 1.01. Definitions. The following definitions shall apply to terms used in this Indenture unless the context clearly requires otherwise:

“*Adjustable Interest Rate*” means any of the following types of interest rates: an Auction Rate, a Daily Interest Rate, a Weekly Interest Rate, a Bond Interest Term Rate and a Long Term Interest Rate.

“*Alternate Letter of Credit*” means an irrevocable letter of credit authorizing drawings thereunder by the Trustee, issued by a bank, a trust company or other financial institution and meeting the requirements of Section 7.02 hereof, which Alternate Letter of Credit shall be the same in all material respects (except as to expiration date) as the original Letter of Credit.

“*Alternate Liquidity Facility*” means any letter of credit, standby bond purchase agreement, line of credit, loan, guaranty or similar agreement by a Liquidity Facility Provider to provide liquidity support to pay the purchase price of Bonds (except where liquidity is not required as provided herein) tendered for purchase in accordance with the provisions of this Indenture, which agreement or facility is issued or otherwise delivered to replace a Liquidity Facility.

“*Auction Agent*” has the meaning set forth in Exhibit B hereto.

“*Auction Rate*” has the meaning set forth in Exhibit B hereto.

“*Auction Rate Period*” has the meaning set forth in Exhibit B hereto.

“*Authorized Denominations*” means for a Bond in a Mode, \$5,000 or any integral multiple thereof, unless otherwise specified in the Exhibit defining the Mode.

“*Bank Bonds*” means, in the event a Letter of Credit is in effect, Bonds purchased by the Letter of Credit Bank or its assignee pursuant to the Reimbursement Agreement or, in the event a Liquidity Facility is in effect, Bonds purchased by the Liquidity Facility Provider or its assignee pursuant to the Liquidity Facility.

“*Bank Rate*” means, at any date of determination, the rate of interest then borne by Bank Bonds and any other obligations owed by the City to the Letter of Credit Bank or the Liquidity Facility Provider as determined in accordance with the Reimbursement Agreement or the Liquidity Facility, respectively.

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

“*Bond Counsel*” means a law firm of national standing in the field of public finance selected by the City.

“*Bond Interest Term*” means, with respect to a Bond bearing interest at the Bond Interest Term Rate, each period established in accordance with Exhibit E hereof during which such Bond bears interest at a Bond Interest Term Rate.

“*Bond Interest Term Rate*” means, with respect to a Bond, a term, adjustable interest rate on such Bond established periodically in accordance with Exhibit E hereof.

“*Bond Year*” means for the Bonds, the one-year period commencing each February 1, except for the initial Bond Year which shall commence on the date of the issuance of the Bonds and shall end on January 31, 2006.

“*Bonds*” means the bonds authorized to be issued pursuant to Section 2.01(a) hereof or any Tranche of such bonds as the context may dictate.

“*Book Entry Bonds*” means the Bonds held by DTC (or its nominee) as the Registered Owner thereof pursuant to the terms and provisions of Section 2.04 hereof.

“*Broker-Dealer*” has the meaning set forth in Exhibit B hereto.

“*Broker-Dealer Agreement*” has the meaning set forth in Exhibit B hereto.

“*Business Day*” means a day (a) other than a Saturday, a Sunday or the Friday after Thanksgiving Day; (b) on which banks located in New York City or the city in which the Corporate Trust Office is located are not required or authorized to be closed; (c) on which The New York Stock Exchange is not closed; or (d) with respect to any Bonds, on which banks located in the cities in which the principal office or payment office of any Remarketing Agent, Letter of Credit Bank, Liquidity Facility Provider or Broker-Dealer for such Bonds is not required or authorized to be closed.

“*Cede & Co.*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended, including regulations, rulings and judicial decisions promulgated thereunder.

“*Continuing Disclosure Agreement*” means the Master Continuing Disclosure Certificate entered into by the City, as supplemented and amended, in order to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12(b)(5).

“*Conversion*” means a conversion of the Bonds or a Tranche thereof from one Mode to another as provided in Section 3.02 hereof and in Exhibits B, C, D, E, F and G attached hereto. The establishment of a new Long Term Interest Rate Period upon the expiration of the previous Long Term Interest Rate Period shall be considered a Conversion.

“*Conversion Date*” means the effective date of a Conversion of the Bonds.

“*Corporate Trust Office*” means with respect to the Trustee its corporate trust agency office situated in Dallas, Texas. The Trustee may hereafter designate alternate Corporate Trust Offices and any successor Trustee shall designate its Corporate Trust Office by written notice delivered to the Notice Parties.

“*Daily Interest Rate*” means, with respect to any Bond, the variable interest rate on such Bond established periodically in accordance with Exhibit C hereof.

“*Daily Interest Rate Period*” means, with respect to any Bonds bearing the Daily Interest Rate, each period established in accordance with Exhibit C hereof during which a Daily Interest Rate is in effect for such Bond.

“*Debt Service Fund*” means the Debt Service Fund held by the City, created under Section 67.11, Wisconsin Statutes, as the same may from time to time be amended.

“*Defeasance Obligations*” means cash, or non-callable direct obligations of the United States.

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

“*Eligible Bonds*” means any Outstanding Bonds, excluding any Bonds owned by or on behalf of the City or Bank Bonds.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action relating to the Bonds, the occurrence of which requires such an opinion, a written legal opinion of Bond Counsel to the effect that such action is permitted under this Indenture and will not impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exception contained in the opinion delivered upon the original issuance of such Bonds), subject to the provisions of Section 10.14 hereof.

“*Fitch*” means Fitch, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and its assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any nationally recognized rating agency designated in writing by the City.

“*Fixed Interest Rate*” means, with respect to any Bond, an annual rate of interest payable with respect to such Bond from and after the Fixed Interest Rate Date upon Conversion to a Fixed Interest Rate, established by the Remarketing Agent pursuant to Exhibit G hereof.

“*Fixed Interest Rate Date*” means, with respect to a Bond bearing interest at a Fixed Interest Rate, the date on which the annual rate of interest with respect to such Bond becomes fixed and determined for the remainder of the term of the Bond, pursuant to Exhibit G hereof.

“*Fixed Interest Rate Period*” means, with respect to a Bond bearing interest at a Fixed Interest Rate, the period during which such Bond bears interest at a Fixed Interest Rate for such Bond.

“*Government Obligations*” means (1) cash, (2) direct obligations of the United States or (3) any obligations permitted for investment with such funds by State law that are rated “AAA” by S&P.

“*Holder,*” “*Bondholder,*” or “*Owner*” means the Registered Owner of any Bond including DTC or its nominee as the sole Registered Owner of Book Entry Bonds.

“*Interest Accrual Date*” means:

(a) With respect to Bonds, other than Bank Bonds, the interest accrual date as defined in the Exhibit defining the Mode; and

(b) For Bank Bonds and any other obligations owed by the City to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, whereby such obligations bear interest, the respective days from which interest accrues pursuant to the relevant Reimbursement Agreement, Liquidity Facility or agreement providing therefor, as the case may be.

“*Interest Payment Date*” means:

(a) with respect to the Bonds other than Bank Bonds the interest payment date as defined in the Exhibit specifying the Mode;

(b) for Bank Bonds and any other obligations owed by the City to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, whereby such obligations bear interest, the respective days on which interest is due pursuant to the relevant Reimbursement Agreement, Liquidity Facility or agreement providing therefor, as the case may be; and

(c) the Maturity Date.

“*Interest Rate Period*” means each Daily Interest Rate Period, Weekly Interest Rate Period, Short Term Interest Rate Period, Long Term Interest Rate Period, Auction Rate Period or Fixed Interest Rate Period.

“*Indenture*” means this Trust Indenture, as the same may be amended or modified from time to time pursuant to the terms hereof.

“*Letter of Credit*” means (a) an irrevocable letter of credit to be issued by a Letter of Credit Bank and delivered to the Trustee, being an irrevocable obligation to make payments to the Trustee of up to the amount therein specified with respect to (i) the principal amount of the Bonds Outstanding as applicable to enable the Trustee to pay (A) the principal amount of the Bonds when due at maturity or upon redemption, and (B) an amount equal to the principal portion of the purchase price of any Bonds tendered for purchase by the Registered Owners thereof, plus (ii) the amount of interest due on the Bonds at the Maximum Interest Rate for 35 days for the Bonds, or a Tranche thereof, bearing interest at the Daily Interest Rate and the Weekly Interest Rate, 270 days for the Bonds, or a Tranche thereof, bearing interest at the Bond Interest Term Rate, 186 days for the Bonds, or a Tranche thereof, bearing interest at the Auction

Rate and the Long Term Interest Rate, if necessary, or for other such number of days as may be required by the Rating Agency, to enable the Trustee to pay (A) interest on the Bonds when due and (B) an amount equal to the interest portion, if any, of the purchase price of any Bonds tendered for purchase by the Registered Owner thereof; as the same may be transferred, reissued, extended, amended to change the interest coverage period to satisfy the Rating Agency, or replaced in accordance with this Indenture and the Letter of Credit and (b) upon the issuance and effectiveness thereof, any Alternate Letter of Credit.

“*Letter of Credit Bank*” means any entity issuing a Letter of Credit then outstanding and effective hereunder. Upon issuance and effectiveness of any Alternate Letter of Credit, “*Letter of Credit Bank*” means the issuer thereof and its successors and assigns.

“*Liquidity Facility*” means any letter of credit, standby bond purchase agreement, line of credit, loan, guaranty or similar agreement by a Liquidity Facility Provider to provide liquidity support to pay the purchase price of Bonds (except where liquidity is not required as provided herein) tendered for purchase in accordance with the provisions of this Indenture and any Alternate Liquidity Facility delivered pursuant to Section 7.03 hereof and with terms that are not inconsistent with the terms of this Indenture. When used herein at a time when more than one Liquidity Facility is in effect under this Indenture, the term “*Liquidity Facility*” means, as the context dictates, either all such Liquidity Facilities, collectively, or only the Liquidity Facility securing the Bonds.

“*Liquidity Facility Provider*” means any provider of a Liquidity Facility, and its successors and permitted assigns, and, upon the effective date of an Alternate Liquidity Facility, the bank or banks or other financial institution or financial institutions or other Person or Persons issuing such Alternate Liquidity Facility, their successors and assigns. When used herein at a time when more than one Liquidity Facility is in effect under this Indenture, the term “*Liquidity Facility Provider*” means, as the context dictates, either the Liquidity Facility Provider with respect to all such Liquidity Facilities, collectively, or only the Liquidity Facility Provider for the Liquidity Facility securing the Bonds.

“*Long Term Interest Rate*” means, with respect to a Bond, a term, non-variable interest rate established in accordance with Exhibit F of this Indenture.

“*Long Term Interest Rate Period*” means, with respect to a Bond bearing interest at a Long Term Interest Rate, each period during which a Long Term Interest Rate is in effect for such Bond.

“*Mail*” means by first-class United States mail, postage prepaid.

“*Mandatory Purchase Date*” means any date upon which any Bonds have been called for mandatory tender for purchase in accordance with Section 4.02 hereof.

“*Maturity Date*” means February 1, 2025.

“*Maximum Auction Rate*” has the meaning set forth in Exhibit B hereto.

“*Maximum Bank Bond Interest Rate*” means the Maximum Bank Bond Interest Rate as defined in the applicable Reimbursement Agreement or Liquidity Facility, not to exceed the Maximum Lawful Rate.

“*Maximum Interest Rate*” means the lesser of (a) the rate of 12% per annum calculated in the same manner as interest is calculated for the particular interest rate on the Bonds and (b) the Maximum Lawful Rate.

“*Maximum Lawful Rate*” means the maximum rate of interest on the relevant obligation permitted by applicable law.

“*Mode*” means any one of the methods by which a Bond may bear interest as described in Exhibits B, C, D, E, F and G of this Indenture.

“*Moody’s*” shall mean Moody’s Investors Service, Inc., its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized rating agency designated by the City.

“*Nominee*” means the nominee of the Securities Depository, which may be the Securities Depository, as determined from time to time pursuant hereto.

“*Notice Parties*” means the City, the Trustee, each Remarketing Agent, if any, the Letter of Credit Bank, if any, the Liquidity Facility Provider, if any, the Auction Agent, if any, and each Broker-Dealer, if any.

“*Outstanding*” means, when used with reference to the Bonds at any date as of which the amount of outstanding Bonds is to be determined, all Bonds that have been authenticated and delivered by the Trustee hereunder, except:

- (i) Bonds cancelled or delivered for cancellation at or prior to such date;
- (ii) Bonds in lieu of which others have been issued under Section 2.09;
- (iii) Untendered Bonds to the extent that there is on deposit with the Trustee on the date purchase thereof is required as provided herein an amount to pay the purchase price thereof; and
- (iv) For purposes of any consent, request, demand, authorization, direction, notice, waiver or other action to be taken by the Owners of a specified percentage of Outstanding Bonds hereunder, all Bonds held by or for the account of the City; *provided, however*, that for the purposes of any such consent, request, demand, authorization, direction, notice, waiver or action the Trustee shall be obligated to consider as not being Outstanding only Bonds known by the Trustee by actual notice thereof to be so held.

“*Participant*” means those broker-dealers, banks and other financial institutions for which the Securities Depository holds Bond certificates as securities depository.

“*Paying Agent*” for purposes of this Indenture, means the Trustee, or any other Person or institution appointed by the City as paying agent with respect to the Bonds.

“*Payment Date*” means each Interest Payment Date or any other date on which any principal of, premium, if any, purchase price, or interest on any Bond is due and payable for any reason, including without limitation upon any redemption of Bonds pursuant to Section 4.01 hereof.

“*Person*” means a corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

“*Placement Date*” has the meaning provided in Section 6.03 hereof.

“*Prevailing Market Conditions*” means, to the extent relevant (in the professional judgment of the Remarketing Agent) at the time of establishment of a rate or rates for the Bonds or a Tranche thereof by the Remarketing Agent as provided herein, (a) interest rates on comparable securities then being issued and traded; (b) other financial market rates and indices that may have a bearing on rates of interest; (c) general financial market conditions (including then current forward supply figures) that may have a bearing on rates of interest; and (d) the financial condition, results of operation and credit standing of the City, the applicable Letter of Credit Bank and/or the applicable Liquidity Facility Provider to the extent such standing has a bearing on rates of interest.

“*Rating Agency*” means Fitch when the Bonds are rated by Fitch, Moody’s when the Bonds are rated by Moody’s and S&P when the Bonds are rated by S&P.

“*Rating Confirmation*” means written confirmation from each Rating Agency that the proposed action or event will not in and of itself result in a reduction or withdrawal in such Rating Agency’s current rating on the Bonds.

“*Record Date*” means (a) with respect to any Interest Payment Date during a Daily Interest Rate Period, a Weekly Interest Rate Period, any Short Term Interest Rate Period or an Auction Rate Period, the Business Day immediately preceding such Interest Payment Date; and (b) with respect to any Interest Payment Date during a Long Term Interest Rate Period or a Fixed Interest Rate Period, the fifteenth day of the calendar month immediately preceding that Interest Payment Date.

“*Redemption Date*” means the date fixed for an optional or mandatory redemption prior to maturity of the Bonds.

“*Registrar*” means, for purposes of this Indenture, the Trustee.

“*Registered Owner*” means a Person in whose name a Bond is registered in the books of registry.

“*Reimbursement Agreement*” means a Reimbursement Agreement between a Letter of Credit Bank and the City, as amended and supplemented from time to time, entered into in connection with the delivery of a Letter of Credit by a Letter of Credit Bank. Upon the issuance of any Alternate Letter of Credit, “Reimbursement Agreement” shall refer to the Reimbursement Agreement executed in connection with such Alternate Letter of Credit.

“*Remarketing Agent*” means the remarketing agent appointed in connection with the remarketing of Bonds pursuant to the provisions of this Indenture.

“*Remarketing Agent Agreement*” means any Remarketing Agreement between the City and the Remarketing Agent, as amended and supplemented from time to time.

“*Representation Letter*” means the Blanket Issuer Letter of Representations from the City to DTC.

“*S&P*” shall mean Standard & Poor’s Ratings Service, a Division of The McGraw-Hill Companies, Inc., its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized rating agency designated by the City.

“*Securities Act*” means the federal Securities Act of 1933, as amended, and any successor thereto.

“*Securities Depository*” means DTC and its successors and assigns or any other securities depository appointed by the City pursuant to Section 2.05 hereof.

“*Securities Exchange Act*” means the federal Securities Exchange Act of 1934, as amended, and any successor thereto.

“*Short Term Interest Rate Period*” means each period, consisting of Bond Interest Terms, during which any Bond bears interest at one or more Bond Interest Term Rates.

“*Sinking Fund Installments*” means, with respect to the Bonds, the amount or amounts required to be deposited in the Debt Service Fund in order to periodically redeem Bonds as provided herein.

“*State*” means the State of Wisconsin.

“*Tax Compliance Certificate*” means the arbitrage and use of proceeds certificate executed and delivered by the City at the time of issuance and delivery of the Bonds, as the same may be amended or supplemented in accordance with its terms.

“*Tranche*” means the designated portion of Bonds sharing a similar Interest Rate Period in the same Mode.

“*Trust Estate*” means the money, securities and other property held by to the Trustee on behalf of the Bondholders pursuant to the Granting clauses of this Indenture.

“*Trustee*” means J.P. Morgan Trust Company, National Association, as trustee appointed pursuant hereto, and any successor trustee appointed under this Indenture.

“*Undelivered Bond*” means any Bond which constitutes an Undelivered Bond under the provisions of Section 4.02 hereof.

“*Underwriter*” means Banc of America Securities LLC.

“*Uniform Commercial Code*” means the Uniform Commercial Code as in force in the State, as such may be amended from time to time.

“*Weekly Interest Rate*” means, with respect to any Bond, a variable interest rate on such Bond established in accordance with Exhibit D hereof.

“*Weekly Interest Rate Period*” means, with respect to any Bond bearing interest at a Weekly Interest Rate, each period during which a Weekly Interest Rate is in effect for such Bond.

Section 1.02. Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Indenture.

ARTICLE II

THE BONDS

Section 2.01. Principal Amounts, Designations and Series.

(a) Bonds. There is hereby authorized to be issued a series of Bonds designated “City of Milwaukee, Wisconsin, Variable Rate General Obligation Corporate Purpose Bonds, Series 2005 V8” in the total principal amount of not to exceed _____ Dollars (\$_____).

(b) The Bonds shall, subject to the rights and requirements of prior redemption and purchase under Article III and Article IV hereof, mature and become payable on the Maturity Date.

(c) Bonds, Purposes of Issue. The Bonds are issued for the purpose of financing a portion of the costs of various projects for the City and paying costs of issuance of the Bonds.

Section 2.02. General Terms of the Bonds.

(a) General. The Bonds shall be issued in the form of fully registered Bonds in Authorized Denominations. The principal of and premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America.

(b) Form of Bonds. The Bonds shall be in substantially the form set forth as Exhibit A to this Indenture, which form is hereby incorporated by reference. The Bonds may be printed, lithographed, photocopied or typewritten.

(c) Maximum Interest Rate. No Bond shall, at any time, bear interest in excess of the Maximum Interest Rate, and, as provided in Section 3.06 hereof, the interest rate paid by the City on Bank Bonds and any other obligations owed to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, pursuant to the Reimbursement Agreement or a Liquidity Facility shall not exceed the Maximum Bank Bond Interest Rate, and the Auction Rate on Bonds bearing interest at an Auction Rate shall not exceed the Maximum Auction Rate.

(d) Interest Accrual and Payment. Except as provided in Section 3.06 hereof with respect to Bank Bonds and any other obligations owed to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, under the Reimbursement Agreement or the Liquidity Facility, each Bond shall bear interest from and including the Interest Accrual Date immediately preceding the date of authentication thereof, or, if such date of authentication is an Interest Accrual Date to which interest on such Bonds has been paid in full or duly provided for or the date of initial authentication of the Bonds, from such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on any Bonds is in default, Bonds issued in exchange for such Bonds surrendered for registration of transfer or exchange shall bear interest from the date to which interest has been paid in full on such Bonds so surrendered or, if no interest has been paid on such Bonds, from the date of the first authentication of such Bonds. Interest on the Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date or otherwise as provided herein and ending on the day immediately preceding such Interest Payment Date. In any event, interest on the Bonds shall be payable for the final Interest Rate Period to the date on which such Bonds shall have been paid in full, except as otherwise provided with respect to Bank Bonds. Except during a Long Term Interest Rate Period, a Fixed Interest Rate Period or an Auction Rate Period, interest on the Bonds shall accrue on the basis of the actual number of days elapsed during the Interest Rate Period and a year of 365 days (366 days in a leap year).). Interest on the Bonds bearing interest at a Long Term Interest Rate or a Fixed Interest Rate shall accrue on the basis of a 360 day year based on twelve 30 day months. Interest on the Bonds bearing interest at an Auction Rate shall be computed on the basis of a 360-day year and the number of days actually elapsed.

(e) Maturity. The Bonds shall mature on the Maturity Date, subject to the provisions of this Indenture relating to redemption prior to maturity.

Section 2.03. Place of Payment. Except as otherwise provided in Sections 2.05 and 3.06 hereof, the principal and purchase price of, and premium, if any, on the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender of such Bond at the Corporate Trust Office. Except as otherwise provided in Sections 2.05 and 3.06 hereof, interest on the Bonds shall be paid by check or draft mailed on the applicable Interest Payment Date by Mail to the Persons whose names appear on the books of registry of the Trustee as the Registered Owners of such Bonds as of the close of business on the Record Date at such Persons' addresses as they appear on such books of registry, except that an Owner of \$1,000,000 or more in principal amount of Bonds may be paid interest by wire transfer to an

account in the United States if such Owner makes a written request of the Trustee at least one Business Day preceding the applicable Record Date specifying the wire transfer instructions for such Owner. Such notice may provide that it will remain in effect for later interest payments until changed or revoked by another written notice. Payments of default interest shall be paid by check, draft or wire transfer to the Owners as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owners by the Trustee not less than ten (10) days prior thereto.

Section 2.04. Book-Entry System.

(a) Except as provided in subparagraph (c) of this Section, the Registered Owner of all of the Bonds shall be DTC and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal, purchase price, premium, if any, or interest for any Bond registered in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the Record Date or special record date for Cede & Co. in the books of registry.

(b) The Bonds shall be initially issued in the form of separate single authenticated fully registered Bonds for each separate stated maturity for the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the books of registry in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal, purchase price or premium, if any of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and none of the Trustee, the Registrar or the City shall be affected by any notice to the contrary. None of the Trustee, the Registrar or the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the books of registry as being a Bondholder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal, purchase price and premium, if any, of or interest on the Bonds; any notice which is permitted or required to be given to Bondholders under this Indenture; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds; any consent given or other action taken by DTC as Bondholder or any other purpose. The Trustee shall pay all principal, purchase price and premium, if any, of and interest on the Bonds to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal, purchase price and premium, if any, of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC shall receive an authenticated Bond evidencing the obligation of the City to make payments of principal, purchase price and premium, if any, of and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event the City determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, and notifies DTC, the Trustee, the Registrar and the Notice Parties of such determination in writing, then DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the Trustee shall authenticate and shall transfer and exchange Bond certificates as requested by DTC and any other Bondholders in appropriate amounts in writing. In the event: (i) DTC determines to discontinue providing its services with respect to the Bonds at any time by giving notice to the Notice Parties and discharging its responsibilities with respect thereto under applicable law, or (ii) the City determines that DTC shall no longer so act, and delivers a written certificate to the Notice Parties to that effect, and there is no successor Securities Depository named, the City and the Trustee shall be obligated to deliver Bond certificates as described in this Indenture. In the event Bond certificates are issued, the provisions of this Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal, purchase price and premium, of and interest on such certificates. Whenever DTC requests the City and the Trustee to do so, the Trustee and the City will cooperate with DTC in taking appropriate action after reasonable notice (A) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its DTC account or (B) to arrange for another Securities Depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal, purchase price and premium, if any, of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the City or the Trustee with respect to any consent or other action to be taken by Bondholders, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Bondholder.

NEITHER THE CITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC TO ANY PARTICIPANT OR BENEFICIAL OWNERS OF THE PRINCIPAL OF, PURCHASE PRICE OR, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; THE PROVIDING OF NOTICE TO PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE BONDS.

Section 2.05. Transfers Outside Book-Entry System. (a) In the event (i) the Securities Depository determines not to continue to act as securities depository for the Bonds, or (ii) the City determines that the Securities Depository shall no longer so act, and delivers a written certificate to the Notice Parties to that effect, then the City will discontinue the book-entry system with the Securities Depository. If the City determines to replace the Securities

Depository with another qualified securities depository, the City shall prepare or direct the preparation of a new, single, separate, fully registered Bond for each of the maturities of the Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee or make such other arrangement acceptable to the City and the Securities Depository as are not inconsistent with the terms of this Indenture. If the City fails to identify another qualified securities depository to replace the Securities Depository, then the Bonds shall no longer be restricted to being registered in the books of registry in the name of the Nominee, and the City and the Trustee shall issue replacement bonds directly to the Beneficial Owners of the Bonds or their nominees as directed in writing by the Securities Depository.

Section 2.06. Registration, Transfer and Exchange of Bonds. (a) The Trustee is hereby appointed bond registrar and as such shall keep the bond register at its payment office. Any Bond may be transferred only upon the books of registry upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the City shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds of the same series, registered in the name of the transferee, of any denomination or denominations authorized by this Indenture and of the same maturity and bearing interest at the same rate.

(b) Any Bonds, upon surrender thereof at the payment office of the Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity, of any Authorized Denomination, and bearing interest at the same rate.

(c) In all cases in which Bonds shall be exchanged or transferred hereunder, the City shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee.

(d) The City, the Trustee or the Securities Depository may make a charge against the Bondholder requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and at the expense of any Bond printing necessary to effect any such transfer or exchange shall be paid by the City. In the event any Bondholder fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Bondholder sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondholder hereunder or under the Bonds.

(e) The Trustee shall not be required to (i) transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of such Bond and ending at the close of business on the day of such mailing, or (ii) transfer or exchange any Bond so selected for redemption in whole or in part,

during a period beginning at the opening of business on any Record Date for such Bond and ending at the close of business on the relevant Interest Payment Date therefor.

(f) The Person in whose name any Bond shall be registered on the books of registry shall be deemed and regarded as the absolute owner of such Bond for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

(g) At reasonable times and under reasonable regulations established by the Trustee, the books of registry may be inspected and copied by the City or by the Owners (or a designated representative thereof) of 10% or more of the Bonds then Outstanding, at their expense, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 2.07. Security for the Bonds. A direct annual irrevocable tax shall be levied in each year that the Bonds are Outstanding, in an amount sufficient to pay and for the express purpose of paying the interest on the Bonds, as it falls due, and also to pay and discharge the principal thereof at maturity, and shall be extended upon the tax roll of the City of Milwaukee and shall be collected (except to the extent that necessary funds have been irrevocably deposited in the Debt Service Fund established for the payment of principal of and interest on the Bonds) by the officers of the City in the same manner and at the same time as taxes for general City purposes for such years are extended and collected, and when so collected, the proceeds of said taxes shall be used solely for paying the principal and interest on such Bonds as long as any Bonds remain outstanding.

Interest on or principal of the Bonds falling due at any time when there shall be on hand insufficient funds from proceeds of the tax levy for the payment of such interest or principal shall be paid promptly when due from other funds of the City, which funds shall be reimbursed thereof out of the proceeds of the taxes above levied when such taxes shall have been collected.

Section 2.08. Execution and Authentication of Bonds. The Bonds shall be executed on behalf of the City with the facsimile signatures of the Mayor, Comptroller and Clerk of the City and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the City and shall be attested by the Commissioners of Public Debt of the City. In case any officer of the City whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery.

No Bonds shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication, substantially in the form as set forth in the form of Bond referred to in Section 2.02(b), executed by an officer or authorized signatory of the Trustee; and such certificate on any

Bond issued by the City is conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

Section 2.09. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the City shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with such security or indemnity as may be required by the Trustee to save the City and the Trustee harmless. In the event any such Bond shall have matured or been selected for redemption, the Trustee in its discretion may, instead of issuing a substitute Bond, pay such Bond without surrender thereof. Upon the issuance of any substitute Bond or payment of a Bond in lieu thereof, the City and the Trustee may require the payment of an amount by the Bondholder sufficient to reimburse the City and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 2.10. Cancellation and Disposition of Bonds. The City may deliver Bonds to the Trustee for cancellation at any time and for any reason and the Trustee is hereby authorized to cancel such Bonds. All Bonds that have been paid (whether at maturity or by acceleration, upon redemption or pursuant to Section 2.09) or delivered to the Trustee for cancellation shall not be reissued. Unless otherwise directed by the City in writing, the Trustee shall treat such Bonds in accordance with its document retention policies or as may be directed by applicable law and regulations.

ARTICLE III

INTEREST ON BONDS AND OTHER BOND PROVISIONS

Section 3.01. General. Bonds may be Outstanding in one or more Tranches, as designated by the City, at the same time.

Section 3.02. Interest Rates; Conversion. The term of the Bonds shall be divided into consecutive Interest Rate Periods during each of which the Bonds shall bear interest pursuant to a Mode as provided in Exhibits B, C, D, E, F and G to this Indenture.

The Bonds shall initially bear interest at the Weekly Interest Rate. Thereafter the City may designate a portion of the Bonds as a Tranche and, in accordance with the provisions of this Section 3.02, designate a Mode or Modes for the Bonds or a Tranche thereof or convert the Bonds or a Tranche thereof to a Fixed Interest Rate pursuant to Exhibit G hereof. The interest rate or rates payable with respect to the Bonds shall be determined as set forth in this Section 3.02 and Exhibits B, C, D, E, F and G to this Indenture.

(a) Adjustable Interest Rate. Prior to the Fixed Interest Rate Date, the Adjustable Interest Rate for a Bond shall be determined as provided for in the respective Exhibit

hereof describing the applicable Mode. Except as provided in Section 3.06 hereof with respect to Bank Bonds, in the manner hereinafter provided, the term of the Bonds, prior to the Fixed Interest Rate Date, will be divided into consecutive Interest Rate Periods during which periods each Tranche of Bonds shall bear interest at an Adjustable Interest Rate in accordance with Exhibits B, C, D, E or F of this Indenture.

(b) Conversion to a Different Mode. Subject to Sections 3.04, 3.05 and 3.08 hereof and the conditions set forth in the Exhibits attached hereto, the City may, from time to time, by the written direction to the Notice Parties, elect that the Bonds, or a Tranche thereof, shall bear interest at a different Mode. The direction of the City shall specify: (1) the new Mode selected by the City; (2) the effective date of such Conversion from the current Mode to a new Mode, which shall be (a) in each case, a Business Day not earlier than the thirtieth day, or later than forty-fifth day for a Conversion to the Short Term Interest Rate Period, following the receipt by the Trustee of such direction; (b) a valid Redemption Date for the current Mode or a day on which such Bonds would otherwise be subject to optional redemption pursuant to Section 4.01, or mandatory tender pursuant for purchase to Section 4.02(c), if such Conversion did not occur; and (3) the date of delivery of such Bonds to be converted (if other than the effective date). In addition, the direction of the City shall be accompanied by a form of notice to be mailed to the Bondholders of such Bonds by the Trustee as provided in Section 3.02(c).

(c) Notice of Conversion. The Trustee shall give notice, together with the notice required by Section 4.02(e), by Mail of a Conversion to a new Mode to the other Notice Parties, the Bondholders of the Bonds subject to Conversion and, if a book-entry system is in effect, then to the Securities Depository, not less than 20 days prior to the effective date of such new Mode. Such notice shall state (1) that the interest rate on the Bonds will be converted to a new Mode, and that all Bonds are subject to mandatory tender pursuant to Section 4.02 regardless of whether or not the Conversion to a new Mode is completed; (2) the effective date of such new Mode; and (3) that such Bonds are subject to mandatory tender for purchase on such effective date, setting forth the applicable purchase price.

(d) Revocation of Conversion. The City may revoke a notice of Conversion prior to the effective date of such new Mode. If the Conversion is revoked, or all the conditions of Section 3.08 hereof are not met as to such Conversion on or prior to the Conversion Date, then the provisions of Section 3.09 hereof shall apply.

Section 3.03. Determinations of Remarketing Agent Binding. The determination of any Adjustable Interest Rate and/or Fixed Interest Rate by the Remarketing Agent or Broker-Dealer shall be conclusive and binding upon the Notice Parties and the Bondholders.

Section 3.04. Method of Notice of Conversion. In the event that the City shall elect to convert the interest rate on the Bonds or a Tranche, thereof, as the case may be, to a new Mode as provided in Section 3.02(b), then the written direction furnished by the City as required by such Section shall be made by registered or certified mail, or by electronic mail, telex or facsimile confirmed by registered or certified mail. Any such direction of the City shall specify the new Mode for the Bonds or a Tranche thereof and shall be accompanied by a copy of the notice required to be given by the Trustee pursuant to Sections 3.02(c).

Notwithstanding anything in Section 3.02 to the contrary, in connection with any Conversion to a new Mode, the City shall cause to be provided to the Notice Parties a Favorable Opinion of Bond Counsel on the Conversion Date. In any event, if notice of such Conversion has been mailed to the Bondholders as provided in Section 3.02 and the City fails to deliver a Favorable Opinion of Bond Counsel on the effective date as herein described, the Bonds shall continue to be subject to mandatory purchase on what would have been the Conversion Date as provided in Section 4.02(c)(i).

Section 3.05. Favorable Opinion of Bond Counsel. Notwithstanding anything in Section 3.02 to the contrary, in connection with any Conversion to a new Mode, the City shall cause to be provided to the Notice Parties a Favorable Opinion of Bond Counsel on the Conversion Date. In any event, if notice of such Conversion has been mailed to the Bondholders as provided in Section 3.02 and the City fails to deliver a Favorable Opinion of Bond Counsel on the Conversion Date as herein described, the Bonds shall be subject to the provisions of Section 3.09 hereof.

Section 3.06. Bank Bonds. Anything contained herein to the contrary notwithstanding, Bank Bonds and all other obligations owed by the City to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, under the Reimbursement Agreement or the Liquidity Facility, shall, subject to the next paragraph, bear interest at the Bank Rate for the period commencing from the date that the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, shall have purchased such Bank Bond or made any advance under the Letter of Credit, the Reimbursement Agreement or the Liquidity Facility, as the case may be, or the City has incurred any other obligations under the Reimbursement Agreement or the Liquidity Facility, as the case may be, and, subject to Section 6.03, continuing until the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be (or such other parties owning Bank Bonds as provided in the Reimbursement Agreement or the Liquidity Facility, as the case may be), shall no longer be the Bondholder of such Bonds, as provided in the Reimbursement Agreement or the Liquidity Facility, as the case may be, or until the City no longer owes the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, for any advance or other obligation under the Reimbursement Agreement or the Liquidity Facility, as applicable. Notwithstanding anything in this Indenture to the contrary, interest on Bank Bonds and all other obligations owed by the City to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, under the Reimbursement Agreement or the Liquidity Facility, shall be paid by wire transfer, on the date on which such interest is due, in accordance with the written wire transfer instructions to be provided by the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, prior to such date when interest is due thereon, as provided in the Reimbursement Agreement or the Liquidity Facility, as the case may be. Bank Bonds may be sold, assigned or disposed of by the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, as more fully provided in the Reimbursement Agreement or the Liquidity Facility, as the case may be. The Bank Bonds shall indicate therein the requirements of the Reimbursement Agreement or Liquidity Facility, as the case may be, and the applicability of the provisions of this Section to subsequent ownership of the Bank Bonds.

Notwithstanding the foregoing, in the event the terms of the Reimbursement Agreement or the Liquidity Facility conflict with this Indenture, Bank Bonds and all other obligations owed by the City to the Letter of Credit Bank or the Liquidity Facility Provider, as

the case may be, under the Reimbursement Agreement or the Liquidity Facility, shall bear interest and shall be payable as provided in the Reimbursement Agreement or the Liquidity Facility, as the case may be. If the Bank Rate on Bank Bonds exceeds the Maximum Bank Bond Interest Rate, interest on the Bank Bonds shall be paid at the Maximum Bank Bond Interest Rate from taxes levied pursuant to Section 2.06 hereof, and the balance shall be treated as a fee under the Reimbursement Agreement, Letter of Credit or Liquidity Facility, as the case may be, and paid by the City as an obligation of the City under the Reimbursement Agreement, Letter of Credit or Liquidity Facility, as the case may be.

Section 3.07. Amendments of the Letter of Credit or Liquidity Facility Upon Conversion. In connection with any Conversion of the Interest Rate Period applicable to the Bonds (other than a change to a Mode which does not require a Letter of Credit or a Liquidity Facility to be in effect), if such converted Interest Rate Period requires a Letter of Credit or a Liquidity Facility to be effective and would extend beyond the expiration date of the applicable Letter of Credit or Liquidity Facility or would require a modification to the available commitment from that which is provided currently in the applicable Letter of Credit, or Liquidity Facility, the City, as a condition to the effectiveness of the direction to convert the Interest Rate Period, must supply the Trustee with an amendment to the applicable Letter of Credit or Liquidity Facility or an Alternate Letter of Credit or Alternate Liquidity Facility with respect to the Bonds satisfying the requirements of their respective Exhibits when it delivers written direction to the Notice Parties of a Conversion pursuant to Section 3.02(b).

Section 3.08. Conditions. No Conversion from one Mode to another, or the establishment of a new Mode, shall take effect under this Indenture unless each of the following conditions, to the extent applicable, shall have been satisfied.

(a) With respect to the new Mode, the conditions for converting to that Mode, as provided in the Exhibit describing that Mode, shall be satisfied.

(b) The Trustee and the City shall have received a Favorable Opinion of Bond Counsel with respect to such Conversion.

Section 3.09. Failure to Meet Conditions. In the event that any condition to the Conversion of the Bonds or a Tranche thereof shall not have been satisfied as provided in this Indenture, then the Mode with respect to such Bonds shall not be converted and the provisions of "Failure to Meet Conditions to Convert to a New Mode" as described in the respective Exhibit describing the then current Mode for such Bonds shall apply.

Section 3.10. Certain Provisions of Bonds and Indenture Inapplicable After Fixed Interest Rate Date. On and after the Fixed Interest Rate Date of a Tranche of Bonds, the Bonds of such Tranche while in Fixed Interest Rate Mode shall no longer be subject to the following provisions of this Indenture, provided however, that should such any Bonds, or a Tranche thereof, be Converted from the Fixed Interest Rate Mode as provided in Section G.07, all provisions will again apply to the Bonds so Converted:

(a) the provisions of Sections 3.03, 3.06, 3.07, 3.09, 4.02 and Exhibits B, C, D, E and F; and

(b) any provisions relating to a Letter of Credit or Liquidity Facility, except to the extent that any Bank Bonds and other obligations are Outstanding under the provisions of the Reimbursement Agreement or Liquidity Facility.

ARTICLE IV

REDEMPTION AND PURCHASE OF BONDS

Section 4.01. Redemption of Bonds.

(a) Optional Redemption. The Bonds shall be subject to redemption prior to stated maturity at the option of the City, in whole or in part, in accordance with the provisions of this Section 4.01(a).

(i) *Bonds.* Bonds in a Mode shall be subject to redemption prior to stated maturity pursuant to the terms specified in the Exhibit defining the Mode.

(ii) *Bank Bonds.* Bank Bonds shall be subject to optional redemption by the City, in whole or in part at any time, and from time to time, at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, at the Bank Rate to such Redemption Date.

(b) Mandatory Sinking Fund Redemption of Bonds. The Bonds shall be subject to mandatory sinking fund redemption prior to stated maturity on February 1 of each year set forth below in Sinking Fund Installments in the amount set forth next to each year at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date:

February 1 of the Year	Principal Amount
2021	\$5,000,000
2022	\$5,000,000
2023	\$5,000,000
2024	\$5,000,000
2025*	\$5,000,000

* Final Maturity Date

The City may purchase Bonds and credit them against the Sinking Fund Installments at the principal amount thereof by delivering them to the Trustee for cancellation at least forty-five (45) days before the applicable Redemption Date. Upon the purchase or optional redemption of any Bonds for which Sinking Fund Installments shall have been established, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward future applicable Sinking Fund Installments in such order as the City shall determine.

If fewer than all the Bonds are to be redeemed, the City will select which Tranche or Tranches of Bonds are to be redeemed, and the Trustee will select the Bonds within such Tranche or Tranches. The Trustee will make the selection from Bonds not previously called for redemption. For this purpose, the Trustee will consider each Bond in a denomination larger than the minimum Authorized Denomination permitted by the Indenture at the time to be separate Bonds each in the minimum Authorized Denomination. During the period that DTC or DTC's nominee is the Registered Owner of the Bonds, if less than all of the Bonds are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected by DTC in such manner as DTC may determine.

In the event that the Bonds shall be optionally redeemed in part pursuant to Section 4.01(a), then the principal amount so redeemed (including principal of Bank Bonds) shall be applied to reduce the amount of Sinking Fund Installments (including principal due on the Maturity Date) as the City shall specify in writing to the Trustee and the Remarketing Agent; provided that the amounts so applied shall be in Authorized Denominations.

Notwithstanding the foregoing, when any Bonds to be redeemed pursuant to this subsection (b) are bearing interest at an Auction Rate, if such February 1 is not an Auction Rate Interest Payment Date, the mandatory sinking account redemption shall occur on the Auction Rate Interest Payment Date immediately succeeding such February 1.

Notwithstanding the mandatory Sinking Fund Installments established above, the City may modify such mandatory Sinking Fund Installments at any time the City decides to convert the Bonds to a Fixed Interest Rate or a Long Term Interest Rate. In order for any such modification to become effective, the City shall first deliver to the Notice Parties a Favorable Opinion of Bond Counsel.

(c) Mandatory Redemption of Bank Bonds. Mandatory redemption of Bank Bonds, if any, shall be governed by the Reimbursement Agreement or the Liquidity Facility, as the case may be, and as provided herein, and any Bank Bonds shall be redeemed pursuant to the Reimbursement Agreement or the Liquidity Facility, as the case may be, upon written notice to the Trustee from the Letter of Credit Bank or the Liquidity Facility Provider, as applicable, but without any notice for or direction by the City except as otherwise provided therein.

(d) Selection of Bonds to be Redeemed. Bonds are subject to redemption in the manner provided in Section 4.02(b) hereof, provided that for so long as the Book-Entry-Only system is being used, the interests of the Participants in the particular Bonds or portions thereof to be redeemed within a maturity shall be selected by lot by DTC in such manner as DTC and the Participants may determine.

Upon surrender of a Bond to be redeemed, in part only, the Trustee will authenticate for the Holder a new Bond or Bonds of the same Tranche equal in principal amount to the unredeemed portion of the Bond surrendered.

Notwithstanding the previous two paragraphs, at any time less than all of the Bonds are to be redeemed, any applicable Bank Bonds Outstanding will be redeemed prior to any other Bonds which are not Bank Bonds.

(e) Notice of Redemption. Notice of the call for any redemption of Bonds prior to maturity, specifically identifying by designation, letters, numbers or other distinguishing marks (including CUSIP numbers), the Bonds or portions thereof to be redeemed, the redemption price to be paid, the date fixed for redemption, the name and address of the place or places where the amounts due upon such redemption are payable, and the maturity dates of the Bonds to be redeemed shall be given by the Trustee on behalf of the City by mailing a copy of the redemption notice by registered or certified mail, if to a Securities Depository, otherwise by Mail, and in either case postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the Redemption Date, to the registered Holder of each such Bond to be redeemed at the address shown on the registration books kept by the Trustee. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, or the redemption price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. In the case of any redemption of Bonds prior to maturity to be made at the direction of the City, the Trustee shall give the notices required by this Section 4.01 after receipt of 15 day prior written notice from the City of such direction and shall not be required to give such notices until such time. The provisions of this Section shall be subject to the provisions of Section 2.04 hereof relating to DTC.

The City may provide that, if at the time of mailing of notice of an optional redemption there shall not have been deposited with the Trustee Government Obligations sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption Government Obligations with the Trustee not later than the opening of business five (5) Business Days prior to the scheduled Redemption Date, and such notice shall be of no effect unless such Government Obligations are so deposited. In the event sufficient Government Obligations are not on deposit on the required date, then the redemption shall be canceled and on such cancellation date notice shall be mailed to the Holders of such Bonds, to be redeemed in the manner provided in this Section.

Failure to give any required notice of redemption or any defect therein as to any particular Bonds will not affect the validity of the call for redemption of any Bonds in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee.

(f) Payment of Bonds Called for Redemption. Upon surrender to the Trustee or the Trustee's agent, Bonds called for redemption shall be paid at the redemption price stated in the notice, plus, when applicable, interest accrued to the Redemption Date.

(g) Effect of Redemption Call. On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein and moneys for payment of the redemption price being held in trust to pay the redemption price, the Bonds so called for redemption shall become and be due and payable on the Redemption Date, interest on such Bonds shall cease to accrue from and after such Redemption Date, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price.

Bonds which have been duly called for redemption under the provisions of this Article and for the payment of the redemption price of which moneys shall be held in trust for the Holders of the Bonds to be redeemed, all as provided in this Indenture, shall not be deemed to be Outstanding under the provisions of this Indenture.

Section 4.02. Purchase of Bonds.

(a) Tender at the Option of the Bondholder. Eligible Bonds in a Mode shall be subject to tender at the option of the Bondholder only if such Bonds are rated as “investment grade”, as such term is defined by S&P, pursuant to the terms specified in the Exhibit defining the Mode. Each Bond (provided such Bond is an Eligible Bond), shall be purchased (in whole) from its Bondholder at the option of the Bondholder on a Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Accrual Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof.

(b) Mandatory Tender for Purchase. The Bonds in a Mode shall be subject to mandatory tender for purchase on each Conversion Date relating to that Tranche of Bonds or pursuant to the terms specified in the Exhibit defining the Mode; provided, however, that in the case of any failed Conversion of Bonds bearing interest at an Auction Rate, no mandatory purchase shall apply.

(c) Mandatory Tender for Purchase upon Termination, Expiration or Replacement of the Letter of Credit or a Liquidity Facility. The Bonds are subject to mandatory purchase in the event of (i) (A) the termination or expiration of a Letter of Credit or Liquidity Facility, other than as a result of a “Termination Event” causing an immediate termination without notice of the Liquidity Facility, if applicable; or (B) an Alternate Letter of Credit or an Alternate Liquidity Facility is delivered to the Trustee; or (ii) the Letter of Credit Bank or the Liquidity Facility Provider notifies the Trustee that (A) an “Event of Default” has occurred under the Letter of Credit, the Reimbursement Agreement or the Liquidity Facility, as the case may be, and that the Letter of Credit Bank or the Liquidity Facility Provider is terminating the Letter of Credit or the Liquidity Facility, as the case may be, in accordance with its, the Reimbursement Agreement’s or the Liquidity Facility’s terms, or (B) the Letter of Credit Bank notifies the Trustee that interest will not be reinstated under the Letter of Credit, then on the second Business Day preceding any such termination, expiration or replacement of or non-reinstatement of interest under the Letter of Credit or the Liquidity Facility, as the case may be, the Bonds shall be purchased or deemed purchased as provided herein.

(d) Notice of Mandatory Tender for Purchase. In connection with any mandatory tender for purchase of Bonds in accordance with Section 4.02(b) or (c) hereof, the Trustee shall give notice of a mandatory tender for purchase, which in the case of Section 4.02(b) shall be given, as a part of the notice given pursuant to Section 3.02 hereof. Such notice shall state (i) the Bonds are subject to mandatory tender for purchase; (ii) the tender date; (iii) the purchase price and that the purchase price of any Bond so subject to mandatory purchase shall be payable only upon surrender of such Bond to the Trustee at its Corporate Trust Office for delivery of Bonds accompanied by an instrument of transfer thereof, in form satisfactory to the

Trustee, executed in blank by the Holder thereof or his duly authorized attorney in fact, with such signature guaranteed by an eligible guarantor institution; (iv) that, provided that moneys sufficient to effect such purchase have been provided through the remarketing of such Bonds by the Remarketing Agent or through the Letter of Credit or the Liquidity Facility, as the case may be, all Bonds so subject to mandatory tender for purchase shall be purchased on the Mandatory Purchase Date, and that if any Owner of a Bond subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on such Mandatory Purchase Date, and moneys sufficient to pay the purchase price thereof are on deposit with the Trustee, then such Bond shall be deemed to be an "Undelivered Bond," and that no interest shall accrue thereon on and after such Mandatory Purchase Date and that the holder thereof shall have no rights under this Indenture, other than to receive payment of the purchase price thereof; and (v) in the event that moneys sufficient to pay the purchase price of such Bonds have not been provided to the Trustee either through the remarketing of such Bonds or from the Letter of Credit or the Liquidity Facility or from the City, as the case may be, that such Bonds shall not be purchased or deemed purchased and shall continue to bear interest as if such failed purchase shall not have occurred. The City shall provide the Trustee with a form of any such notice.

The Trustee shall give notice by Mail to the Owners of the Bonds then entitled to the benefits of the Letter of Credit or Liquidity Facility, as the case may be, (a) on or before the fifteenth day preceding the expiration of any Letter of Credit or Liquidity Facility in accordance with its terms, other than as a result of a "Termination Event" causing an immediate termination without notice of the Liquidity Facility, if applicable; (b) on or before the fifteenth day preceding any replacement of the Letter of Credit or Liquidity Facility; (c) as soon as practicable after receipt by the Trustee of notice from the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, that an "Event of Default" has occurred under the Letter of Credit or Liquidity Facility, as the case may be (but only if such Event of Default would result in the Bonds being subject to mandatory tender pursuant to Section 4.02(c)), or (d) promptly after receipt by the Trustee of notice from the Letter of Credit Bank that interest on the Letter of Credit will not be reinstated.

For payment of the purchase price of any Bond required to be purchased pursuant to this Section 4.02 on the date specified, such Bond must be delivered, at or prior to 12:00 noon, New York City time, on the purchase date, to the Trustee at its Corporate Trust Office for delivery of Bonds accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Holder thereof or his duly authorized attorney in fact, with such signature guaranteed by an eligible guarantor institution. In the event any such Bond is delivered after 12:00 noon, New York City time, on the purchase date, payment of the purchase price of such Bond need not be made until the Business Day following the date of delivery of such Bond, as the case may be, but such Bond shall nonetheless be deemed to have been purchased on the date specified in such notice and no interest shall accrue thereon from and after such date.

(e) Notice of Owner's Election to Tender Bonds Deemed to be Irrevocable; Undelivered Bonds. The giving of notice by an Owner of a Bond as provided in Section 4.02(a) shall constitute the irrevocable tender for purchase of each such Bond with respect to which such notice shall have been given, regardless of whether such Bond is delivered to the Trustee for purchase on the relevant purchase date as provided in this Section 4.02; provided that

moneys sufficient to pay the purchase price (as described in Section 4.02(f) hereof) of such Bond are on deposit with the Trustee for such purpose.

(f) Sources of Funds for Purchase of Bonds. Bonds required to be purchased in accordance with Section 4.02 hereof shall be purchased from the Owners thereof, on the date and at the purchase price at which such Bonds are required to be purchased. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated:

(i) proceeds of the sale of such Bonds remarketed to any Person (other than the City) pursuant to Section 6.02 hereof and furnished to the Trustee by the Remarketing Agent for deposit into the Remarketing Proceeds Account (as hereinafter defined) of the Remarketing Reimbursement Fund (as hereinafter defined);

(ii) moneys furnished to the Trustee pursuant to a draw on the Letter of Credit or from the Liquidity Facility, as the case may be, for deposit into the Letter of Credit and Liquidity Facility Account (as hereinafter defined) of the Remarketing Reimbursement Fund; and

(iii) monies provided by the City to the Trustee for deposit in the City Account (as hereinafter defined) of the Remarketing Reimbursement Fund, if any.

(g) The City shall not have any obligation to pay the purchase price of any Bonds required to be purchased pursuant to Section 4.02 hereof if the moneys from the sources described in clauses (i) and (ii) above are insufficient to provide for such payment. In the event moneys on deposit with the Trustee are insufficient to pay the purchase price of the Bonds to be purchased pursuant to Section 4.02 hereof, the Trustee shall determine the Bonds tendered for purchase with respect to which such insufficiency exists by lot from those Bonds tendered for purchase and shall return such appropriate Bonds to the Owners thereof together with notice of such insufficiency and the Owners thereof shall thereafter have the right to again tender such Bonds for purchase to the extent provided by Section 4.02 hereof, and no such insufficiency shall constitute a default under this Indenture.

(h) Undelivered Bonds. The Trustee may refuse to accept delivery of any Bond for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Bond as herein described. If any Bondholder of a Bond which is subject to tender of purchase shall fail to deliver such Bond to the Trustee at the place and on the applicable date and at the time specified, or shall fail to deliver such Bond properly endorsed, and moneys sufficient to pay the purchase price thereof are on deposit with the Trustee for such purpose, such Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bonds are available for payment to the Holder thereof on the date and at the time specified, from and after the date and time of that required delivery, (A) each Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding; (B) interest shall no longer accrue thereon; and (C) funds in the amount of the purchase price of each such Undelivered Bond shall be held by the Trustee uninvested and without liability for interest for the benefit of the Holder thereof, to be paid on delivery (and proper endorsement) of such Undelivered Bond to the Trustee for delivery of

Bonds. Any funds held by the Trustee as described in clause (C) of the preceding sentence shall not be commingled.

ARTICLE V

APPLICATION OF PROCEEDS; ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 5.01. Application of Proceeds. The City hereby directs that the proceeds of sale of the Bonds shall be deposited in the City's Capital Projects Fund.

Section 5.02. Debt Service Account. A separate account to be held by the Trustee shall be created in the Debt Service Fund for the Bonds and designated as the "Debt Service Account - Variable Rate General Obligation Corporate Purpose Bonds, Series 2005 V8" (the "Series 2005 V8 Debt Service Account"). A subaccount within the Series 2005 V8 Debt Service Account shall be created and designated the "Letter of Credit Debt Service Subaccount" (the "Letter of Credit Debt Service Subaccount"). On any Interest Payment Date or day when payment of the principal of or redemption price of the Bonds is due, the Trustee shall deposit, no later than 11:00 a.m., New York City time, into the Series 2005 V8 Debt Service Account all payments made by the City pursuant to Section 2.06 hereof and into the Letter of Credit Debt Service Subaccount all monies derived from a drawing under a Letter of Credit under Section 5.04 hereof for the purposes of paying the principal and interest on the Bonds to be applied (1) to the payment of interest, when due, on all Outstanding Bonds, including any accrued interest due in connection with redemption of Bonds, and (2) to the payment, when due, of the principal of or redemption price of the Bonds then payable at maturity or upon redemption.

Section 5.03. Remarketing Reimbursement Fund and Accounts. A separate fund and related accounts to be held by the Trustee shall be created at the time any Bonds bear interest at an Adjustable Interest Rate (except an Auction Rate) and designated as, the "Remarketing Reimbursement Fund" (the "Remarketing Reimbursement Fund") and therein separate accounts for such Bonds. Within the Remarketing Reimbursement Fund, there shall be created an account designated the "Remarketing Proceeds Account" (the "Remarketing Proceeds Account"), an account designated the "Letter of Credit and Liquidity Facility Account" (the "Letter of Credit and Liquidity Facility Account") and an account designated the "City Account" (the "City Account"). The Trustee shall deposit into (i) the Remarketing Proceeds Account all proceeds from the remarketing of the Bonds, (ii) the Letter of Credit and Liquidity Facility Account all monies drawn on the Letter of Credit or the Liquidity Facility to pay the purchase price on the Bonds and (iii) the City Account all payments made by the City for deposit in the City Account pursuant to Section 4.02(f)(iii) hereof. The Remarketing Reimbursement Fund shall not be considered a part of the security for the Bonds but shall be used solely in connection with the remarketing of Bonds as set forth in Section 6.02 hereof. Any moneys deposited to the Remarketing Reimbursement Fund shall be held without liability for interest and without investment or commingling thereof. Except as otherwise provided herein, neither the City nor the Trustee shall grant any lien or encumbrance to any Person on the moneys deposited in the Remarketing Reimbursement Fund received from a drawing on a Letter of Credit or a Liquidity Facility, as the case may be, or amounts received from a remarketing of the Bonds.

Certain provisions regarding the Remarketing Reimbursement Fund are set forth in Section 5.05 hereof.

Section 5.04. Draws on Letter of Credit. In the event there is a Letter of Credit in effect, the City hereby authorizes and directs the Trustee to draw on the Letter of Credit pursuant to its terms, in the amounts and at the times necessary to pay principal of, redemption price, purchase price and interest on the Bonds (excluding any premium) pursuant to this Article. In no circumstances shall the Trustee use moneys drawn on the Letter of Credit to pay the principal of or interest on Bank Bonds or to pay premium, if any, on any Bonds. Any moneys received by the Trustee from a draw on the Letter of Credit shall be held without liability for interest and without investment or commingling thereof. Except as otherwise provided herein, neither the City nor the Trustee shall grant any lien or encumbrance to any Person on the moneys received from a drawing on the Letter of Credit.

The Trustee shall draw upon the Letter of Credit in accordance with the terms thereof on or before 11:00 a.m., New York City time, at the principal office of the Letter of Credit Bank where the draw request is to be presented, on the Business Day prior to any Interest Payment Date (or the Maturity Date or a Redemption Date which is not an Interest Payment Date), and on or before 10:30 a.m., New York City time, at the principal office of the Letter of Credit Bank where the draw request is to be presented, on each tender date for the Bonds pursuant to Section 4.02 hereof. The Trustee shall determine the amount necessary to make all required payments of principal and interest on the Bonds or purchase price payments of the Bonds on the next succeeding Interest Payment Date, Maturity Date, other Redemption Date or such tender date for the Bonds, and shall present a signed draft to the Letter of Credit Bank (together with the required certificates under the Letter of Credit) in such amount, so as to permit the timely transfer of funds from the Letter of Credit Bank to the Trustee for payment of interest on the Bonds on each Interest Payment Date, for payment of the principal of and interest on the Bonds when due, whether at maturity or upon prior redemption, or the payment of the purchase price of the Bonds when due on the applicable tender date for the Bonds.

If on the date and by the time of any required drawing on the Letter of Credit to pay interest on the Bonds, the Trustee is not able to determine the amount of interest accruing on the date of the required drawing, the Trustee shall assume that for such day the Bonds bear interest at the Maximum Interest Rate.

The Trustee shall promptly notify the City by oral or telephonic communication confirmed in writing if the Letter of Credit Bank has not transferred funds in accordance with the Letter of Credit upon the presentment of any such draft.

In calculating the amount to be drawn on the Letter of Credit for the payment of principal of and interest on the Bonds, whether on an Interest Payment Date, at maturity or upon redemption, the Trustee shall not take into account the existence of any other moneys available to pay principal of and interest on the Bonds, but shall draw on the Letter of Credit for the full amount of principal and interest coming due on the Bonds. If sufficient moneys are available in the Remarketing Reimbursement Fund to pay the purchase price of the Bonds tendered for purchase, the Trustee shall not draw on the Letter of Credit, but shall forward such amounts directly to the tendering Owners. The Trustee shall draw on the Letter of Credit to pay the

purchase price of Bonds tendered for purchase only to the extent that moneys derived from the remarketing of the Bonds and deposited in Remarketing Proceeds Account of the Remarketing Reimbursement Fund are insufficient to purchase the Bonds so tendered. In calculating the amount, if any, to be drawn on the Letter of Credit for the purchase of the Bonds on a tender date for the Bonds, the Trustee shall take into account funds received from the purchasers of the applicable tendered Bonds or from the Remarketing Agent by 10:00 a.m., New York City time, and by 10:30 a.m., New York City time, on the applicable tender date shall draw on the Letter of Credit only such amounts as may be necessary to purchase such Bonds after taking into account all funds received by 10:00 a.m., New York City time on such date which are attributable to the remarketing of such Bonds. Upon receipt of such moneys from the Letter of Credit Bank, the Trustee shall deposit (and hold uninvested and without liability for interest) the amount representing a draw on the Letter of Credit for the payment of principal and interest on the Bonds in the Series 2005 V8 Debt Service Account, and apply the same only to the payment of such principal and interest when due on the Bonds, shall deposit (and hold uninvested and without liability for interest) the amount representing a draw on the Letter of Credit for the purchase of Bonds in the Letter of Credit and Liquidity Facility Account in the Remarketing Reimbursement Fund and disburse said amount only to the tendering Owners of the Bonds being purchased and, and subject to the prior satisfaction of all principal, purchase price and interest on payments then due or on account of which funds shall have been paid to the Trustee by the City or shall have been obtained by the Trustee by a drawing or drawings on the Letter of Credit, by wire transfer shall pay, on behalf of the City, but only from and to the extent of moneys available in the City's Debt Service Fund set aside for the payment of principal of and interest on the Bonds or the Remarketing Reimbursement Fund any amounts due and payable to the Letter of Credit Bank under the Reimbursement Agreement for any drawing made on the Letter of Credit.

Section 5.05. Demand for Purchase of Bonds under a Liquidity Facility. In the event there is a Liquidity Facility in effect instead of a Letter of Credit with respect to the Bonds, by 10:30 a.m., New York City time (or such other time as may be agreed to between the City and the Liquidity Facility Provider), on the tender date for the Bonds, the Trustee is hereby directed to notify the Liquidity Facility Provider as to the aggregate purchase price of the applicable tendered Bonds required to be purchased by the Liquidity Facility Provider and to make a demand for purchase of such Bonds under the Liquidity Facility in accordance with the terms of the Liquidity Facility, such that the Trustee will have amounts, on deposit in the Remarketing Reimbursement Fund, sufficient to pay the purchase price plus accrued interest, if any, of the Bonds to be tendered by no later than 2:30 p.m., New York City time (or such other time as may be agreed to between the City and the Liquidity Facility Provider). Upon the receipt of amounts payable under the Liquidity Facility, the Trustee shall deposit such purchase price in the Letter of Credit and Liquidity Facility Account in the Remarketing Reimbursement Fund. In determining the amount of any such purchase price then due, the Trustee shall not take into consideration any purchase price due on the Bonds registered in the name of the City or the Liquidity Facility Provider or any affiliate of the City or the Liquidity Facility Provider to the extent identified to the Trustee and no demand for purchase under the Liquidity Facility shall be made to pay the purchase price of any Bonds, registered in the name of the City or the Liquidity Facility Provider or any affiliate of the City or the Liquidity Facility Provider to the extent identified to the Trustee. By 3:00 p.m., New York City time (or such other time as may be agreed to between the City and the Liquidity Facility Provider), the Trustee shall purchase the applicable tendered

Bonds and immediately remit to the Liquidity Facility Provider such excess funds in the Letter of Credit and Liquidity Facility Account of the Remarketing Reimbursement Fund which were not used to purchase the Bonds tendered.

ARTICLE VI

REMARKETING AGENT; PURCHASE AND REMARKETING OF BONDS

Section 6.01. Remarketing Agent for Bonds. The City shall appoint a Remarketing Agent for the Bonds, subject to the conditions set forth in the following paragraph, at the time the Bonds are initially issued in or are converted to an Adjustable Interest Rate (except an Auction Rate) or a Fixed Interest Rate (if necessary). Each Remarketing Agent shall designate its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City, the Trustee, and any Letter of Credit Bank or Liquidity Facility Provider, as the case may be, under which the Remarketing Agent will agree, particularly, 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 Trustee, and the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, at all reasonable times.

Any Remarketing Agent appointed hereunder shall be a member of the National Association of Securities Dealers, having a combined capital stock, surplus and undivided profits of at least \$75,000,000 (or such other amounts as may be agreed to by the City), and authorized by law to perform all the duties imposed upon the Remarketing Agent by this Indenture and the Remarketing Agreement. Any Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture and the Remarketing Agreement by giving notice to the Notice Parties. Such resignation takes effect only on the appointment of a successor Remarketing Agent by the City and the acceptance of such appointment by the successor Remarketing Agent. If no successor is appointed within sixty (60) days after the notice of resignation, the resigning Remarketing Agent may appoint a successor or at the City's expense petition any court of competent jurisdiction to appoint a successor. The successor Remarketing Agent must be a member of the National Association of Securities Dealers, having a combined capital stock, surplus and undivided profits of at least \$75,000,000 (or such other amounts as may be agreed to by the City), and authorized by law to perform all the duties imposed upon the Remarketing Agent by this Indenture and the Remarketing Agreement. Any successor Remarketing Agent shall accept in writing its duties and responsibilities hereunder. The Remarketing Agent may be removed at any time by the City by written notice given by the City and delivered to the Notice Parties.

Section 6.02. Remarketing of Bonds. No later than 3:00 p.m. New York City (a) on the eighth Business Day prior to each mandatory tender date while the Bonds bear interest at a Long Term Interest Rate, or (b) the sixth calendar day prior to each mandatory tender date or the next succeeding Business Day if such sixth day is not a Business Day while any Bonds bear interest at a Weekly Interest Rate, or (c) the fifth Business Day prior to each mandatory tender date while any Bonds bear interest at a Bond Interest Term Rate, the Trustee shall give notice to the Remarketing Agent by telephone or telecopy, confirmed on the same day in writing, which

states the aggregate principal amount of any Bonds which are to be tendered pursuant to Sections 4.02(b) and (c) hereof.

Based upon notices from the Holders for optional tender or from the Trustee pursuant to Section 4.02(d), the Remarketing Agent shall use its best efforts to sell all of the Bonds tendered pursuant to Sections 4.02(a), (b) and (c) hereof for settlement on the applicable tender date.

The Remarketing Agent shall have the right to remarket any Bond (or portion thereof) tendered pursuant to Sections 4.02(a), (b), (c) and (d) hereof; provided, however, that no such Bond shall be remarketed at a price less than 100% of the principal amount thereof plus accrued interest (if any). The Remarketing Agent shall have the right to purchase any Bond tendered or deemed tendered pursuant to Sections 4.02(a), (b), (c) and (d) hereof at 100% of the principal amount thereof, and to thereafter sell such Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not remarket any Bond to the City, any guarantor of Bonds (excluding the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be) or any Person which is an "insider" of the City or any such guarantor within the meaning of the United States Bankruptcy Code.

No later than 10:00 a.m., New York City time, on each tender date the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of such Bonds tendered for purchase; provided, that the Remarketing Agent may use its best efforts to cause the purchasers of the remarketed Bonds to pay the purchase price plus accrued interest (if any) to the Trustee in immediately available funds. The proceeds from the remarketing of any Bonds shall be deposited in the Remarketing Proceeds Account of the Remarketing Reimbursement Fund and segregated from any funds of the City and shall in no case be considered to be or be assets of the City.

There shall be deposited in the Remarketing Proceeds Account of the Remarketing Reimbursement Fund, on each tender date, the applicable remarketing proceeds received by the Trustee pursuant to this Section and, if necessary, there shall be deposited in the Letter of Credit and Liquidity Facility Account any moneys from a draw on the Letter of Credit or the Liquidity Facility, as the case may be, to be used to pay the purchase price of the applicable tendered Bonds. The Trustee shall use the amounts deposited in the applicable accounts of the Remarketing Reimbursement Fund to pay the purchase price of the related tendered Bonds.

Section 6.03. Delivery of Bonds and Remarketing of Bank Bonds. On or before the Business Day next preceding each tender date, the Remarketing Agent (or while Bonds bear interest at a Daily Interest Rate, prior to the time on the tender date necessary to effect a draw or borrowing under the Letter of Credit or Liquidity Facility, as the case may be), by telephonic advice, shall notify the Trustee and the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, of (a) the principal amount of Bonds to be sold by the Remarketing Agent pursuant to Section 6.02 hereof and the purchase price, names, addresses and social security

numbers or other tax identification numbers of the proposed purchasers thereof and (b) the principal amount of the Bonds tendered for purchase on such tender date which will not be sold by such Remarketing Agent pursuant to Section 6.02 hereof. Such telephonic advice shall be confirmed by written notice delivered or mailed on the same date as the telephonic advice.

Bonds purchased by the Trustee on a tender date shall be delivered as follows:

(a) Bonds sold by the Remarketing Agent pursuant to Section 6.02 hereof shall be delivered to the purchasers thereof.

(b) Bonds not sold by the Remarketing Agent pursuant to Section 6.02 hereof and purchased with proceeds derived from a drawing on the Letter of Credit or the Liquidity Facility shall be held as Bank Bonds, by the Trustee, as agent for the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, subject to any instructions from the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, to deliver the Bank Bonds to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be. Any Bank Bonds held by the Trustee shall not be released or transferred except to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, or to the Remarketing Agent at the written direction of the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, as provided in the last paragraph of this Section. Bonds not sold by the Remarketing Agent shall be deemed purchased by the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, upon application of the proceeds of a draw on the Letter of Credit or the Liquidity Facility, as the case may be, to pay the purchase price thereof.

Bonds (other than Bank Bonds) delivered as provided in this Section shall be registered (or recorded through the Securities Depository) in the manner directed by the recipient thereof. Bank Bonds shall be registered (or recorded through the Securities Depository) in the name of the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, or its designee, as requested by the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be.

The Remarketing Agent shall use its best efforts to remarket Bank Bonds; provided, however, such Remarketing Agent shall not remarket Bank Bonds held as a result of a mandatory tender pursuant to Section 4.02(c) hereof prior to receiving written notice from the Trustee that the Letter of Credit or any Alternate Letter of Credit or the Liquidity Facility or the Alternate Liquidity Facility, as the case may be, has been reinstated or replaced and satisfies the requirements of Section 7.02 hereof. Upon the remarketing of the Bank Bonds, the Remarketing Agent shall notify the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, the Trustee and the City of such remarketing, the name, address and social security or other tax identification number of the purchaser, and the date (the "Placement Date") that the purchaser shall deliver the purchase price to the Trustee or the Remarketing Agent by 10:00 a.m., New York City time at the Corporate Trust Office of the Trustee.

No later than 10:00 a.m., New York City time on each Placement Date, the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by such Remarketing Agent from the remarketing of Bank Bonds on such Placement Date; provided, that the Remarketing Agent may use its best efforts to cause the

purchasers of the remarketed Bank Bonds to pay the purchase price plus accrued interest (if any) to the Trustee in immediately available funds. The proceeds from the remarketing of the Bank Bonds shall be deposited in the Remarketing Proceeds Account in the Remarketing Redemption Fund and segregated from any funds of the City and shall in no case be considered to be or be assets of the City. The Trustee shall deposit such funds in the applicable account of the Remarketing Reimbursement Fund and shall pay the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, such funds by wire transfer on the Placement Date. The Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, shall deliver any Bank Bonds held by the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be (or evidence of book entry interests in such Bank Bonds) which have been so remarketed to the Trustee against payment on the Placement Date. With respect to any Bank Bonds not so held by the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, shall direct the Trustee to release such Bank Bonds which have been so remarketed to the Remarketing Agent against payment therefor on the Placement Date. On the Placement Date, the Trustee shall authenticate and deliver, if applicable, new Bonds in replacement of the remarketed Bank Bonds to the purchasers thereof based upon written instructions of the Remarketing Agent. Bank Bonds which have not been remarketed within thirty (30) days after becoming Bank Bonds shall require a Favorable Opinion of Bond Counsel prior to the remarketing thereof.

ARTICLE VII

LETTER OF CREDIT; LIQUIDITY FACILITY

Section 7.01. General. The City hereby agrees to maintain a Letter of Credit or a Liquidity Facility with respect to the Bonds, or Tranches thereof, at all times while the such Bonds are Outstanding, except when such Bonds are bearing interest at: (a) a Fixed Interest Rate, (b) a Long Term Interest Rate whereby the Long Term Interest Rate Period is effective to the Maturity Date of the Bonds, (c) a Long Term Interest Rate whereby the duration of the Long Term Interest Rate Period is longer than 2 years, or (d) an Auction Rate. A Letter of Credit or a Liquidity Facility must be in effect prior to any Conversion from an Auction Rate to another Adjustable Interest Rate, except for (i) a Long Term Interest Rate whereby the Long Term Interest Rate Period is effective to the Maturity Date of the Bonds or (ii) a Long Term Interest Rate whereby the duration of the Long Term Interest Rate Period is longer than 2 years. A Letter of Credit or a Liquidity Facility is not necessary for Conversion to a Fixed Rate. If at any time the City obtains a Letter of Credit or a Liquidity Facility with respect to the Bonds which were previously not entitled to the benefit thereof, the City shall submit such Letter of Credit or a Liquidity Facility to Moody's, S&P, Fitch or such other Rating Agency as the City may select for the purposes of obtaining a rating on such Bonds. The Trustee shall be furnished with any Letter of Credit or a Liquidity Facility obtained pursuant to this Section together with evidence of any rating or ratings obtained on the Bonds in connection therewith. If at any time the Trustee resigns or is removed pursuant to this Indenture, the Trustee shall transfer the Letter of Credit or the Liquidity Facility, as applicable, to the successor Trustee. Except as otherwise provided herein, neither the City nor the Trustee shall grant any lien or encumbrance to any Person on the moneys received from a drawing on the Letter of Credit or a Liquidity Facility, as the case may be.

Any Letter of Credit Bank or Liquidity Facility Provider, as the case may be, whose principal office or payment office is not located in New York State shall provide the Trustee with a list of holidays on which it is closed through the next succeeding _____ at the beginning of the term of such Letter of Credit or Liquidity Facility, as the case may be, and by _____ of each year thereafter.

Section 7.02. Alternate Letter of Credit; Alternate Liquidity Facility.

(a) At any time, the City may provide for the delivery to the Trustee of an Alternate Letter of Credit. The terms of any Alternate Letter of Credit shall be the same as the original Letter of Credit in all respects material to the security for the Bonds; provided that the termination date of such Alternate Letter of Credit shall be a date not earlier than (i) 360 days from its date of issuance, subject to earlier termination upon the occurrence of an event of default under the related reimbursement agreement or other corresponding agreement relating to such Alternate Letter of Credit, (ii) the issuance of a subsequent Letter of Credit, (iii) payment in full of the applicable Outstanding Bonds or (iv) a Conversion of the Interest Rate Period to (A) a Fixed Interest Rate, (B) a Long Term Interest Rate whereby the Long Term Interest Rate Period is effective to the Maturity Date of the Bonds, (C) a Long Term Interest Rate whereby the duration of the Long Term Interest Rate Period is longer than two years, or (D) an Auction Rate. Nothing contained herein shall prevent the City from delivering an Alternate Letter of Credit in substitution for a Letter of Credit which will result in a decline in any ratings assigned to such Bonds by Moody's, S&P, Fitch or such other Rating Agency as a result of obtaining the Alternate Letter of Credit.

(b) At any time, the City may provide for the delivery to the Trustee of an Alternate Liquidity Facility. The terms of any Alternate Liquidity Facility shall be the same as the original Liquidity Facility in all respects material to the security for the Bonds; provided that the termination date of such Alternate Liquidity Facility shall be a date not earlier than (i) 364 days from its date of issuance, subject to earlier termination upon the occurrence of an event of default under the related reimbursement agreement or other corresponding agreement relating to such Alternate Liquidity Facility, (ii) the issuance of a subsequent Liquidity Facility, (iii) payment in full of the applicable Outstanding Bonds or (iv) a Conversion of the Interest Rate Period to (A) a Fixed Interest Rate, (B) a Long Term Interest Rate whereby the Long Term Interest Rate Period is effective to the Maturity Date of the Bonds, (C) a Long Term Interest Rate whereby the duration of the Long Term Interest Rate Period is longer than two years, or (D) an Auction Rate. Nothing contained herein shall prevent the City from delivering an Alternate Liquidity Facility in substitution for a Liquidity Facility which will result in a decline in any ratings assigned to such Bonds by Moody's, S&P, Fitch or such other Rating Agency as a result of obtaining the Alternate Liquidity Facility.

Section 7.03. Delivery of Letter of Credit, Alternate Letter of Credit, Liquidity Facility or Alternate Liquidity Facility. If at any time there shall be delivered to the Trustee:

(a) a Letter of Credit, an Alternate Letter of Credit, a Liquidity Facility or an Alternate Liquidity Facility, as the case may be, covering the Bonds which shall contain administrative provisions reasonably satisfactory to the Trustee;

(b) a Favorable Opinion of Bond Counsel;

(c) an opinion of counsel satisfactory to the Notice Parties, to the effect that such Letter of Credit, Alternate Letter of Credit, Liquidity Facility or Alternate Liquidity Facility, as the case may be, is a valid and enforceable obligation of the issuer or provider thereof;

(d) an opinion of Bond Counsel or other nationally recognized counsel acceptable to the City addressed to the Notice Parties, that no registration of the Bonds or such Letter of Credit, Alternate Letter of Credit, Liquidity Facility or Alternate Liquidity Facility, as the case may be, is required under the Securities Act and no qualification of this Indenture under the Trust Indenture Act of 1939, as amended, is required in connection with the delivery of such Letter of Credit, Alternate Letter of Credit, Liquidity Facility or Alternate Liquidity Facility, as the case may be;

(e) Rating Confirmation or evidence of ratings from at least one of the Rating Agencies; and

(f) all information required to give the notice of mandatory tender for purchase of the Bonds required by Section 4.02(c) hereof;

then the Trustee shall accept such Letter of Credit, Alternate Letter of Credit, Liquidity Facility or Alternate Liquidity Facility, as the case may be, and, in the case of the delivery of an Alternate Letter of Credit or an Alternate Liquidity Facility, as the case may be, promptly thereafter surrender the Letter of Credit or the Liquidity Facility, as the case may be, then in effect to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, for cancellation;

Section 7.04. Termination, Expiration or Replacement of the Letter of Credit or a Liquidity Facility. The City will give the Trustee, the Remarketing Agent, and the Rating Agencies written notification of any replacement, termination or expiration of the Letter of Credit or the Liquidity Facility, as the case may be, as soon as practicable after receiving knowledge thereof. The City shall provide the Trustee with written notice of any information required to enable the Trustee to give the foregoing notice and shall provide the Trustee with the form of such notice; provided, however, that in the event the City shall fail to provide such notice, the Trustee shall provide such notice. In the event a Liquidity Facility provides that it may be terminated without the right of prior tender of Bonds for purchase and such Liquidity Facility is so terminated, the Trustee shall promptly give notice of any such termination by Mail to the Owners of the Bonds then payable from such Liquidity Facility.

Section 7.05. Notice by Trustee to Reduce Letter of Credit or Liquidity Facility. In the event that the Bonds shall be redeemed in whole or in part, the Trustee, at the written direction of the City, shall give notice to the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be, in the manner required by the Letter of Credit or the Liquidity Facility, as the case may be, to reflect such reduction in the principal amount of the Bonds as a result of such redemption and no notice to the Owners of the Bonds of such reduction, nor any purchase thereof under Section 4.02(c) shall occur as a result thereof.

ARTICLE VIII

THE TRUSTEE; THE PAYING AGENT; THE REGISTRAR;

Section 8.01. Appointment of Trustee. The Trustee is hereby appointed and does hereby agree to act in such capacity, and to perform the duties of the Trustee under this Indenture, but only on and subject to the following express terms and conditions (and no implied covenants or other obligations are to be read into this Indenture against the Trustee):

(a) The Trustee may execute any of its trusts or powers hereunder and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be held liable for their actions if such agents are selected with reasonable care. The Trustee is entitled to advice of counsel concerning all matters hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees. The Trustee may act on the opinion or advice of counsel, accountants, engineers or surveyors selected by it in the exercise of reasonable care or, if the same are selected by the City, approved by the Trustee in the exercise of reasonable care. The Trustee is not responsible for any loss or damage resulting from any action or non-action in good faith in reliance on such opinion or advice.

(b) The Trustee is not responsible for any recital herein or in the Bonds, other than the Certificate of Authentication endorsed on the Bonds, or for the validity of this Indenture or of any supplements hereto or instruments of further assurance. The Trustee has no duty or responsibility to examine or review and has no liability for the contents of any documents submitted to or delivered to any Owner in the nature of a preliminary or final placement memorandum, official statement, offering circular or similar disclosure document.

(c) The Trustee is not accountable for the use of any Bonds authenticated or delivered hereunder after such Bonds have been delivered in accordance with instructions of the City or for the use or application of any moneys received by the Paying Agent. The Trustee and any of its affiliates may become the Owner of Bonds secured hereby with the same rights as any other Owner.

(d) The Trustee shall be protected in acting on opinions of counsel and on any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture on the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond is conclusive and binding on all future Owners of the same Bond and on Bonds issued in exchange therefor or in place thereof. The Trustee may conclusively rely on a certificate furnished by a Liquidity Facility Provider as to amounts owing under a Liquidity Facility.

(e) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as duties. The Trustee is only responsible for the performance of the duties expressly set forth herein and is not answerable for other than its gross negligence or bad faith in the performance of those express duties.

(f) The Trustee is not required to give any bond or surety in respect of the execution of the trust and powers or otherwise in respect of the premises.

(g) Before taking any action requested hereunder by the Owners (except for purchase of Bonds under the Letter of Credit or the Liquidity Facility as required by Sections 6.2 and 6.3 hereof, for mandatory tenders and redemptions and with respect to the payment of principal, interest, redemption premium, if any, and purchase price to Owners), the Trustee may require satisfactory security or indemnity bond for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its own gross negligence or bad faith by reason of any action so taken.

(h) Except for money held in the Remarketing Reimbursement Fund, moneys received by the Trustee, until used or applied or invested as herein provided, shall be held as special trust funds for the purposes specified in this Indenture and for the benefit and security of the Owners of the Bonds, the Letter of Credit Bank and the Liquidity Facility Provider as herein provided. Such moneys need not be segregated from other funds except to the extent required by law or herein provided, and the Trustee is not otherwise under any liability for interest on any moneys received hereunder except such as may be agreed on.

(i) The Trustee shall, before any default by the City hereunder and after the curing of all defaults which may have occurred, perform such duties and only such duties of the Trustee as are specifically set forth in this Indenture. The Trustee shall, during the existence of any default which has not been cured, exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(j) In addition to the Trustee's other duties hereunder, the Trustee shall authenticate and cancel Bonds as provided herein, keep such books and records relating to such duties as are consistent with prudent corporate trust industry practice and make such books and records available for inspection by the City at all reasonable times. All Bonds shall be made available for authentication, exchange and registration of transfer at the Corporate Trust Office of the Trustee.

(k) Any request or direction of the City mentioned herein shall be sufficiently evidenced by a certificate from an officer of the City. Whenever in the administration of this Indenture, the Trustee deems it desirable that a matter be proved or established before it takes, suffers or omits any action, the Trustee may rely upon such certificate.

(l) Except as otherwise expressly provided hereunder, the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement advice or opinion to any Owner, the City or any other Person, and the Trustee shall not incur any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.

(m) The Trustee shall not be liable with respect to any action taken or omitted to be taken at the direction of the Owners of a majority in aggregate principal amount of the Bonds Outstanding permitted to be given by them under this Indenture.

(n) The Trustee shall have no responsibility with respect to compliance by the City with Section 148 of the Code or any covenant in this Indenture regarding yields and investments.

(o) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in performance of its duties.

(p) The Trustee shall have no duty or obligation to record or file any mortgage, financing statement, continuation statement or similar document relating to this Indenture.

(q) The Trustee may appoint an agent or agents with powers to act on the Trustee's behalf and subject to the Trustee's direction in the authentication, registration, transfer, exchange or tender of Bonds and the payment of principal, premium, if any, and interest on the Bonds and the payment of the purchase price therefor upon tender. For all purposes of this Indenture, the authentication, registration, and delivery of Bonds by any such agent pursuant to this Section shall be deemed to be the authentication, registration and delivery of those Bonds by the Trustee. The Trustee may pay to any such agent from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments as expenses of the Trustee pursuant to Section 8.02 hereof. All provisions protective of the Trustee in this Article VIII shall apply to any such agent.

Section 8.02. Compensation of Trustee. The City, from time to time, shall pay, and the Trustee is entitled to, reasonable compensation as agreed upon from time to time (which may not be limited by any provision of law in regard to the compensation of a trustee of an express trust). The City shall pay or reimburse the Trustee on request for all reasonable expenses, disbursements and advances incurred or made, in accordance with any of the provisions of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its counsel and of all agents and other Persons not regularly in its employ), except to the extent that any such expense, disbursement or advance is due to its own negligence or bad faith. The Trustee may not be paid from, and has no lien or claim on, any amounts in the Remarketing Reimbursement Fund or the Debt Service Fund. The City covenants and agrees to indemnify and hold the Trustee and its directors, officers, agents and employees (collectively, the "Indemnitees") harmless from and against any and all liabilities, losses, damages, fines, suits, actions, demands, penalties, costs and expenses, including out-of-pocket, incidental expenses, legal fees and expenses, and allocated costs and expenses of in-house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim ("Losses") that may be imposed on, incurred by, or asserted against the Indemnitees or any of them for following any instruction or other direction upon which the Trustee is authorized to rely pursuant to the terms of this Indenture. In addition to and not in limitation of the immediately preceding sentence, the City also covenants and agrees to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed upon, incurred by, or asserted against the Indemnities or any of them in connection with or arising out of the Trustee's performance under this Indenture provided that the Trustee has not acted with negligence or engaged in willful misconduct. The provisions of this Section 8.02 shall survive termination of this Indenture, the defeasance of the Bonds, and the resignation or removal of the Trustee for any reason.

Section 8.03. Resignation; Successor Trustees. The Trustee and any successor Trustee may resign only on giving sixty (60) days' prior written notice to the City, the Liquidity Provider, if any, the Remarketing Agent, if any, and each Owner of Bonds then Outstanding as shown on the books of registry. Such resignation takes effect only on the appointment of a successor Trustee by the City and the acceptance of such appointment by the successor Trustee. If no successor is appointed within sixty (60) days after the notice of resignation, the resigning Trustee may appoint a successor or at the City's expense petition any court of competent jurisdiction to appoint a successor. On appointment of a successor Trustee, the resigning Trustee shall assign, without any expense to the Trustee, all of its right, title and interest in this Indenture and the security for the Bonds (including any Letter of Credit and any Liquidity Facility then in effect) to the successor Trustee. The successor Trustee must be a bank or trust company with trust powers organized under the laws of the United States of America or any state of the United States of America, or the District of Columbia, having a combined capital stock, surplus and undivided profits aggregating at least \$100,000,000. Any successor Trustee shall accept in writing its duties and responsibilities hereunder and such writing shall be filed with the City and the Liquidity Provider, if any.

Section 8.04. Removal of Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee, the Liquidity Provider, if any, the Remarketing Agent, if any, and the City and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. During such time that no default has occurred and is continuing under this Indenture and no event has occurred which with the passage of time or giving of notice or both could result in such a default, the Trustee may also be removed by an instrument in writing delivered to the Trustee and the Liquidity Provider, if any, by the City. Such removal shall take effect only on the appointment of a successor Trustee by the City and the acceptance of such appointment by the successor Trustee. On such removal, the Trustee shall assign, without any expense to the Trustee, to the successor Trustee all of its right, title and interest in this Indenture and the security for the Bonds (including any Letter of Credit and Liquidity Facility then in effect) in the same manner as provided in Section 8.03. If the Bonds are rated by a Rating Agency, notice concerning any change in the Trustee shall be furnished by the City to such Rating Agency.

Section 8.05. Instruments of Owners. (a) Any instrument required by this Indenture to be executed by Owners may be in any number of writings of similar tenor and may be executed by Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds given in any of the following forms is sufficient for any of the purposes of this Indenture:

(i) A certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him/her the execution thereof;

(ii) A certificate executed by any trust company or bank stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank, as the property of such party, the Bonds therein mentioned.

(b) The Trustee may rely on such an instrument of Owners unless and until the Trustee receives notice in the form specified in subsection (a)(i) or (ii) above that the original such instrument is no longer reliable. If the Trustee receives conflicting directions from two or more groups of Owners, each with combined holdings of not less than 25% of the principal amount of Outstanding Bonds, the directions given by the group of Owners which holds the largest percentage of Bonds are controlling and the Trustee shall follow such directions to the extent required herein.

Section 8.06. Several Capacities. Anything in this Indenture to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, the Letter of Credit Bank, the Liquidity Provider, the Paying Agent, the Registrar and the Remarketing Agent and in any other combination of such capacities, to the extent permitted by law.

Section 8.07. Trustee Not Responsible for Duties of Remarketing Agent and Paying Agent. Notwithstanding anything to the contrary in this Indenture, the Trustee is not liable or responsible for any of the duties or obligations of the Remarketing Agent under this Indenture (or liable or responsible for the acts or omissions of or the Remarketing Agent or any action taken by the Trustee or failure to act in reasonable reliance on any action or failure to act by the Remarketing Agent). The Trustee is not bound to ascertain or inquire as to the truth or accuracy of any information provided to it by the Paying Agent or the Remarketing Agent but may for any purpose conclusively rely on any information given to the Trustee by the Remarketing Agent.

ARTICLE IX

DEFAULT PROVISIONS; REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 9.01. Defaults and Remedies. Upon the occurrence of:

- (a) default in the payment of any interest on any Bond when due and payable;
- or
- (b) default in the payment of the principal of any Bond when due and payable.

the Trustee may, and if requested in writing by the registered owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall seek to obtain a writ of mandamus from a court of competent jurisdiction requiring the City to assess, levy and collect a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds.

Section 9.02. Other Remedies; Rights of Bondholders. Upon the occurrence of a failure of the City to observe any of its other covenants, conditions or agreements under this Indenture for a period of thirty (30) days after receipt of written notice (unless the Trustee shall agree in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, given by the Trustee to the City, or in the case of any such default which cannot with due diligence be cured within such thirty (30) day period, failure of the City

to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence, the Trustee may proceed to protect and enforce its rights and the rights of the Bondholders by mandamus or other action, suit or proceeding at law or in equity for specific performance of any agreement herein contained.

Upon the occurrence of a default, if requested to do so by the holders of twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding and the provision of indemnity satisfactory to the Trustee, the Trustee shall exercise such one or more of the rights and remedies conferred by this Article IX as the Trustee, upon being advised by counsel, shall deem most expedient in the interests of the Bondholders.

Section 9.03. Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings hereunder; *provided, however*, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 9.04. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any holders of the Bonds, and any recovery of judgment shall be for the equal benefit of the holders of the Outstanding Bonds.

Section 9.05. Unconditional Right to Receive Principal, Premium and Interest. Nothing in this Indenture shall affect or impair the right of any Bondholder to enforce, by action at law, payment of the principal of, premium, if any, or interest on any Bond at and after the maturity thereof, or on the date fixed for redemption or on the same being declared due prior to maturity as herein provided, or the obligation of the City to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective holders thereof at the time, place, from the source and in the manner herein and in the Bonds expressed.

Section 9.06. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the City and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9.07. Waivers of Events of Default. The Trustee, in its discretion, may waive any default hereunder and its consequences and shall do so at the written request of the Holders of a majority in aggregate principal amount of Bonds then Outstanding; provided, however, that there shall not be waived without the consent of the Holders of all Bonds then

Outstanding (A) any default in the payment of the principal of any Outstanding Bonds (whether at maturity or otherwise), or (B) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission,

(i) there shall have been paid or provided for all arrears of interest in respect of which such default shall have occurred, all arrears of principal and premium, if any, and all expenses of the Trustee in connection with such default, and

(ii) in case of any such waiver or in the case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Trustee on account of any such default, the City the Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively.

No such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE X

DISCHARGE

Section 10.01. Discharge. On payment in full of all Bonds, these presents shall cease, determine and be discharged, and then the Trustee shall (i) cancel and discharge this Indenture, (ii) assign and deliver to the City any money held by it relating to the Bonds and (iii) return any Liquidity Facility to the Liquidity Facility Provider and the Letter of Credit to the Letter of Credit Bank; *provided, however*, that the cancellation and discharge of this Indenture pursuant to Section 10.02 does not terminate the right to receive payments provided for pursuant to section 10.02, the powers and rights granted to the Trustee, the Registrar, the Remarketing Agent and the Paying Agent with respect to the payment, registration of transfer and exchange of the Bonds. If the Bonds are rated by a Rating Agency, the Trustee shall furnish such Rating Agency notice of payment in full of the Bonds.

Section 10.02. Provision for Payment of Bonds. (a) A Bond is deemed to have been paid within the meaning of Section 10.01 if:

(i) there has been irrevocably deposited with the Trustee either (A) sufficient money to pay the principal and interest due on the Bond or (B) Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, in the opinion of a firm of independent certified public accountants or other verification agent acceptable to the Trustee and the City, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (such earnings also to be held in trust), be sufficient together with any moneys referred to in subsection (a)(i)(A) above, for the payment at maturity or redemption or tender date before maturity of the principal thereof and the redemption premium, if any, and interest to accrue thereon at such maturity or redemption or tender date, as the case may be;

(ii) if a Bond is to be redeemed on any date before its maturity, the Trustee has received in form satisfactory to it irrevocable instructions from the City to redeem such Bond on such date and either evidence satisfactory to the Trustee that the redemption notice required by this Indenture has been given or irrevocable power authorizing the Trustee to give such redemption notice has been granted to the Trustee;

(iii) the Bond is not subject to a change in its interest rate, or tender at the option of the Bondholder, prior to its date of redemption; and

(iv) if all Bonds are being discharged, there has been paid or provision duly made for the payment of all fees and expenses of the Trustee, the Registrar, the Paying Agent, the Liquidity Facility Provider, if any, the Letter of Credit Bank, if any, and the Remarketing Agent due or to become due, including all amounts due with respect to the Liquidity Facility Provider Bonds, if any.

(b) Limitations set forth elsewhere herein regarding the investment of moneys held by the Trustee are not to be construed as preventing the deposit and holding of the obligations described in subsection (a)(i)(B) of this Section 10.02 for the purpose of defeasing this Indenture as to Bonds which have not yet become due and payable. Notwithstanding any other provision of this Indenture to the contrary, all money deposited with the Trustee as provided in this Section 10.02 may be invested and reinvested, at the direction of the City, in Defeasance Obligations maturing in the amounts and times as hereinbefore set forth, and all income from all Defeasance Obligations in the hands of the Trustee under this Section which is not required for the payment of the Bonds and interest thereon with respect to which such moneys have been so deposited shall be delivered to the City.

(c) Notwithstanding any other provision of this Indenture to the contrary, if a Bond has been deemed to be paid under this Section, and if the Bond is secured by a Letter of Credit or Liquidity Facility, the Letter of Credit or Liquidity Facility may be terminated with respect to the Bond if the Trustee receives written confirmation from each Rating Agency, then maintaining a rating on the Bond, that termination of the Letter of Credit or Liquidity Facility shall not cause the ratings then in effect on the Bonds to be reduced or withdrawn. Upon receipt of the confirmation(s), the Bond shall no longer be subject to any mandatory tender except for mandatory tender at the option of the City.

ARTICLE XI

MISCELLANEOUS MATTERS

Section 11.01. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person, other than the parties hereto, the Remarketing Agent, the Letter of Credit Bank, the Liquidity Facility Provider, the Auction Agent, the Broker-Dealer and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and agreements herein contained; this Indenture and all of the covenants, conditions and agreements hereof being

intended to be and being for the sole and exclusive benefit of the parties hereto and the Holders of the Bonds as herein provided.

Section 11.02. Notice to Owners of Bonds. Except as is otherwise provided in this Indenture, any provision for the Mailing of a notice or other paper to any Owner shall be fully complied with if it is Mailed, to such Owner at its address appearing upon the books of registry kept pursuant to Section 2.04 hereof.

Section 11.03. Waiver of Notice. Whenever in this Indenture the giving of notice by Mail, publication, or otherwise is required, the giving of such notice may be waived by the Person entitled to receive such notice, and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.04. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Indenture on the part of the City or the Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Indenture and the invalidity thereof shall in no way affect the validity of the other provisions of this Indenture or of the Bonds, but the Owners shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

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

Section 11.05. Law and Place of Enforcement of Indenture. This Indenture shall be construed and interpreted in accordance with the laws of the State and all suits and actions arising out of this Indenture shall be filed and maintained in any court of competent jurisdiction in the State.

Section 11.06. Amendments to this Indenture. (a) This Indenture may be amended, at any time or from time to time, without the consent of the Owners of the Outstanding Bonds, (i) for the purpose of making changes in the provisions hereof relating to the characteristics and operational provisions of the Adjustable Interest Rates, (ii) in order to provide for and accommodate any Letter of Credit, any Alternate Letter of Credit, any Liquidity Facility or any Alternate Liquidity Facility, (iii) pursuant to written advice of Bond Counsel, in order to preserve the exemption from federal income taxation of the interest on the Bonds, and (iv) in connection with any changes in Adjustable Interest Rates with respect to the Bonds, for the purpose of making any changes with respect to the Adjustable Interest Rates as they affect the Bonds. Each such amendment shall become effective with respect to the Bonds on the change in an Adjustable Interest Rate next following the filing of a copy thereof with the Trustee, the Remarketing Agent, the Letter of Credit Bank and the Liquidity Facility Provider,

together with a Favorable Opinion of Bond Counsel. No such amendment which is reasonably believed by the Trustee, the Remarketing Agent, the Letter of Credit Bank or the Liquidity Facility Provider to adversely affect its rights, immunities and duties hereunder shall be effective without the written consent thereto of the Trustee, the Remarketing Agent, the Letter of Credit Bank or the Liquidity Facility Provider, as the case may be. Without limitation of the foregoing, (x) any provision of this Indenture expressly recognizing or granting rights in or to the Letter of Credit Bank may not be amended in any manner which affects the rights of the Letter of Credit Bank hereunder without the prior written consent of the Letter of Credit Bank and (y) any provision of this Indenture expressly recognizing or granting rights in or to the Liquidity Facility Provider may not be amended in any manner which affects the rights of the Liquidity Facility Provider hereunder without the prior written consent of the Liquidity Facility Provider.

(b) The Owners of 51% of the Bonds then Outstanding, with the consent of the Liquidity Facility Provider, if any, and with the consent of the Letter of Credit Bank, if any, have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding and to the extent permitted by law, to consent to and direct the execution by the Trustee of such amendments hereto as the City in its sole discretion shall consent to for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; *provided, however*, a modification or change in the duties of the Trustee hereunder shall require the consent of the Trustee. If the Bonds are rated by a Rating Agency, the Trustee shall furnish copies of all amendments to such Rating Agency.

Section 11.07. Effect of Section Headings and Table of Contents. The headings or titles of the several Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning or construction, interpretation or effect of this Indenture.

Section 11.08. Further Actions. The appropriate officers of the City are hereby authorized and directed to do all matters and to execute all documents necessary, useful, convenient or desirable to accomplish the issuance and delivery of the Bonds in accordance with the provisions of this Indenture, including without limitation the execution of Tax Compliance Certificate and any contract relating to the investment of monies held in any fund, account or subaccount with respect to the Bonds.

Section 11.09. Notices.

(a) All notices required to be given to Registered Owners of Bonds under this Indenture, unless otherwise expressly provided in this Indenture, shall be given by Mail.

(b) So long as the Bonds are rated by Moody's, S&P or Fitch, the City shall give to each such Rating Agency then rating the Bonds prior written notice of any of the occurrence of any of the following events:

(i) Any change of Trustee and any change of Remarketing Agent;

- (ii) Any changes to this Indenture that affect the Bonds;
- (iii) Any changes to the Reimbursement Agreement, the Letter of Credit, the Liquidity Facility or any agreement with the Remarketing Agent;
- (iv) Any expiration, termination or extension of any Letter of Credit or any Liquidity Facility or the obtaining of an Alternate Letter of Credit or an Alternate Liquidity Facility, in each case with respect to the Bonds (a copy of which notice also shall be sent to each Owner of Bonds);
- (v) Any notice to Notice Parties in connection with a change of the Adjustable Interest Rate; and
- (vi) Any redemption, defeasance or mandatory tender of all Outstanding Bonds.

(c) Notices, Demands, Requests. All notices, demands and requests to be given to or made hereunder by the City, the Trustee, the Remarketing Agent, the Liquidity Facility Provider, the Letter of Credit Bank, Moody's, S&P or Fitch 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 facsimile numbers set forth below:

- | | |
|---|--|
| (1) As to the City | City of Milwaukee
City Hall
200 East Wells Street
Milwaukee, Wisconsin, 53209
Attention: Comptroller
Telephone: (414) 286-3321
Telecopy: (414) 286-0653 |
| (2) As to the Trustee | J.P. Morgan Trust Company, National
Association
111 E Wisconsin Avenue - 15th Fl
Milwaukee, WI 53202
Telephone: 414-977-8119
Telecopy: 414-977-6624 |
| (4) As to the Liquidity Facility Provider | State Street Bank and Trust Company
One Lincoln Street, Fifth Floor
Attention: Darren DeGennaro
Boston, MA 02111
Telephone: (617) 664-4237
Telecopy: (617) 310-5782 |

- (5) As to the Remarketing Agent
- Banc of America Securities LLC
Mail Code NC1-027-14-01
Hearst Tower, Fourteenth Floor,
214 North Tryson Street
Charlotte, NC 28255
Attention: Municipal Remarketing Desk;
Telephone: (704) 386-9028
Telecopy: (704) 388-0393
- (6) As to Moody's
- Moody's Investors Service
99 Church Street
New York, New York 10007
Attention: Public Finance Department –
Structured Finance Group
Telephone: (212) 553-4441
Telecopy: (212) 553-4090
- (7) As to S&P
- Standard & Poor's Ratings Services, a
Division
of The McGraw-Hill Companies
55 Water Street, 38th Floor
New York, New York 10041
Attention: Public Finance-Structured
Surveillance Group
Telephone: (212) 438-2000
Telecopy: (212) 438-2152
email: pubfin_structured@sandp.com
- (8) As to Fitch
- Fitch, Inc.
One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance
Group
Telephone: (212) 908-0529
Telecopy: (212) 480-4421

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

Each of the foregoing addresses shall be the initial principal office or delivery office of the applicable party.

Section 11.10. Effective Date. This Indenture shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy hereof certified by the Clerk of the City acting singly with such changes and insertions as may be approved by such officer, the filing of such certified copy to be conclusive evidence of approval.

Section 11.11. Waiver of Personal Liability. No Commissioner, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal of or premium, if any, or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Commissioner, Member of the Common Council, member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.12. Limitation of Liability of Officers, etc., of City. No covenant or agreement contained herein shall be deemed to be a covenant or agreement of any present or future officer, employee or agent of the City in his individual capacity, and neither the Council nor any officer thereof executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the City shall incur any personal liability with respect to any other action taken by him pursuant to this Indenture, provided such officer, employee or agent acts in good faith.

Section 11.13. Successors and Assigns. This Indenture shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 11.14. Opinion of Bond Counsel. In situations where a Favorable Opinion of Bond Counsel is required or requested to be delivered under this Indenture after the date of delivery of the Bonds, the Trustee shall accept (unless otherwise directed by the City in writing) an opinion in such form and with such disclosures as may be required so that such opinion will not be treated as a “covered opinion” for the purposes of the United States Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230), 31 CFR part 10.

Section 11.15. Indenture May be Executed in Counterparts. This Indenture may be simultaneously executed in counterparts. Each such counterpart so executed shall be deemed to be an original, and all together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and J.P. Morgan Trust Company, National Association, as Trustee, have caused this Indenture to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

CITY OF MILWAUKEE, WISCONSIN

Attest:

City Clerk

BY: _____
MAYOR

Approved:

City Attorney

BY: _____
COMPTROLLER

J.P. MORGAN TRUST COMPANY, NATIONAL
ASSOCIATION,
as Trustee

BY: _____
Name:
Title:

EXHIBIT A

FORM OF BOND

REGISTERED

REGISTERED

No. R-__

\$_____

**UNITED STATES OF AMERICA
STATE OF WISCONSIN
COUNTY OF MILWAUKEE
CITY OF MILWAUKEE
VARIABLE RATE GENERAL OBLIGATION CORPORATE PURPOSE BONDS
SERIES 2005 V8**

MATURITY DATE

DATE OF ISSUE

CUSIP

February 1, 2025

December 1, 2005

602366 ____

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL SUM:

INTEREST RATE: [At an Adjustable Rate and thereafter at an Adjustable Rate or Fixed Interest Rate, all as provided in the Indenture, hereinafter defined]

FOR VALUE RECEIVED, THE CITY OF MILWAUKEE, WISCONSIN (the "City"), hereby promises to pay, but solely in the manner and or hereinafter provided, to the Registered Holder stated above, or registered assigns, on the Maturity Date specified above upon presentation and surrender hereof, the Principal Amount stated above, and to pay to the Registered Holder hereof interest on the balance of said Principal Amount from time to time remaining unpaid, from the Date of Issue specified above, at the Adjustable Rate or the Fixed Interest Rate, computed on the basis set forth in the Indenture, on the Interest Payment Dates as defined in the Indenture until payment in full of such Principal Amount, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. Principal and redemption price of this bond shall be payable at the designated Corporate Trust Office of J.P. Morgan Trust Company, National Association, Milwaukee, Wisconsin, as trustee (the "Trustee"), in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts and payment of the interest hereon shall be paid to the Registered Owner hereof by check or draft mailed to the Person who

is the Registered Owner hereof as of the Record Date as defined in the Indenture at the address of such Registered Owner as it appears on the registration books of the City maintained at the Corporate Trust Office of the Trustee. While DTC (hereinafter defined) or its nominee is the Registered Owner of the Bonds, principal or redemption price, if any, of and interest on this bond shall be paid by wire to the Registered Owner in accordance with procedures established by the City and DTC as hereinafter defined.

The Bonds are being issued in fully registered form by means of a book-entry system, with bond certificates immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public, evidencing ownership of the Bonds in Authorized Denominations, as defined in the Indenture, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its Participants.

This Bond and the series of which it is one are authorized to be issued and are issued under, pursuant to and in full compliance with the Constitution and statutes of the State of Wisconsin, including particularly Chapters 65 and 67 of the Wisconsin Statutes, and acts supplementary thereto, the Charter of the City, resolutions duly passed by the Common Council of the City including particularly the Resolution duly adopted by such Council as of November 15, 2005 (the "Resolution") and the Trust Indenture dated as of November 1, 2005 by and between the City and the Trustee (the "Indenture"), for the purpose of financing a portion of the costs of various projects for the City and paying costs of issuance of the Bonds.

This Bond is one of a series of bonds designated as "City of Milwaukee, Wisconsin, Variable Rate General Obligation Corporate Purpose Bonds, Series 2005 V8" issued in the aggregate principal amount of \$_____ and duly issued under and pursuant to the Resolution and the Indenture (the "Bonds"). Copies of the Resolution and the Indenture are on file at the office of the City Clerk of the City, in Milwaukee, Wisconsin, and at the office of the Trustee in Milwaukee, Wisconsin.

This Bond is transferable, as provided in the Indenture, only upon the books of the City kept for that purpose at the Corporate Trust Office of the Trustee, by the Registered Owner hereof in person or by his or her attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his or her duly authorized attorney. This Bond may not be transferred or exchanged in a manner which would involve the delivery of bond certificates to the beneficial owners of Bonds unless the book-entry system has been discontinued by the City in accordance with the Indenture. Upon transfer of this Bond, there shall be issued in the name of the transferee a new registered Bond or Bonds of the same tenor and maturity of an Authorized Denomination or Denominations and for the same aggregate amount, all as provided in the Indenture and upon the payment of the charges therein prescribed. The City, the Trustee and any paying agent may treat and consider the Person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, purchase price or redemption price hereof and interest hereon and for all other purposes whatsoever, irrespective of any notice to the contrary.

This Bond is subject to optional redemption and mandatory redemption as more specifically provided in the Indenture upon notice thereof as provided therein. This Bond is also subject to optional and mandatory purchase and tender under certain circumstances as provided in the Indenture.

The full faith, credit and resources of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Bond as the same become due. A direct annual irrepealable tax shall be levied in each year that the Bonds are Outstanding, in an amount sufficient to pay and for the express purpose of paying the interest on the Bonds, as it falls due, and also to pay and discharge the principal thereof at maturity, and shall be extended upon the tax roll of the City and shall be collected by the officers of the City in the same manner and at the same time as taxes for general City purposes for such years are extended and collected, and when so collected, the proceeds of said taxes shall be used solely for paying the principal and interest on such Bonds as long as any Bonds of said issue remain outstanding.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as assigned to such words and phrases in the Resolution and the Indenture.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State of Wisconsin and by the Resolution and the Indenture to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened and have been performed and that the issuance of the Bonds, together with all other indebtedness of the City is within every debt and other limit prescribed by said Constitution and statutes; and that the City has levied a direct, annual irrepealable tax sufficient to pay this Bond, together with interest thereon, when and as payable.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the CITY OF MILWAUKEE has caused this Bond to be signed by the facsimile signatures of the Mayor and City Clerk, countersigned by the facsimile signature of the Comptroller, attested by the facsimile signatures of the Commissioners of the Public Debt, and sealed with the City's seal, and has caused this Bond to be dated this ___ day of _____, 2005.

ATTEST:

Commissioner of the Public Debt

Mayor

Commissioner of the Public Debt

City Clerk

Commissioner of the Public Debt

Comptroller

[SEAL]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Indenture, and is one of the Variable Rate General Obligation Corporate Purpose Bonds, Series 2005 V8 of the City of Milwaukee, Wisconsin.

**J.P. MORGAN TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee**

By: _____
Authorized Officer or Authorized Signatory

Date of Authentication: _____, 2005

ASSIGNMENT

For value received, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or type name and address, including postal zip code, of transferee)

PLEASE INSERT SOCIAL SECURITY
OR OTHER TAX IDENTIFYING NUMBER
OF TRANSFEREE:

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer such Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature(s) Guaranteed

NOTICE: Signature(s) must be guaranteed by an approved, eligible guarantor institution, an institution which is a participant in the Securities Transfer Association recognized signature guarantee program.

(Signature(s) of Registered Holder)

NOTICE: The signature(s) above must correspond with the name of the Registered Holder as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

AUCTION RATE MODE

Section B.01. Definitions. In addition to the words and terms elsewhere defined in the Resolution and the Indenture, the following words and terms as used in this Exhibit B and elsewhere in the Resolution and the Indenture have the following meanings with respect to Bonds in an Auction Rate Period unless the context or use indicates another or different meaning or intent:

“Applicable Auction Rate” means, while the Bonds, or a Tranche thereof, are in an Auction Rate Period, the rate per annum at which interest accrues with respect to the Bonds for any Auction Interest Period.

“Applicable Percentage” means, with respect to Bonds which are ARS on any date of determination, the percentage determined (as such percentage may be adjusted pursuant to Section B.04(d)), based on Moody’s or S&P ratings of such ARS, in effect at the close of business on the Business Day immediately preceding such date, or, if such ARS, are then rated by both Moody’s and Standard & Poor’s, based on the lower of such ratings on such Business Day, as set forth below:

<u>Credit Ratings</u>		<u>Applicable Percentage</u>
<u>Moody’s</u>	<u>Standard & Poor’s</u>	
“Aaa”	“AAA”	175%
“Aa”	“AA”	175%
“A”	“A”	175%
“Baa”	“BBB”	200%
Below “Baa”	Below “BBB”	265%

provided, that if any ARS are not then rated by an ARS Rating Agency, the Applicable Percentage with respect to such ARS shall be 265% of the Index on such date. For purposes of this definition, S&P rating categories of “AAA”, “AA”, “A” and “BBB,” and Moody’s rating categories of “Aaa,” “Aa,” “A” and “Baa” shall refer to and include the respective rating categories correlative thereto if either or both of such rating agencies shall have changed or modified their generic rating categories or if Moody’s or S&P shall not rate, or no longer rate, the ARS or shall have been replaced.

“ARS” means, on any date, the Bonds, or a Tranche thereof, in an Auction Rate Mode as to which interest accrues on such date as auction rate securities as provided in this Exhibit.

“ARS Beneficial Owner” means the Person who is the beneficial owner of ARS according to the records of (i) the Securities Depository or its Participants while such ARS are Book-Entry Bonds or (ii) the Trustee while the ARS are not Book-Entry Bonds.

“ARS Rating Agency” means Moody’s or Standard & Poor’s, or if either Moody’s or S&P discontinues its securities rating service, then such other nationally recognized securities rating agency as may be specified by the Market Agent with the consent of the City.

“Auction” means the implementation of the Auction Procedures on an Auction Date.

“Auction Agent” means any auctioneer appointed in accordance with Section 3.01 and 3.02 of Exhibit B, _____ and such other Person meeting the requirements of Section B.04(f), which is a party to an Auction Agent Agreement and agrees with the Trustee to perform the duties of the Auction Agent herein with respect to ARS.

“Auction Agent Agreement” means the Agreement, between the Trustee and the Auction Agent, as the same may be amended and supplemented from time to time and any other auction agent agreement in substantially the form of such agreement, as from time to time in effect.

“Auction Agent Fee” has the meaning provided in each Auction Agent Agreement.

“Auction Date” means, with respect to ARS, the Business Day immediately preceding the first day of each Auction Period, other than

- (i) each Auction Period commencing after the ARS are no longer Book-Entry Bonds;
- (ii) each Auction Period commencing after the occurrence and during the continuance of an Auction Rate Payment Default; or
- (iii) any Auction Period commencing less than two Business Days after the cure or waiver of an Auction Rate Payment Default.

The Auction Date determined as provided in this definition may be adjusted as provided in Section B.04(j).

“Auction Default Interest” means interest with respect to any ARS which is payable but is not punctually paid or duly provided for on any Auction Interest Payment Date.

“Auction Interest Payment Date” means, with respect to ARS, the Business Day immediately following each Auction Period for such ARS.

“Auction Interest Period” means the period commencing on and including an Auction Interest Payment Date and ending on and including the day immediately preceding the next succeeding Auction Interest Payment Date; provided that the initial Auction Interest Period shall commence on the Issuance Date and any subsequent Auction Interest Period shall commence on the Conversion Date to such subsequent Auction Interest Period.

“Auction Period” means (i) with respect to ARS in a seven-day mode, any of (A) a period, generally of seven days, beginning on and including a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on and including the Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (B) a period, generally of seven days, beginning on and including a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on and including the Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (C) a period, generally of seven days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (D) a period, generally of seven days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day) or (E) a period, generally of seven days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day) and (ii) with respect to ARS in a 35-day mode, any of (A) a period, generally of 35 days, beginning on and including a Monday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Sunday) and ending on and including the fifth Sunday thereafter (unless such Sunday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day), (B) a period, generally of 35 days, beginning on and including a Tuesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Monday) and ending on and including the fifth Monday thereafter (unless such Monday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (C) a period, generally of 35 days, beginning on and including a Wednesday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Tuesday) and ending on and including the fifth Tuesday thereafter (unless such Tuesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day), (D) a period, generally of 35 days, beginning on and including a Thursday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Wednesday) and ending on and including the fifth Wednesday thereafter (unless such Wednesday is not followed by a Business Day, in which case ending on and including the next succeeding day followed by a Business Day) or (E) a period, generally of 35 days, beginning on and including a Friday (or the day following the last day of the prior Auction Period if the prior Auction Period does not end on a Thursday) and ending on and including the fifth Thursday thereafter (unless such Thursday is not followed by a Business Day, in which case ending on and including the next succeeding day which is followed by a Business Day); provided, however, that in the event of a Conversion of the Bonds from

another Rate Period to an Auction Rate Period the initial Auction Period with respect to such ARS following such Conversion shall begin on and include the Conversion Date.

“Auction Procedures” means, with respect to ARS, the provisions set forth in Section B.02 hereof.

“Auction Rate” means, with respect to the interest rate on ARS, the rate of interest per annum that results from implementation of the Auction Procedures, and determined as described in Section B.02(c)(ii) hereof; provided, however, that the Auction Rate shall not exceed the Maximum Auction Rate.

“Auction Rate Payment Default” means (i) a default in the due and punctual payment of any installment of interest on ARS or (ii) a default in the due and punctual payment of any principal of or premium, if any, on ARS at stated maturity or pursuant to a mandatory redemption.

“Auction Rate Period” means the Interest Rate Period during which the Bonds or a Tranche thereof, as the case may be, bear interest at an Auction Rate.

“Available ARS” has the meaning set forth in Section B.02(c)(i)(A) hereof.

“Bid” has the meaning set forth in Section B.02(a)(i) hereof.

“Bidder” has the meaning set forth in Section B.02(a)(i) hereof.

“Buyer’s Broker-Dealer” has the meaning set forth in Section B.03(a)(iv) hereof.

“Hold Order” has the meaning set forth in Section B.02(a)(i) hereof.

“Maximum Auction Rate” means, on any date of determination, the interest rate per annum equal to the lesser of (i) the Applicable Percentage of the higher of (A) the After-Tax Equivalent Rate on such date and (B) the Index on such date, and (ii) 15% per annum; provided, that in no event shall the Maximum Auction Rate be more than the Maximum Lawful Rate.

“Notice of Cure of Auction Rate Payment Default” means a notice substantially in the form of Exhibit H of the Indenture.

“Order” has the meaning set forth in Section B.02(a)(i) hereof.

“Sell Order” has the meaning set forth in Section B.02(a)(i) hereof.

“Seller’s Broker-Dealer” has the meaning set forth in Section B.03(a)(iii) hereof.

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

“Submission Processing Deadline” means the earlier of (i) 40 minutes after the Submission Deadline and (ii) the time when the Auction Agent begins to disseminate the results of the Auction to the Broker-Dealers.

“Submission Processing Representation” shall have the meaning specified in Section B.02(b)(ix) hereof.

“Submitted Bid” has the meaning set forth in Section B.02(c)(i) hereof.

“Submitted Hold Order” has the meaning set forth in Section B.02(c)(i) hereof.

“Submitted Order” has the meaning set forth in Section B.02(c)(i) hereof.

“Submitted Sell Order” has the meaning set forth in Section B.02(c)(i) hereof.

“Sufficient Clearing Bids” has the meaning set forth in Section B.02(c)(i)(B) hereof.

“Winning Bid Rate” has the meaning set forth in Section B.02(c)(i)(C) hereof.

Section B.02. Auction Procedures. So long as the ownership of the ARS is maintained in book entry form by the Securities Depository, an Existing Owner may sell, transfer or otherwise dispose of ARS only pursuant to a Bid or Sell Order placed in an Auction or through a Broker Dealer, provided that, in the case of all transfers other than pursuant to Auctions, such Existing Owner or its Broker Dealer advises the Auction Agent of such transfer. Subject to the provisions of Section B.04 hereof, Auctions shall be conducted on each Auction Date, if there is an Auction Agent on such Auction Date, in the following manner:

(a) (i) Prior to the Submission Deadline on each Auction Date:

(A) each Existing Owner of ARS may submit to a Broker Dealer by Electronic Notice any information as to:

(I) the principal amount of outstanding ARS, if any, held by such Existing Owner which such Existing Owner desires to continue to hold without regard to the Auction Rate for the next succeeding Auction Interest Period;

(II) the principal amount of outstanding ARS, if any, which such Existing Owner offers to sell if the Auction Rate for the next succeeding Auction Interest Period shall be less than the rate per annum specified by such Existing Owner; and/or

(III) the principal amount of outstanding ARS, if any, held by such Existing Owner which such Existing Owner offers to sell without regard to the Auction Rate for the next succeeding Auction Interest Period; and

(B) one or more Broker Dealers may contact Potential Owners to determine the principal amount of ARS which each Potential Owner offers to purchase, if

the Auction Rate for the next succeeding Auction Interest Period shall not be less than the rate per annum specified by such Potential Owner.

The statement of an Existing Owner or a Potential Owner referred to in (A) or (B) of this paragraph (i) is hereinafter referred to as an "Order," and each Existing Owner and each Potential Owner placing an Order is hereinafter referred to as a "Bidder"; an Order described in clause (A)(I) is hereinafter referred to as a "Hold Order"; an Order described in clause (A)(II) or (B) is hereinafter referred to as a "Bid"; and an Order described in clause (A)(III) is hereinafter referred to as a "Sell Order."

(ii) (A) Subject to the provisions of Section B.02(b) hereof, a Bid by an Existing Owner shall constitute an irrevocable offer to sell (in each case for settlement in same day funds on the next Auction Interest Payment Date therefor at a price equal to 100% of the principal amount thereof):

(I) the principal amount of outstanding ARS specified in such Bid if the Auction Rate determined as provided herein shall be less than the rate specified in such Bid; or

(II) such principal amount or a lesser principal amount of outstanding ARS to be determined as set forth in Section B.02(d)(ii)(D), if the Auction Rate determined as provided herein shall be equal to the rate specified in such Bid; or

(III) such principal amount or a lesser principal amount of outstanding ARS to be determined as set forth in Section B.02(d)(ii)(C) if the rate specified therein shall be higher than the Maximum Auction Rate and Sufficient Clearing Bids have not been made.

(B) Subject to the provisions of Section B.02(b) hereof, a Sell Order by an Existing Owner shall constitute an irrevocable offer to sell (in each case for settlement in same day funds on the next Auction Interest Payment Date therefor at a price equal to 100% of the principal amount thereof):

(I) the principal amount of outstanding ARS specified in such Sell Order if Sufficient Clearing Bids exist; or

(II) such principal amount or a lesser principal amount of outstanding ARS set forth in Section B.02(d)(ii)(C), if Sufficient Clearing Bids have not been made.

(C) Subject to the provisions of Section B.02(b) hereof, a Bid by a Potential Owner shall constitute an irrevocable offer to purchase (in each case for settlement in same day funds on the next Auction Interest Payment Date therefor at a price equal to 100% of the principal amount thereof):

(I) the principal amount of outstanding ARS specified in such Bid if the Auction Rate determined as provided herein shall be higher than the rate specified in such Bid; or

(II) such principal amount or a lesser principal amount of outstanding ARS set forth in Section B.02(d)(i)(E), if the Auction Rate determined as provided herein shall be equal to the rate specified in such Bid.

(b) (i) Each Broker Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on each Auction Date all Orders obtained by such Broker Dealer and shall specify with respect to each such Order:

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

(B) the aggregate principal amount of ARS that are the subject of such Order;

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

(I) the principal amount of ARS, if any, subject to any Hold Order placed by such Existing Owner;

(II) the principal amount of ARS, if any, subject to any Bid placed by such Existing Owner and the rate specified in such Bid; and

(III) the principal amount of ARS, if any, subject to any Sell Order placed by such Existing Owner; and

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

(ii) 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 higher one thousandth (.001) of 1%.

(iii) If an Order or Orders covering all outstanding ARS 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 outstanding ARS held by such Existing Owner and not subject to an Order submitted to the Auction Agent.

(iv) Neither the City, the Trustee nor the Auction Agent shall be responsible for any failure of a Broker Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner, nor shall any such party be responsible for failure by any Securities Depository to effect any transfer or to provide the Auction Agent with current information regarding registration of transfers.

(v) If any Existing Owner submits through a Broker Dealer to the Auction Agent one or more Orders covering in the aggregate more than the principal amount of outstanding ARS held by such Existing Owner, such Orders shall be considered valid as follows and in the following order of priority:

(A) All Hold Orders shall be considered valid, but only up to and including in the aggregate the principal amount of outstanding ARS held by such Existing Owner, and if the aggregate principal amount of ARS subject to such Hold Orders exceeds the aggregate principal amount of ARS held by such Existing Owner, the aggregate principal amount of ARS subject to each such Hold Order shall be reduced so that the aggregate principal amount of ARS subject to such Hold Orders equals the aggregate principal amount of outstanding ARS held by such Existing Owner.

(B) (I) any Bid shall be considered valid up to and including the excess of the principal amount of outstanding ARS held by such Existing Owner over the aggregate principal amount of ARS subject to any Hold Order referred to in subsection (v)(A) above;

(II) subject to subsection (v)(B)(I) above, if more than one Bid with the same rate is submitted on behalf of such Existing Owner and the aggregate principal amount of outstanding ARS subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including the amount of such excess;

(III) subject to subsections (v)(B)(I) and (v)(B)(II) above, if more than one Bid with different rates is submitted on behalf of such Existing Owner, such Bids shall be considered valid first in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to and including the amount of such excess; and

(IV) in any such event, the amount of outstanding ARS, if any, subject to Bids not valid under this subsection (B) shall be treated as the subject of a Bid by a Potential Owner at the rate therein specified; and

(C) All Sell Orders shall be considered valid up to and including the excess of the principal amount of outstanding ARS held by such Existing Owner over the aggregate principal amount of ARS subject to Hold Orders referred to in subsection (v)(A) and valid Bids referred to in subsection (v)(B).

(vi) If more than one Bid for ARS is submitted on behalf of any Potential Owner, each Bid submitted shall be a separate Bid with the rate and principal amount therein specified.

(vii) Any Bid or Sell Order submitted by an Existing Owner covering an aggregate principal amount of ARS not equal to an Authorized Denomination shall be rejected and shall be deemed a Hold Order. Any Bid submitted by a Potential Owner covering an aggregate principal amount of ARS not equal to an Authorized Denomination shall be rejected.

(viii) Any Bid specifying a rate higher than the Maximum Auction Rate will be treated as a Sell Order if submitted by an Existing Owner and will not be accepted if submitted by a Potential Owner. Any Bid submitted by an Existing Owner or on behalf of a Potential Owner specifying a rate lower than the All-Hold Rate shall be considered

as valid and shall be selected in the ascending order of their respective rates contained in the Submitted Bids.

(ix) Anything herein to the contrary notwithstanding, Broker-Dealers may submit an Order after the Submission Deadline and prior to the Submission Processing Deadline if the Order was (i) received by the Broker-Dealer from Existing Owners or Potential Owners prior to the Submission Deadline or (ii) initiated internally by the Broker-Dealer for its own account prior to the Submission Deadline. Each Order submitted to the Auction Agent after the Submission Deadline and prior to the Submission Processing Deadline shall constitute a representation by the Broker-Dealer that such Order was (i) received from an Existing Owner or Potential Owner prior to the Submission Deadline or (ii) initiated internally by the Broker-Dealer for its own account prior to the Submission Deadline (the "Submission Processing Representation").

(c) (i) Promptly after the Submission Deadline on each Auction Date, but subject to a Submission Processing Representation, the Auction Agent will 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 will determine:

(A) the excess of the total principal amount of outstanding ARS over the sum of the aggregate principal amount of outstanding ARS subject to Submitted Hold Orders (such excess being hereinafter referred to as the "Available ARSs"), and

(B) from the Submitted Orders whether:

(I) the aggregate principal amount of outstanding ARS subject to Submitted Bids by Potential Owners specifying one or more rates equal to or lower than the Maximum Auction Rate exceeds or is equal to the sum of:

(II) the aggregate principal amount of outstanding ARS subject to Submitted Bids by Existing Owners specifying one or more rates higher than the Maximum Auction Rate, and

(III) the aggregate principal amount of outstanding ARS subject to Submitted Sell Orders (in the event such excess or such equality exists, other than because all of the outstanding ARS are subject to Submitted Hold Orders, such Submitted Bids described in subclause (I) above shall be referred to collectively as "Sufficient Clearing Bids"); and

(C) if Sufficient Clearing Bids exist, the lowest rate specified in such Submitted Bids (the "Winning Bid Rate") such that if:

(I) (aa) each such Submitted Bid from Existing Owners specifying such lowest rate and (bb) all other Submitted Bids from Existing Owners specifying lower rates were rejected, thus entitling such Existing Owners to continue to hold the principal amount of ARS subject to such Submitted Bids, and

(II) (aa) each such Submitted Bid from Potential Owners specifying such lowest rate and (bb) all other Submitted Bids from Potential Owners specifying lower rates were accepted, the result would be that such Existing Owners described in subsection (C)(I) above would continue to hold an aggregate principal amount of outstanding ARS which, when added to the aggregate principal amount of outstanding ARS to be purchased by such Potential Owners described in subsection (C)(II) above, would equal not less than the Available ARSs.

(ii) Promptly after the Auction Agent has made the determinations pursuant to Section B.02(c)(i) hereof, the Auction Agent shall advise the Broker-Dealer and the Trustee of the Maximum Auction Rate and the All-Hold Rate and the components thereof on the Auction Date and, based on such determinations, the Auction Rate for the next succeeding Auction Interest Period as follows:

(A) if Sufficient Clearing Bids exist, that the Auction Rate for the next succeeding Auction Interest Period shall be equal to the Winning Bid Rate so determined;

(B) if Sufficient Clearing Bids do not exist (other than because all of the outstanding ARS are subject to Submitted Hold Orders), that the Auction Rate for the next succeeding Auction Interest Period shall be equal to the Maximum Auction Rate; or

(C) if all outstanding ARS are subject to Submitted Hold Orders, that the Auction Rate for the next succeeding Auction Interest Period shall be equal to the All-Hold Rate.

(d) Existing Owners shall continue to hold the principal amount of ARS that are subject to Submitted Hold Orders, and, based on the determinations made pursuant to Section B.02(c)(i) hereof, Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other action as set forth below:

(i) if Sufficient Clearing Bids have been made, all Submitted Sell Orders shall be accepted and, subject to the provisions of Sections 2(d)(iv) and 2(d)(v), Submitted Bids shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Owners' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Owner to sell the aggregate principal amount of ARS subject to such Submitted Bids;

(B) Existing Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus entitling each such Existing Owner to continue to hold the aggregate principal amount of ARS subject to such Submitted Bids;

(C) Potential Owners' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted;

(D) each Existing Owner's Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus entitling such Existing Owner to

continue to hold the aggregate principal amount of ARS subject to such Submitted Bid, unless the aggregate principal amount of outstanding ARS subject to all such Submitted Bids shall be greater than the principal amount of ARS (the “remaining principal amount”) equal to the excess of the Available ARS over the aggregate principal amount of ARS subject to Submitted Bids described in subsections (B) and (C) of this Section B.02(d)(i), in which event such Submitted Bid of such Existing Owner shall be rejected in part, and such Existing Owner shall be entitled to continue to hold the principal amount of ARS subject to such Submitted Bid, but only in an amount equal to the aggregate principal amount of ARS obtained by multiplying the remaining principal amount by a fraction, the numerator of which shall be the principal amount of outstanding ARS held by such Existing Owner subject to such Submitted Bid and the denominator of which shall be the sum of the principal amount of outstanding ARS subject to such Submitted Bids made by all such Existing Owners that specified a rate equal to the Winning Bid Rate; and

(E) Each Potential Owner’s Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the principal amount of ARS obtained by multiplying the excess of the aggregate principal amount of Available ARS over the aggregate principal amount of ARS subject to Submitted Bids described in subsections (B), (C) and (D) of this Section B.02(d)(i) by a fraction the numerator of which shall be the aggregate principal amount of outstanding ARS subject to such Submitted Bid and the denominator of which shall be the sum of the principal amount of outstanding ARS subject to Submitted Bids made by all such Potential Owners that specified a rate equal to the Winning Bid Rate.

(ii) If Sufficient Clearing Bids have not been made (other than because all of the outstanding ARS are subject to submitted Hold Orders), subject to the provisions of Sections 2(d)(iv) and (v), Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

(A) Existing Owners’ Submitted Bids specifying any rate that is equal to or lower than the Maximum Auction Rate shall be rejected, thus entitling such Existing Owners to continue to hold the aggregate principal amount of ARS subject to such Submitted Bids;

(B) Potential Owners’ Submitted Bids specifying any rate that is equal to or lower than the Maximum Auction Rate shall be accepted, and specifying any rate that is higher than the Maximum Auction Rate shall be rejected; and

(C) each Existing Owner’s Submitted Bid specifying any rate that is higher than the Maximum Auction Rate and the Submitted Sell Order of each Existing Owner shall be accepted, thus entitling each Existing Owner that submitted any such Submitted Bid or Submitted Sell Order to sell the ARS subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate principal amount of ARS obtained by multiplying the aggregate principal amount of ARS subject to Submitted Bids described in subsection (B) of this Section B.02(d)(ii) which are accepted by a fraction the numerator of which shall be the aggregate principal amount

of outstanding ARS held by such Existing Owner subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the aggregate principal amount of outstanding ARS subject to all such Submitted Bids and Submitted Sell Orders.

(iii) If all outstanding ARS are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.

(iv) If, as a result of the procedures described in Section B.02(d)(i) or 2(d)(ii), any Existing Owner would be entitled or required to sell, or any Potential Owner would be entitled or required to purchase, a principal amount of ARS that is not equal to an Authorized Denomination the Auction Agent shall, in such manner as in its sole discretion it shall determine, round up or down the principal amount of ARS to be purchased or sold by any Existing Owner or Potential Owner so that the principal amount of ARS purchased or sold by each Existing Owner or Potential Owner shall be equal to an Authorized Denomination.

(v) If, as a result of the procedures described in Section B.02(d)(ii), any Potential Owner would be entitled or required to purchase less than an Authorized Denomination of ARS, the Auction Agent shall, in such manner as in its sole discretion it shall determine, allocate ARS for purchase among Potential Owners so that only ARS in Authorized Denominations are purchased by any Potential Owner, even if such allocation results in one or more of such Potential Owners not purchasing any ARS.

(vi) The City, the Trustee, the Broker-Dealers and the Auction Agent shall have no liability in the event that there are not Sufficient Clearing Bids from time to time pursuant to the Auction Procedures.

(e) Based on the result of each Auction, the Auction Agent shall determine the aggregate principal amount of ARS to be purchased and the aggregate principal amount of ARS to be sold by Potential Owners and Existing Owners on whose behalf each Broker Dealer Submitted Bids or Sell Orders and, with respect to each Broker Dealer, to the extent that such aggregate principal amount of ARS to be sold differs from such aggregate principal amount of ARS to be purchased, determine to which other Broker Dealer or Broker Dealers acting for one or more purchasers such Broker Dealer shall deliver, or from which other Broker Dealer or Broker Dealers acting for one or more sellers such Broker Dealer shall receive, as the case may be, ARS.

(f) Any calculation by the Auction Agent (or the Trustee, if applicable) of the Applicable Auction Rate, the "AA" Composite Commercial Paper Rate, the Maximum Auction Rate, the All-Hold Rate and the Non-Payment Rate shall, in the absence of manifest error, be binding on all ARS Beneficial Owners and all other parties.

Section B.03. Settlement Procedures. (a) Not later than 3:00 p.m., New York City time, 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 an Existing Owner or Potential Owner of:

- (i) the Auction Rate fixed for the next Auction Interest Period;
 - (ii) whether there were Sufficient Clearing Bids in such Auction;
 - (iii) if such Broker Dealer (a “Seller’s 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 ARS, if any, to be sold by such Existing Owner;
 - (iv) if such Broker Dealer (a “Buyer’s 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 ARS, if any, to be purchased by such Potential Owner;
 - (v) if the aggregate principal amount of ARS to be sold by all Existing Owners on whose behalf such Broker Dealer submitted a Bid or a Sell Order exceeds the aggregate principal amount of ARS to be purchased by all Potential Owners on whose behalf such Broker Dealer submitted a Bid, the name or names of one or more Buyer’s Broker Dealers (and the name of the Participant, if any, of each such Buyer’s Broker Dealer) acting for one or more purchasers of such excess principal amount of ARS and the principal amount of ARS to be purchased from one or more Existing Owners on whose behalf such Broker Dealer acted by one or more Potential Owners on whose behalf each of such Buyer’s Broker Dealers acted;
 - (vi) if the principal amount of ARS to be purchased by all Potential Owners on whose behalf such Broker Dealer submitted a Bid exceeds the aggregate principal amount of ARS to be sold by all Existing Owners on whose behalf such Broker Dealer submitted a Bid or a Sell Order, the name or names of one or more Seller’s Broker Dealers (and the name of the Participant, if any, of each such Seller’s Broker Dealer) acting for one or more sellers of such excess principal amount of ARS and the principal amount of ARS to be sold to one or more Potential Owners on whose behalf such Broker Dealer acted by one or more Existing Owners on whose behalf each of such Seller’s Broker Dealers acted; and
 - (vii) the Auction Date for the next succeeding Auction.
- (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 in the Auction on such Auction Date whether such Bid or Sell Order was accepted or rejected, in whole or in part;
 - (ii) in the case of a Broker Dealer that is a Buyer’s Broker Dealer, advise 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 Participant to pay to such Broker Dealer (or its Participant) through the Securities Depository the amount necessary to purchase the principal amount of ARS to be purchased pursuant to such Bid against receipt of such ARS;

(iii) in the case of a Broker Dealer that is a Seller's Broker Dealer, instruct each Existing Owner on whose behalf such Broker Dealer submitted a Sell Order that was accepted, in whole or in part, or a Bid that was accepted, in whole or in part, to instruct such Existing Owner's Participant to deliver to such Broker Dealer (or its Participant) through the Securities Depository the principal amount of ARS to be sold pursuant to such 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 Auction Interest Period;

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

(c) On the basis of the information provided to it pursuant to Section B.03(a), each Broker Dealer that submitted a Bid or Sell Order in an Auction is required to allocate any funds received by it in connection with such Auction pursuant to Section B.03(b)(ii), and any ARS received by it in connection with such Auction pursuant to Section B.03(b)(iii) 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 in such Auction, and any Broker Dealers identified to it by the Auction Agent following such Auction pursuant to Section B.03(a)(v) or B.03(a)(vi).

(d) On each Auction Date:

(i) each Potential Owner and Existing Owner with an Order in the Auction on such Auction Date shall instruct its Participant as provided in Section B.03(b)(ii) or B.03(b)(iii), as the case may be;

(ii) each Seller's Broker Dealer that is not a Participant of the Securities Depository shall instruct its Participant to (A) pay through the Securities Depository to the Participant of the Existing Owner delivering ARS to such Broker Dealer following such Auction pursuant to Section B.03(b)(iii) the amount necessary to purchase such ARS against receipt of such ARS, and (B) deliver such ARS through the Securities Depository to a Buyer's Broker Dealer (or its Participant) identified to such Seller's Broker Dealer pursuant to Section B.03(a)(v) against payment therefor; and

(iii) each Buyer's Broker Dealer that is not a Participant in the Securities Depository shall instruct its Participant to (A) pay through the Securities Depository to Seller's Broker Dealer (or its Participant) identified following such Auction pursuant to Section B.03(a)(vi) the amount necessary to purchase the ARS to be purchased pursuant to Section B.03(b)(ii) against receipt of such ARS, and (B) deliver such ARS through the Securities Depository to the Participant of the purchaser thereof against payment therefor.

(e) On the Business Day following each Auction Date:

(i) each Participant for a Bidder in the Auction on such Auction Date referred to in Section B.03(d)(i) shall instruct the Securities Depository to execute the transactions described under Section B.03(b)(ii) or B.03(b)(iii) for such Auction, and the Securities Depository shall execute such transactions;

(ii) each Seller's Broker Dealer or its Participant shall instruct the Securities Depository to execute the transactions described in Section B.03(d)(ii) for such Auction, and the Securities Depository shall execute such transactions; and

(iii) each Buyer's Broker Dealer or its Participant shall instruct the Securities Depository to execute the transactions described in Section B.03(d)(iii) for such Auction, and the Securities Depository shall execute such transactions.

(f) If an Existing Owner selling ARS in an Auction fails to deliver such ARS (by authorized book entry), a Broker Dealer may deliver to the Potential Owner on behalf of which it submitted a Bid that was accepted a principal amount of ARS that is less than the principal amount of ARS that otherwise was to be purchased by such Potential Owner. In such event, the principal amount of ARS to be so delivered shall be determined solely by such Broker Dealer. Delivery of such lesser principal amount of ARS shall constitute good delivery. Notwithstanding the foregoing terms of this subsection, any delivery or nondelivery of ARS which shall represent any departure from the results of an Auction, as determined by the Auction Agent, shall be of no effect unless and until the Auction Agent shall have been notified of such delivery or nondelivery in accordance with the provisions of the Auction Agent Agreement and the Broker Dealer Agreements.

Section B.04. Interest Rate and Payment Terms.

Section 11.16. Payments with Respect to ARS.

(i) Interest on ARS shall accrue from and including, as applicable, the Issuance Date, the Conversion Date or the most recent Auction Interest Payment Date to which interest has been paid or duly provided for.

(ii) The Trustee shall determine the aggregate amount of interest payable in accordance with subsection (vi) below with respect to ARS on each Auction Interest Payment Date. The Trustee shall promptly notify the Securities Depository of its calculations, as provided in Section B.04(c).

(iii) Interest on ARS shall be computed on the basis of a 360-day year for the actual number of days elapsed. The applicable Auction Rate Period shall be determined by the Auction Agent. The Applicable Auction Rate for the initial Auction Rate Period shall be determined by each Broker-Dealer. The Applicable Auction Rate for each Auction Interest Period after the first Auction Interest Period shall be the Auction Rate; provided that:

(A) if a notice of a proposed adjustment in the percentages used to determine the Maximum Auction Rate, the All-Hold Rate and the Non-Payment Rate shall have been given by the Market Agent in accordance with Section B.04(d)(ii) with respect to the ARS and because of a failure to satisfy either of the conditions set forth in clause (1) or (2) of Section B.04(d)(iii) such adjustment shall not have taken effect, then an Auction with respect to the ARS shall not be held on the Auction Date immediately preceding the next succeeding Auction Interest Payment Date and the Applicable Auction Rate with respect to the ARS for such next succeeding Auction Interest Period shall equal the Maximum Auction Rate on such Auction Date;

(B) if, on any Auction Date for the ARS, an Auction is not held for any reason other than contemplated herein, then the Applicable Auction Rate for the ARS for the next succeeding Auction Interest Period shall equal the Auction Rate in effect on the day immediately preceding such Auction Date; and

(C) in the event that the Maximum Auction Rate shall be in effect for the lesser of three such Auction Periods or 30 days, the City shall promptly initiate proceedings to Convert the ARS to another Mode.

(iv) Notwithstanding the foregoing:

(A) if the ARS are no longer Book-Entry Bonds, the Applicable Auction Rate for any Auction Interest Period commencing after the delivery of Bonds representing the ARS pursuant to Section B.02.08 shall equal the Maximum Auction Rate;

(B) in the event that the Maximum Auction Rate shall be in effect for the lesser of three such Auction Periods or 30 days, the City shall promptly initiate proceedings to Convert the ARS to another Mode; or

(C) if an Auction Rate Payment Default shall have occurred, the Applicable Auction Rate for the Auction Interest Period commencing on or immediately after such Auction Rate Payment Default and for each Auction Interest Period thereafter, to and including the Auction Interest Period, if any, during which, or commencing less than two Business Days after, such Auction Rate Payment Default is cured in accordance with this Indenture, shall equal the Non-Payment Rate on the first day of each such Auction Interest Period, provided that if an Auction occurred on the Business Day immediately preceding any such Auction Interest Period, the Applicable Auction Rate for such Auction Interest Period shall be the Non-Payment Rate.

(v) Medium of Payment.

(A) The principal of and premium, if any, and interest on ARS shall be payable in any currency of the United States of America which on the respective dates for payment thereof is legal tender for the payment of public and private debts. The principal of and premium, if any, and interest on ARS (other than at maturity) shall be payable by check mailed to the registered owner thereof on the Record Date at the address of such registered owner as it appears on the Bond Register.

(B) The principal of each ARS at maturity will be paid upon presentation and surrender thereof at the Principal Office of the Trustee.

(C) Unless otherwise requested by the Securities Depository, payments of the principal of ARS, at maturity or upon redemption, and payments of interest on ARS made by wire transfer, shall be made by the Trustee in immediately available funds, provided, however, that such method of payment may be modified by written agreement among the Trustee, the Securities Depository and the Auction Agent.

(vi) Computation of Interest Distributable on ARS. The amount of interest distributable to ARS Beneficial Owners, in respect of each \$25,000 in principal amount thereof for any Auction Interest Period or part thereof, shall be calculated by the Trustee by applying the Applicable Auction Rate, for such Auction Interest Period or part thereof, to the principal amount of \$25,000, multiplying such sum by the actual number of days in such Auction Interest Period or part thereof divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upward).

(vii) Auction Default Interest.

(A) The Trustee shall determine not later than 2:00 p.m., New York City time, on each Auction Interest Payment Date, whether an Auction Rate Payment Default has occurred. If an Auction Rate Payment Default has occurred, the Trustee shall, not later than 2:30 p.m. New York City time on such Business Day, send a Notice of Auction Rate Payment Default to the Auction Agent, the City and each Broker-Dealer by telecopy or similar means and, if such Auction Rate Payment Default is cured, the Trustee shall immediately send a Notice of Cure of Auction Rate Payment Default to the Auction Agent, the City and each Broker-Dealer by telecopy or similar means.

(B) Auction Default Interest shall forthwith cease to be payable to the ARS Beneficial Owner on the relevant Record Date by virtue of having been such ARS Beneficial Owner and such Auction Default Interest shall be payable to the Person in whose name the ARS with respect to such Auction Rate Payment Default occurred are registered at the close of business on a special Record Date fixed therefor by the Trustee, which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of Auction Default Interest. The Trustee shall promptly notify the City of the special Record Date and at the City's expense mail to each ARS Beneficial Owner of an ARS as to which Auction Default Interest is payable, not less than ten days before the special Record Date, notice of the date of the proposed payment of such Auction Default Interest.

(b) Calculation of Maximum Auction Rate, All-Hold Rate and Non-Payment Rate.

(i) The Auction Agent shall calculate the Maximum Auction Rate and the All-Hold Rate on each Auction Date. If the ARS are no longer Book-Entry Bonds, the Trustee shall calculate the Maximum Auction Rate on the Business Day immediately preceding each Auction Interest Payment Date after the delivery of Bonds representing

the ARS pursuant to Section B.02.08. If an Auction Rate Payment Default shall have occurred, the Trustee shall calculate the Non-Payment Rate on the first day of (i) each Auction Interest Period commencing on or after the date of the occurrence and during the continuance of such Auction Rate Payment Default and (ii) any Auction Interest Period commencing less than two Business Days after the cure of any Auction Rate Payment Default. The Auction Agent shall determine the “AA” Composite Commercial Paper Rate for each Auction Interest Period other than the first Auction Interest Period, provided, that if the ARS are no longer Book-Entry Bonds, or if an Auction Rate Payment Default has occurred, then the Trustee shall determine the “AA” Composite Commercial Paper Rate for each such Auction Interest Period. The determination by the Trustee or the Auction Agent, as the case may be, of the “AA” Composite Commercial Paper Rate, Maximum Auction Rate, All-Hold Rate and Non-Payment Rate shall (in the absence of manifest error) be final and binding upon all ARS Beneficial Owners and all other parties. If calculated or determined by the Auction Agent, the Auction Agent shall promptly advise the Trustee of the “AA” Composite Commercial Paper Rate, Maximum Auction Rate, All-Hold Rate and Non-Payment Rate.

(ii) If the Federal Reserve Bank of New York has not made available its 30-day commercial paper rate for purposes of determining the “AA” Composite Commercial Paper Rate, the Auction Agent or the Trustee, as the case may be, shall request that the City appoint at least three commercial paper dealers to provide commercial paper quotes for purposes of determining the “AA” Composite Commercial Paper Rate; and if the City shall fail to make any such appointment within three Business Days following such request, the Trustee shall appoint such commercial paper dealers and notify the City of such appointment.

(c) Notification of Rates, Amounts and Payment Dates. On the Business Day preceding each Auction Interest Payment Date with respect to the ARS, the Trustee shall advise the Securities Depository, so long as the ARS are Book-Entry Bonds, of the amount of interest distributable in respect of each \$25,000 in principal amount (taken without rounding to the nearest .000001) of ARS for any Auction Interest Period or part thereof, calculated in accordance with Section B.04(b)(v).

If any day scheduled to be an Auction Interest Payment Date shall be changed after the Trustee shall have given the notice referred to in the preceding sentence, the Trustee shall, not later than 9:15 a.m., New York City time, on the Business Day next preceding the earlier of the day immediately preceding the new Auction Interest Payment Date or the old Auction Interest Payment Date, by such means as the Trustee deems practicable, give notice of such change to the Auction Agent, so long as no Auction Rate Payment Default has occurred and is continuing and the ARS are Book-Entry Bonds.

(d) Adjustment in Percentages.

(i) The Market Agent shall adjust the percentage used in determining the All-Hold Rate, the Applicable Percentages used in determining the Maximum Auction Rate and the percentage of the Index used in calculating the Non-Payment Rate, if any such adjustment is necessary, in the judgment of the Market Agent, to reflect any

Change of Tax Law or change in market convention such that an ARS bearing interest at the Maximum Auction Rate, an ARS bearing interest at the All-Hold Rate and an ARS bearing interest at the Non-Payment Rate in each case shall have substantially the same market value after such Change of Tax Law or change in market convention, as applicable, as before such Change of Tax Law or change in market convention as applicable. In making any such adjustment, the Market Agent shall take into account the following factors, as in existence both before and after such Change of Tax Law: (i) short-term taxable and Tax-Exempt market rates and indices of such short-term rates; (ii) the market supply and demand for short-term Tax-Exempt securities; (iii) yield curves for short-term and long-term Tax-Exempt securities or obligations having a credit rating that is comparable to the ARS; (iv) general economic conditions; and (v) economic and financial factors present in the securities industry that may affect, or that may be relevant to, the ARS.

(ii) The Market Agent shall communicate its determination to adjust the percentage used in determining the All-Hold Rate, the Applicable Percentages used in determining the Maximum Auction Rate and the percentage of the Index used in calculating the Non-Payment Rate pursuant to subsection (i) above by means of a Notice of Proposed Percentage Change delivered in writing at least 10 days prior to the Auction Date on which the Market Agent desires to effect the change to the City, the Trustee, each Broker-Dealer and the Auction Agent. Such notice shall be effective only if it is accompanied by a letter of Bond Counsel that it expects to be able to deliver a Favorable Opinion of Bond Counsel in connection with such adjustment.

(iii) An adjustment in the percentage used to determine the All-Hold Rate, the Applicable Percentage used in determining the Maximum Auction Rate and the percentage of the Index used in calculating the Non-Payment Rate shall take effect on an Auction Date only if:

(A) The Trustee, the City, each Broker-Dealer and the Auction Agent receive, by 11:00 a.m., New York City time, on the Business Day immediately preceding such Auction Date, a Notice of Percentage Change from the Market Agent by telecopy or similar means, (i) authorizing the adjustment of the percentage used to determine the All-Hold Rate, the Applicable Percentages used to determine the Maximum Auction Rate and the percentage of the Index used to determine the Non-Payment Rate which shall be specified in such authorization, and (ii) confirming that Bond Counsel expects to be able to deliver a Favorable Opinion of Bond Counsel in connection with such adjustment on or prior to such Auction Date; and

(B) The Trustee receives by 9:30 a.m., New York City time, on such Auction Date, a Favorable Opinion of Bond Counsel.

If any of the conditions referred to in (A) or (B) above are not met, the existing percentage used in determining the All-Hold Rate, the percentage of the Index used in determining the Non-Payment Rate and the Applicable Percentages used in determining the Maximum Auction Rate shall remain in effect and the rate of interest for each succeeding

Auction Interest Period until each such condition is met shall equal the Maximum Auction Rate on the Auction Date for such succeeding Auction Interest Period.

(e) Market Agent.

(i) The Market Agent shall serve as such under the terms and provisions hereof and of the Market Agent Agreement. The Market Agent 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 Indenture and the Market Agent Agreement. The Market Agent may be removed by the Trustee at any time upon and pursuant to the written direction of the City or the ARS Beneficial Owners of 66-2/3% of the aggregate principal amount of the ARS then Outstanding by an instrument signed by the Trustee and filed with the Market Agent, the Auction Agent and the City; provided that such removal shall not take effect until the appointment by the ARS Beneficial Owners or the Trustee of a substitute Market Agent. The Market Agent may resign upon 30 days' written notice delivered to the Trustee, provided that such resignation shall not take effect until the appointment by the ARS Beneficial Owners or the Trustee of a substitute Market Agent. If the Trustee is unable to appoint a substitute Market Agent within 30 days following receipt of such written notice of resignation, the Market Agent may petition the appropriate court having jurisdiction to appoint a substitute Market Agent.

(ii) The Market Agent may be removed at any time, at the written request of the City, for any breach of its obligations hereunder or under the Market Agent Agreement.

(f) Auction Agent.

(i) The Auction Agent will be (a) a bank or trust company organized under the laws of the United States or any state or territory thereof; 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 the duties imposed upon it by the Indenture 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 the Indenture by giving such notice to the City as may be agreed to between the Auction Agent and the City. The Auction Agent may be removed by the City by such notice, delivered to the Auction Agent as may be agreed to between the Auction Agent and the City. Upon any such resignation or removal, the City shall appoint a successor Auction Agent meeting the requirements of the Indenture. In the event of the resignation or removal of the Auction Agent, the Auction Agent will pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor. Except as may be otherwise provided in the Auction Agreement, the Auction Agent will continue to perform its duties until its successor has been appointed by the City.

(g) Broker-Dealers.

(i) One or more Broker-Dealers shall be appointed by the City to perform the functions specified herein with respect to the Bonds that is initially issued in an Auction Rate Period. One or more Broker-Dealers shall be appointed by the City with respect to the Bonds on or prior to the effective date of a change in the Interest Rate Period applicable to the Bonds of such Tranche to an Auction Rate Period. Each Broker-Dealer will signify its acceptance of the duties and obligations imposed upon it hereunder by entering into a Broker-Dealer Agreement, which shall set forth such procedural and other matters relating to the performance of its functions as shall be satisfactory to the City.

(h) Provisions Relating to Auctions. None of the City, the Trustee or the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Owner or Potential Owner, nor shall any of the City, the Trustee or the Auction Agent be responsible for failure by any Securities Depository to effect any transfer or to provide the Auction Agent with current information regarding registration of transfers. None of the City, the Trustee, any Broker-Dealer or the Auction Agent shall have any liability in the event that there are not Sufficient Clearing Bids from time to time pursuant to the Auction Procedures.

(i) Agreement of Owners. By purchasing ARS, whether in an Auction or otherwise, each prospective purchaser of ARS or its Broker-Dealer will be deemed to have agreed to the provisions for the replacement of the Auction Agent, each Broker-Dealer and the Market Agent as provided in this Indenture, and relevant agreements among the City, the Trustee, the Auction Agent, the Market Agent and each Broker-Dealer, as appropriate.

(j) Changes in Auction Period or Auction Date.

(i) Changes in Auction Period.

(A) The Auction Period for the Bonds with respect to each Auction Rate Period, if any, initially shall be either a seven-day period or a 35-day period commencing generally on a Monday, generally on a Tuesday, generally on a Wednesday, generally on a Thursday or generally on a Friday, in or as announced by the City in its notice of the proposed Conversion to an Auction Rate Period as provided in Section 3.02 of the Indenture.

(B) During any Auction Rate Period, the City may from time to time on any Auction Interest Payment Date change the length of the Auction Period with respect to all of the Bonds between 7 days and 35 days or change the first day of each Auction Period, or both, in each case 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 the Bonds. The City shall initiate the change in the length or day of commencement of the Auction Period, or both, by giving written notice to the Trustee, the Auction Agent, each Broker-Dealer and the Securities Depository that the Auction Period shall change if the conditions described herein are satisfied and the proposed effective date of the change, at least thirty (30) days prior to the Auction Date for such Auction Period.

(C) Any such changed Auction Period shall be for a period of seven days or 35 days and shall be for all of the Bonds.

(D) No change in the length or the day of commencement of the Auction Period for the ARS shall 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 clause (B) of this subsection (j)(i) and the Auction immediately preceding the proposed change.

(E) The change in length of the Auction Period for the Bonds shall take effect only if Sufficient Clearing Bids exist at the Auction on the Auction Date for the first such 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 ARS except to the extent such Existing Owner submits a Hold Order with respect to such ARS. If the condition referred to in the first sentence of this clause (E) is not met, the Auction Rate for the next Auction Period shall be the Maximum Auction Rate, and the Auction Period shall be the Auction Period already in effect.

(ii) Changes in Auction Date. During any Auction Rate Period, the City may specify an earlier Auction Date for any Business Day earlier (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 ARS. The City 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 thirty (30) days prior to the proposed changed Auction Date to the Trustee each Broker-Dealer and the Securities Depository.

EXHIBIT C

DAILY INTEREST RATE MODE

Section C.01. Mode and Denomination. This Mode shall be known as the Daily Interest Rate Mode. While any Bond is in the Daily Interest Rate Mode, provisions of this Exhibit C shall apply to such Bond. The Authorized Denomination for Bonds in this Mode is \$100,000 or any integral multiples thereof.

Section C.02. Interest Rate Period, Payment Date, and Accrual Date. While in this Mode: the Interest Rate Period shall be a Daily Interest Rate Period; the Interest Payment Date shall be the first Business Day of each calendar month, and the Interest Accrual Date shall be the first day of the Daily Interest Rate Period and, thereafter, the first day of each calendar month.

Section C.03. Daily Interest Rate and Daily Interest Rate Period.

(a) During each Daily Interest Rate Period for the Bonds or a Tranche thereof, the Bonds or Tranche thereof as the case may be, shall bear interest at a Daily Interest Rate, which shall be determined by the Remarketing Agent by no later than 10:00 A.M. New York City time) on each Business Day for such Business Day. The Daily Interest Rate for any day which is not a Business Day shall be the same as the Daily Interest Rate for the immediately preceding Business Day.

The Daily Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on then Prevailing Market Conditions) to be the minimum interest rate which, if borne by such Bonds or Tranche thereof, as the case may be, would enable the Remarketing Agent to sell all of the Bonds or Tranche thereof, as the case may be, on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof.

(b) In the event that the Remarketing Agent fails to establish a Daily Interest Rate for any Business Day, then (1) the Daily Interest Rate for such day shall be the same as the Daily Interest Rate for the immediately preceding day if the Daily Interest Rate for such preceding day was determined by the Remarketing Agent or (2) if no Daily Interest Rate for the immediately preceding day was determined by the Remarketing Agent or in the event that the Daily Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such day shall be equal to 100% of The Bond Market Association Municipal Swap Index of Municipal Market Data, made available for such day, or if such index is no longer available, or no such index was so made available for such day, 70% of the interest rate on 30 day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal or The Bond Buyer on the day the Daily Interest Rate would otherwise be determined as provided herein for such Daily Interest Rate Period as specified by the City to the Trustee.

Section C.04. Optional Redemption. Bonds in Daily Interest Rate Mode are subject to optional redemption by the City, pursuant to Section 4.01 of the Indenture, in whole or

in part, in Authorized Denominations, on any Business Day at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, to such Redemption Date, without premium.

Section C.05. Tender at the Option of the Bondholder. Subject to the provisions of Section 4.02 of the Indenture, each Eligible Bond in Daily Interest Rate Mode, shall be purchased (in whole, or in part provided that the tendered and untendered amount is each in an Authorized Denomination) from its Bondholder at the option of the Bondholder on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Accrual Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case at a purchase price equal to the principal amount thereof upon delivery to the Remarketing Agent and the Trustee by no later than 9:00 a.m., New York City time, on such Business Day, of an irrevocable written notice (or a telephonic notice confirmed by a written notice) which states the principal amount of such Bond and acknowledges that the Bond will be purchased on such date. Any notice delivered to the Remarketing Agent and the Trustee after 9:00 a.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

Section C.06. Conditions to Converting to Daily Interest Rate Mode. With respect to a Conversion to Daily Interest Rate Mode:

(a) there shall be in effect a Letter of Credit or a Liquidity Facility pursuant to Sections C.08 and 7.01 of the Indenture;

(b) prior to the Conversion Date the City shall have appointed a Remarketing Agent and a Letter of Credit Bank or a Liquidity Facility Provider with respect to such Bonds, and there shall have been executed and delivered with respect to such Bonds a Remarketing Agreement and a Letter of Credit or a Liquidity Facility. In the event that such Letter of Credit is not an Alternate Letter of Credit as defined in the Indenture, such Letter of Credit nonetheless shall meet all the requirements of an Alternate Letter of Credit set forth in Sections 7.02 and 7.03 of the Indenture; or, in the event that such Liquidity Facility is not an Alternate Liquidity Facility as defined in the Indenture, such Liquidity Facility nonetheless shall meet all the requirements of an Alternate Liquidity Facility set forth in Sections 7.01 and 7.03 of the Indenture; and

(c) a Favorable Opinion of Bond Counsel.

Section C.07. Failure to Meet Conditions to Convert to a New Mode. In the event that the provisions of Section 3.09 of the Indenture apply, then Bonds to be converted from this Mode shall be remarketed as if no Conversion is being performed, with such Bonds staying in the Daily Interest Rate Mode, and the Bonds shall still be tendered pursuant to Section 4.02 of the Indenture.

Section C.08. Credit Support Requirements. For Bonds in Daily Interest Rate Mode, there shall be a Letter of Credit or a Liquidity Facility providing sufficient funds thereunder to satisfy the requirements of the Rating Agencies for bonds in a Daily Interest Rate Mode.

EXHIBIT D

WEEKLY INTEREST RATE MODE

Section D.01. Mode and Denomination. This Mode shall be known as the Weekly Interest Rate Mode. While any Bond is in the Weekly Interest Rate Mode, provisions of this Exhibit D shall apply to such Bond. The Authorized Denomination for Bonds in this Mode is \$100,000 or any integral multiples thereof.

Section D.02. Interest Rate, Payment Date, and Accrual Date. While in this Mode: the Interest Rate Period shall be a Weekly Interest Rate Period; the Interest Payment Date shall be the first Business Day of each calendar month, and the Interest Accrual Date shall be the first day of the Weekly Interest Rate Period and, thereafter, the first day of each calendar month.

Section D.03. Weekly Interest Rate and Weekly Interest Rate Period.

(a) During each Weekly Interest Rate Period for the Bonds or a Tranche thereof, the Bonds or Tranche thereof as the case may be, shall bear interest at a Weekly Interest Rate, which shall be determined by the Remarketing Agent by no later than 5:00 p.m. (New York City time) on Tuesday of each week during such Weekly Interest Rate Period, or if such Tuesday is not a Business Day, then on the next preceding Business Day and on each Tender Date. The Remarketing Agent will give notice of each Weekly Interest Rate to the City and the Trustee by no later than the close of business on the day of determination of such Weekly Interest Rate.

The first Weekly Interest Rate for each Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on and including the next succeeding Tuesday. Thereafter, each Weekly Interest Rate shall apply to the period commencing on and including Wednesday and ending on and including the next succeeding Tuesday, unless such Weekly Interest Rate Period shall be in effect as of a Conversion Date or the stated Maturity Date, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on and including the Wednesday preceding the last day of such Weekly Interest Rate Period and end on the stated Maturity Date.

Each Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on then Prevailing Market Conditions), to be the minimum interest rate which, if borne by such Bonds or Tranche thereof, as the case may be, would enable the Remarketing Agent to sell all of the Bonds or Tranche thereof, as the case may be, on such date of determination at a price (without regard to accrued interest) equal to the principal amount thereof.

(b) If the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then (1) the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such immediately preceding week was determined by the Remarketing Agent or (2) if no Weekly Interest Rate for

the immediately preceding week was determined by the Remarketing Agent or if the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the Weekly Interest Rate for such week shall be equal to 100% of The Bond Market Association Municipal Swap Index of Municipal Market Data, made available for the week preceding the date of determination, or if such index is not longer available, or no such index was made available for the week preceding the date of determination, 70% of the interest rate on 30 day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal or The Bond Buyer on the day such Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period as specified by the City to the Trustee.

Section D.04. Optional Redemption. Bonds in Weekly Interest Rate Mode are subject to optional redemption by the City, pursuant to Section 4.01 of the Indenture, in whole or in part, in Authorized Denominations, on any Business Day at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, to such Redemption Date, without premium.

Section D.05. Tender at the Option of the Bondholder. Subject to the provisions of Section 4.02 of the Indenture, each Eligible Bond in Weekly Interest Rate Mode, shall be purchased (in whole, or in part provided that the tendered and untendered amount is each in an Authorized Denomination) from its Bondholder at the option of the Bondholder on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Accrual Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Payment Date, in which case, at a purchase price equal to the principal amount thereof upon delivery to the Remarketing Agent and the Trustee of an irrevocable written notice which states the principal amount of such Bond and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee. Any notice delivered to the Remarketing Agent and the Trustee after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day.

Section D.06. Conditions to Converting to Weekly Interest Rate Mode. With respect to a Conversion to Weekly Interest Rate Mode:

(a) there shall be in effect a Letter of Credit or a Liquidity Facility pursuant to Sections D.08 and 7.01 of the Indenture;

(b) prior to the Conversion Date the City shall have appointed a Remarketing Agent and a Letter of Credit Bank or a Liquidity Facility Provider with respect to such Bonds, and there shall have been executed and delivered with respect to such Bonds a Remarketing Agreement and a Letter of Credit or a Liquidity Facility. In the event that such Letter of Credit is not an Alternate Letter of Credit as defined in the Indenture, such Letter of Credit nonetheless shall meet all the requirements of an Alternate Letter of Credit set forth in Sections 7.02 and 7.03 of the Indenture; or, in the event that such Liquidity Facility is not an Alternate Liquidity Facility as defined in the Indenture such Liquidity Facility nonetheless shall meet all the requirements of an Alternate Liquidity Facility set forth in Sections 7.01 and 7.03; and

(c) a Favorable Opinion of Bond Counsel.

Section D.07. Failure to Meet Conditions to Convert to a New Mode. In the event that the provisions of Section 3.09 of the Indenture apply, then Bonds to be converted from this Mode shall be remarketed as if no Conversion is being performed, with such Bonds staying in the Weekly Interest Rate Mode, and the Bonds shall still be tendered pursuant to Section 4.02 of the Indenture.

Section D.08. Credit Support Requirements. For Bonds in Weekly Interest Rate Mode, there shall be a Letter of Credit or a Liquidity Facility providing sufficient funds thereunder to satisfy the requirements of the Rating Agencies for bonds in a Weekly Interest Rate Mode.

EXHIBIT E

SHORT TERM INTEREST RATE MODE

Section E.01. Mode and Denomination. This Mode shall be known as the Short Term Interest Rate Mode. While any Bond is in the Short Term Interest Rate Mode, provisions of this Exhibit E shall apply to such Bond. The Authorized Denomination for Bonds in this Mode is \$100,000 or any integral multiples thereof.

Section E.02. Interest Rate, Payment Date, and Accrual Date. While in this Mode: the Interest Rate Period shall be Short Term Interest Rate Period; the Interest Payment Date shall be the Business Day next succeeding the last day of each Bond Interest Term within each Short Term Interest Rate Period, and the Interest Accrual Date is the first day of the Short Term Interest Rate Period.

Section E.03. Bond Interest Term Rate and Short Term Interest Rate Period.

(a) During each Short-Term Interest Rate Period, each Bond bearing interest at a Bond Interest Term Rate shall bear interest during each Bond Interest Term for such Bond at the Bond Interest Term Rate for such Bond. Each of such Bond Interest Terms and Bond Interest Term Rates for each Bond (other than Bank Bonds), shall be determined by the Remarketing Agent no later than 12:00 noon, New York City time, on the first day of each Bond Interest Term. The Remarketing Agent will give notice of each Bond Interest Term and Bond Interest Term Rate to the City and the Trustee by no later than the close of business on the day of determination. Each Bond Interest Term shall be a period of not less than one day nor more than 270 days, determined by the Remarketing Agent to be the period which, together with all other Bond Interest Terms for all of the Bonds bearing interest at a Bond Interest Term Rate, will result in the lowest overall interest expense to the City on the Bonds taking into account such factors as deemed necessary by the Remarketing Agent. Any Bond remaining unsold by the Remarketing Agent as of the close of business on the first day of the Bond Interest Term for any Bond shall have a Bond Interest Term of one day or, if that Bond Interest Term would not end on a day immediately preceding a Business Day, a Bond Interest Term ending on the day immediately preceding the next Business Day. Each Bond Interest Term shall end on either a day which immediately precedes a Business Day or on the day immediately preceding the maturity date, but in no event shall any Bond Interest Term extend beyond the day which is five Business Days prior to the expiration date of the applicable Letter of Credit or Liquidity Facility. If for any reason a Bond Interest Term for any Bond cannot be so determined by the Remarketing Agent or if the determination of such Bond Interest Term is held by a court of law to be invalid or unenforceable, then such Bond Interest Term shall be 30 days, but if the last day so determined shall not be a day immediately preceding a Business Day, shall end on the first day immediately preceding the Business Day next succeeding such last day, or if such last day would be after the day immediately preceding the maturity date, shall end on the day immediately preceding the maturity date. In determining the number of days in each Bond Interest Term, the Remarketing Agent shall take into account such factors as deemed necessary by the Remarketing Agent.

The Bond Interest Term Rate for each Bond Interest Term for each Bond bearing interest at a Bond Interest Term Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on then Prevailing Market Conditions), to be the minimum interest rate which, if borne by such Bond of such Tranche would enable the Remarketing Agent to sell such Bond of such Tranche on the effective date of such rate at a price (without regarding accrued interest) equal to the principal amount thereof.

(b) If for any reason a Bond Interest Term Rate for any Bond is not so established by the Remarketing Agent for any Bond Interest Term, or such Bond Interest Term Rate is determined by a court of law to be invalid or unenforceable, then the Bond Interest Term Rate for such Bond Interest Term shall be the rate per annum equal to 70% of the interest rate on high grade unsecured commercial paper notes sold through dealers by major corporations as reported by The Wall Street Journal or The Bond Buyer on the first day of such Bond Interest Term and for a maturity which most nearly equals the Bond Interest Term for which a Bond Interest Term Rate is being calculated, as specified by the City in writing to the Trustee.

(c) Optional Redemption. Bonds in Short Term Interest Rate Mode are subject to optional redemption by the City, pursuant to Section 4.01 of the Indenture, in whole or in part, in Authorized Denominations, on any Interest Payment Date at a redemption price equal to 100% of the principal being redeemed plus accrued interest, if any, to such Redemption Date, without premium.

Section E.04. Tender at the Option of the Bondholder. Bonds in Short Term Interest Rate Mode do not have a right of tender at the option of the Bondholder.

Section E.05. Conditions to Converting to Short Term Interest Rate Mode. With respect to a Conversion to Short Term Interest Rate Mode:

(a) there shall be in effect a Letter of Credit or a Liquidity Facility pursuant to Sections E.08 and 7.01 of the Indenture;

(b) prior to the Conversion Date the City shall have appointed a Remarketing Agent and a Letter of Credit Bank or a Liquidity Facility Provider with respect to such Bonds, and there shall have been executed and delivered with respect to such Bonds a Remarketing Agreement and a Letter of Credit or a Liquidity Facility. In the event that such Letter of Credit is not an Alternate Letter of Credit as defined in the Indenture, such Letter of Credit nonetheless shall meet all the requirements of an Alternate Letter of Credit set forth in Sections 7.02 and 7.03; or, in the event that such Liquidity Facility is not an Alternate Liquidity Facility as defined in the Indenture, such Liquidity Facility nonetheless shall meet all the requirements of an Alternate Liquidity Facility set forth in Sections 7.01 and 7.03 of the Indenture;

(c) the City must engage, at its expense, a commercial paper issuing and paying agent (the "Issuing Agent"), reasonably acceptable to the Trustee and the Paying Agent, having access to DTC's electronic money market issuing and payment system and otherwise eligible to serve as an issuing and paying agent under DTC's policies and procedures for the issuance and payment of commercial paper;

(d) the Remarketing Agent must arrange for the execution and delivery to DTC of the required DTC letter of representation for the eligibility of the Bonds in the Short Term Interest Rate Mode in DTC's book entry system and the provisions of any needed CUSIP numbers;

(e) the City shall take all other action needed to comply with DTC requirements to the issuance and payment of Bonds while in the Short Term Interest Rate Mode;

(f) the City shall enter into any amendment of this Indenture, as applicable, that is needed to comply with DTC's or any Rating Agency's requirements concerning the issuance of payment of the Bonds in the Short Term Interest Rate Mode; and

(g) a Favorable Opinion of Bond Counsel.

Section E.06. Failure to Meet Conditions to Convert to a New Mode. In the event that the provisions of Section 3.09 of the Indenture apply, then Bonds to be converted from this Mode shall be remarketed as if no Conversion is being performed, with such Bonds staying in the Short Term Interest Rate Mode, and the Bonds shall still be tendered pursuant to Section 4.02 of the Indenture.

Section E.07. Credit Support Requirements. For Bonds in Short Term Interest Rate Mode, there shall be a Letter of Credit or a Liquidity Facility providing sufficient funds thereunder to satisfy the requirements of the Rating Agencies for bonds in a Short Term Interest Rate Mode.

Section E.08. Mandatory Tender. The Bonds in Short Term Interest Rate Mode shall be subject to mandatory tender for purchase on the Business Day next succeeding the last day of the Bond Interest Term for that Bond, at a purchase price equal to the principal amount of and accrued interest on the Bonds, to, but not including, the date of purchase.

EXHIBIT F

LONG TERM INTEREST RATE MODE

Section F.01. Mode and Denomination. This Mode shall be known as the Long Term Interest Rate Mode. While any Bond is in the Long Term Interest Rate Mode, provisions of this Exhibit F shall apply to such Bond. The Authorized Denomination for Bonds in this Mode is \$5,000 or any integral multiples thereof.

Section F.02. Interest Rate Period, Payment Date, and Accrual Date. While in this Mode: the Interest Rate Period shall be Long Term Interest Rate Period as determined by the City; the Interest Payment Date shall be the semi-annual dates corresponding with the calendar day after the last day of the Long Term Interest Rate Period, commencing with the first semi-annual date next succeeding the 31st day after the Conversion Date; and the Interest Accrual Date shall be the first day of the Long Term Interest Rate Period and, thereafter, each Interest Payment Date in respect thereof, other than the last such Interest Payment Date.

Section F.03. Long Term Interest Rate and Long Term Interest Rate Period.

(a) During each Long Term Interest Rate Period for the Bonds or Tranche thereof, the Bonds or Tranche thereof, as the case may be, shall have a Long Term Interest Rate Period (as permitted by Section F.06.(a)) as determined by the City, and shall bear interest at a Long Term Interest Rate, which shall be determined by the Remarketing Agent on a Business Day no later than the effective date of such Long Term Interest Rate Period. The Remarketing Agent will give notice of the Long Term Interest Rate to the City and the Trustee by no later than the close of business on the day of determination of such Long Term Interest Rate.

The Long Term Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent (based on then Prevailing Market Conditions), to be the minimum interest which, if borne by such Bonds or Tranche thereof, as the case may be, would enable the Remarketing Agent to sell such Bonds or Tranche thereof, as the case may be, on the effective date of such rate at a price (without regard to accrued interest) equal to the principal amount thereof.

(b) If the Remarketing Agent fails to establish a Long Term Interest Rate for any Long Term Interest Rate Period or if no Conversion occurs at the end of a Long Term Interest Rate Period, on or prior to the first day of such Long Term Interest Rate Period, then the next Long Term Interest Rate Period shall end on the first Business Day on or after the next Wednesday, and the Long Term Interest Rate for such Long Term Interest Rate Period shall be the rate per annum equal to 70% of the interest rate on high grade unsecured commercial paper notes sold through dealers by major corporations as reported by The Wall Street Journal or The Bond Buyer on the first day of such Long Term Interest Rate Period and for a maturity which most nearly equals the Long Term Interest Rate Period for which a Long Term Interest Rate is being calculated, as specified by the City to the Trustee.

Section F.04. Optional Redemption. Bonds in Long Term Interest Rate Mode are subject to optional redemption by the City, pursuant to Section 4.01 of the Indenture, in whole or

in part, in Authorized Denominations, on any date on or after the start of the redemption periods specified below, at redemption prices set forth below, plus accrued interest, if any, to such Redemption Date:

<u>Length of Long Term Interest Rate Period</u>	<u>No-Call Period</u>	<u>Premium</u>
Equal to or greater than 13 years	8 years	2% in the first year, 1% in the second year and 0% thereafter
Equal to or greater than 10 years but less than 13 years	5 years	2% in the first year, 1% in the second year and 0% thereafter
Equal to or greater than 7 years but less than 10 years	3 years	1.5% in the first year, 0.5% in the second year and 0% thereafter
Equal to or greater than 4 years but less than 7 years	3 years	1% in the first year, 0% thereafter
Equal to or greater than 2 years but less than 4 years	1 year	0.5% in the first year and 0% thereafter
Greater than 1 years but less than 2 years	1 year	0% at all times
One year or less	Non-callable	N/A

Notwithstanding the foregoing, upon any determination of a Long Term Interest Rate Period, the City may establish a different schedule of dates and prices for optional redemption if a Favorable Opinion of Bond Counsel is provided to the Trustee.

Section F.05. Tender at the Option of the Bondholder. Bonds in Long Term Interest Rate Mode do not have a right of tender at the option of the Bondholder.

Section F.06. Conditions to Converting to Long Term Interest Rate Mode. With respect to a Conversion to Long Term Interest Rate Mode:

(a) written direction of the City pursuant to Section 3.02(b) of the Indenture shall also specify: (1) the duration of the Long Term Interest Rate Period (which shall be 271 days or longer) during which the Bonds shall bear interest at a Long Term Interest Rate; (2) the last day of the Long Term Interest Rate Period (which last day shall be either the day prior to the Maturity Date, or a day which is at least 271 days after the effective date thereof except as provided in Section F.03(b) hereof);

(b) there shall be in effect a Letter of Credit or a Liquidity Facility pursuant to Sections F.08 and 7.01 of the Indenture, except in the conditions as described in Section F.03 hereof; and

(c) a Favorable Opinion of Bond Counsel, except in the conditions as described in Section F.03(b) hereof.

Section F.07. Failure to Meet Conditions to Convert to a New Mode. In the event that the provisions of Section 3.09 of the Indenture apply, then Bonds, or a Tranche thereof, to be converted from this Mode shall remain in this Mode and: 1) for such Bonds, that are being tendered prior to the end of their current Long Term Interest Rate Period, the Bonds shall remain outstanding as if no tender had been performed; and 2) for such Bonds not being tendered prior to the end of their current Long Term Interest Rate Period, the Bonds shall be remarketed as if no Conversion is being performed, and the Bonds, or Tranche, shall still be tendered pursuant to Section 4.02 of the Indenture. For the Bonds not being tendered prior to the end of their current Long Term Interest Rate Period, Section F.03(b) shall apply.

Section F.08. Credit Support Requirements. For Bonds in Long Term Interest Rate Mode with a term of 2 years or less, there shall be a Letter of Credit or a Liquidity Facility providing sufficient funds thereunder to satisfy the requirements of the Rating Agencies for bonds in a Long Term Interest Rate Mode of 2 years or less; provided, however, that if the Rating Agencies determine that no Letter of Credit or Liquidity Facility is required in order for the bonds to be rated at the then current long-term rating of the City, then the City may elect not to provide a Letter of Credit or Liquidity Facility.

Section F.09. Mandatory Tender. The Bonds in Long Term Interest Rate Mode shall be subject to mandatory tender for purchase on the Business Day next succeeding the last day of the Long Term Interest Rate period for that Bond, at a purchase price equal to the principal amount of and accrued interest on the Bonds, to, but not including, the date of purchase.

EXHIBIT G

FIXED INTEREST RATE MODE

Section G.01. Mode and Denomination. This Mode shall be known as the Fixed Interest Rate Mode. While any Bond is in the Fixed Interest Rate Mode, provisions of this Exhibit G shall apply to such Bond. The Authorized Denomination for Bonds in this Mode is \$5,000 or any integral multiples thereof.

Section G.02. Interest Rate, Payment Date, and Accrual Date. While in this Mode: the Interest Rate Period shall be Fixed Interest Rate Period, and the Fixed Interest Rate Period shall last until redemption or maturity of the Bonds bearing a Fixed Interest Rate; the Interest Payment Date shall be the first February 1 or August 1 next succeeding the 31st day after the Conversion Date to a Long Term Interest Rate or a Fixed Interest Rate and each February 1 and August 1 thereafter; and the Interest Accrual Date shall be the first day of the Fixed Interest Rate Period and, thereafter, each Interest Payment Date in respect thereof, other than the last such Interest Payment Date.

Section G.03. Fixed Term Interest Rate and Fixed Term Interest Rate Period. Not later than the Business Day prior to the Fixed Interest Rate Date (or if such day is not a Business Day, then on the immediately preceding Business Day), the Remarketing Agent shall determine the interest rate which in its judgment (based on then Prevailing Market Conditions) is the interest rate, but not in excess of the interest rate, which would enable the Remarketing Agent to sell all of the Bonds or Tranche thereof, as the case may be, on the Fixed Interest Rate Date with a Fixed Interest Rate until maturity at 100% of the principal amount thereof plus accrued interest, if any, with respect thereto; provided, however, that if the City exercises its option in accordance with Section G.06.(a) to have the Bonds remarketed on the Fixed Interest Rate Date at a discount or premium, the Remarketing Agent shall establish the Fixed Interest Rate taking into account any such discount or premium specified by the City. The Remarketing Agent shall give telephonic notice to the City and the Trustee of the Fixed Interest Rate on the day of its determination.

Section G.04. Optional Redemption. Bonds in Fixed Interest Rate Mode are subject to optional redemption by the City, pursuant to Section 4.01 of the Indenture, in whole or in part, in Authorized Denominations, on any date on or after the start of the redemption periods specified below, at redemption prices set forth below, plus accrued interest, if any, to such Redemption Date:

<u>Length of Long Term Interest Rate Period</u>	<u>No-Call Period</u>	<u>Premium</u>
Equal to or greater than 13 years	8 years	2% in the first year, 1% in the second year and 0% thereafter
Equal to or greater than 10 years but less than 13 years	5 years	2% in the first year, 1% in the second year and 0% thereafter
Equal to or greater than 7 years but less than 10 years	3 years	1.5% in the first year, 0.5% in the second year and 0% thereafter
Equal to or greater than 4 years but less than 7 years	3 years	1% in the first year, 0% thereafter
Equal to or greater than 2 years but less than 4 years	1 year	0.5% in the first year and 0% thereafter
Greater than 1 years but less than 2 years	1 year	0% at all times
One year or less	Non-callable	N/A

Notwithstanding the foregoing, upon any conversion of the Bonds to a Fixed Interest Rate, the City may establish a different schedule of dates and prices for optional redemption if a Favorable Opinion of Bond Counsel is provided to the Trustee.

Section G.05. Tender at the Option of the Bondholder. Bonds in the Fixed Interest Rate Mode do not have a right of tender at the option of the Bondholder.

Section G.06. Conditions to Converting to Fixed Interest Rate Mode. With respect to a Conversion to the Fixed Interest Rate Mode:

(a) the City shall have the option to convert the interest payable with respect to the Bonds or a Tranche thereof, as the case may be, to a Fixed Interest Rate. In connection with any Conversion to a Fixed Interest Rate, the City shall have the right to direct the Remarketing Agent to remarket the Bonds of such Tranche on the Fixed Interest Rate Date at a discount or at a premium, including a premium sufficient to pay any remarketing fees; provided that in order to exercise such option, the City must deposit with the Trustee on or prior to the Fixed Interest Rate Date an amount equal to the discount and provided further the City has received a Favorable Opinion of Bond Counsel in connection with any remarketing at a discount or a premium. No later than the Business Day prior to the Fixed Interest Rate Date, the Remarketing Agent shall determine the Fixed Interest Rate, as provided in Section G.03;

(b) no court of competent jurisdiction determines that the Fixed Interest Rate is invalid or unenforceable; and

(c) a Favorable Opinion of Bond Counsel.

Section G.07. Conditions to Converting from a Fixed Interest Rate Mode. With respect to a Conversion from the Fixed Interest Rate Mode:

(a) the City shall have the option to convert the interest payable with respect to the Bonds or a Tranche there of, as the case may be, from a Fixed Interest Rate Mode on any valid Redemption Date for such Bonds upon payment at Mandatory Tender of the purchase price for such Bonds as set forth in Section G.04 hereof, plus accrued interest, if any, to such Redemption Date; provided that in order to exercise such option, the City must deposit with the Trustee on or prior to such Redemption Date an amount equal to the purchase price of the Bonds to be Converted from the Fixed Interest Rate Mode, and the City has received a Favorable Opinion of Bond Counsel in connection with any remarketing at a discount or a premium;

(b) the City shall comply with the requirements for redemption set forth in Section 4.01(e) and (f) of the Indenture, and

(c) a Favorable Opinion of Bond Counsel.

Section G.08. Credit Support Requirements. For Bonds in Fixed Interest Rate Mode, no credit support is required.

Section G.09. Mandatory Tender. There is no mandatory tender for Bonds in Fixed Interest Rate Mode.

EXHIBIT H

FORM OF NOTICE OF CURE OF AUCTION RATE PAYMENT DEFAULT

**CITY OF MILWAUKEE
VARIABLE RATE GENERAL OBLIGATION CORPORATE PURPOSE BONDS
SERIES 2005 V8**

NOTICE IS HEREBY GIVEN that the Auction Rate Payment Default with respect to the Bonds identified above has been waived or cured. The next Auction Interest Payment Date is _____ and the next scheduled Auction Date is _____.

Dated: _____

J.P. Morgan Trust Company, National Association,
as Trustee

By: _____