



City of Grand Island

Tuesday, July 27, 2004

Council Session

Item -4

#2004-SWA-3 - Approving Issuance of Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2004

This item relates to the aforementioned Solid Waste Agency Item S-3.

Staff Contact: David Springer

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RESOLUTION NO. #2004-SWA-3

A RESOLUTION AUTHORIZING THE ISSUANCE OF SOLID WASTE DISPOSAL FACILITIES REVENUE REFUNDING BONDS, SERIES 2004, OF THE GRAND ISLAND AREA SOLID WASTE AGENCY, IN THE PRINCIPAL AMOUNT OF TWO MILLION FOUR HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$2,485,000), FOR THE PURPOSE OF REFUNDING THE AGENCY'S OUTSTANDING SOLID WASTE DISPOSAL FACILITIES REVENUE REFUNDING BONDS, SERIES 1998; PRESCRIBING THE FORM, TERMS AND DETAILS OF SAID BONDS; PLEDGING AND HYPOTHECATING THE REVENUE AND EARNINGS OF THE FACILITIES AND SYSTEM OF SAID AGENCY AND RIGHTS UNDER CERTAIN AGREEMENTS FOR THE PAYMENT OF SAID BONDS AND INTEREST THEREON AND PROVIDING FOR THE COLLECTION, SEGREGATION AND APPLICATION OF THE REVENUE OF SAID FACILITIES AND SYSTEM; AND ENTERING INTO A CONTRACT ON BEHALF OF THE AGENCY WITH THE HOLDERS OF SAID BONDS; AND PROVIDING FOR PUBLICATION OF NOTICE WITH RESPECT TO THIS RESOLUTION.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, ACTING AS THE GOVERNING BODY OF THE GRAND ISLAND AREA SOLID WASTE AGENCY, AS FOLLOWS:

Section 1. The governing body hereby finds and determines as follows:

(a) the Grand Island Area Solid Waste Agency (the "Agency") has been formed pursuant to the Interlocal Cooperation Act (Sections 13-801 to 13-827 R.R.S. Neb. 1997, as amended) (the "Cooperation Act") for the purpose of owning and operating solid waste disposal facilities and system to provide the City of Grand Island, Nebraska (the "City") and The County of Hall, in the State of Nebraska (the "County") with certain solid waste disposal services;

(b) the Agency has acquired From the City certain real estate (the "Site") pursuant to Ordinance No. 7852 of the City and has constructed and acquired facilities and a system (said facilities and system, including the Site, and all additions and improvements thereto, the "Facilities") for providing solid waste disposal facilities and services for the benefit of the City and the County;

(c) the County and the Agency have entered into a service agreement as authorized by Section 13-2024, R.R.S. Neb. 1997 of the Integrated Solid Waste Management Act (Sections 13-2001 to 13-2043, R.R.S. Neb. 1997, as amended, herein referred to as the "Solid Waste Act"), said service agreement with the County is herein referred to as the "County Service Agreement";

(d) the City and the Agency have entered into a service agreement as authorized by Section 13-2024 of the Solid Waste Act which is to be supplemented in accordance with the terms of Section 18 of this Resolution (as so supplemented, the "City Service Agreement") under which pursuant to said Section 13-2024 the City has agreed to make payments to the Agency in an amount sufficient to cover costs of operating and maintaining the Facilities, all payments required to be credited to the Debt Service Fund for the 2004 Bonds (defined below)

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as herein authorized, as established pursuant to Section 10 of this Resolution together with certain other amounts as may be certified by this Agency and has further agreed to cause to be levied and collected, from time to time, a special tax to make up any deficiency in the revenues from the Facilities to meet costs of operating and maintaining the Facilities and all payments required to be credited to the Debt Service Fund for the 2004 Bonds and as may be certified by the Agency for required reserves;

(e) the Agency and the City have entered into a management agreement pursuant to the Cooperation Act and the Solid Waste Act whereby the City has acted and will act as manager and agent for the Agency in operating the Facilities which is to be supplemented in accordance with the terms of Section 18 of this Resolution (as so supplemented, the "Management Agreement");

(f) the Agency has previously issued and has outstanding the following bonds payable from the revenues of the Facilities

Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 1998, date of original issue - July 15, 1998, presently outstanding in the principal amount of \$2,735,000, due in the years 2004 through 2012, issued for the purpose of paying the cost of constructing and acquiring solid waste disposal facilities and system to serve the City and the County, which mature and bear interest as follows:

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
October 15, 2004	245,000	4.45%
October 15, 2005	260,000	4.55%
October 15, 2006	270,000	4.60%
October 15, 2007	285,000	4.65%
October 15, 2008	300,000	4.70%
October 15, 2009	320,000	4.80%
October 15, 2010	335,000	4.90%
October 15, 2011	350,000	5.00%
October 15, 2012	370,000	5.10%

Said bonds are herein referred to as the "Outstanding Bonds";

that the Outstanding Bonds maturing on or after October 15, 2003, are subject to redemption prior to maturity at any time on or after July 15, 2003, at the principal amount thereof plus accrued interest and have been called for redemption on September 1, 2004 (the "Redemption Date"); that since the issuance of the Outstanding Bonds, interest rates have declined in the municipal bond markets and the Agency is able to obtain a savings in interest costs; that the Agency has on hand no debt service or other sinking fund monies for the payment of principal or interest in the Outstanding Bonds other

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than funds which are to be applied to satisfy payments on the Outstanding Bonds pursuant to this resolution; that it is necessary and advisable for the Agency to issue and sell its refunding bonds in the principal amount of \$2,485,000 to provide for the satisfaction and redemption of the Outstanding Bonds; and that all conditions, acts and things required by law to exist or to be done precedent to the issuance of refunding bonds in the amount of \$2,485,000 pursuant to Section 13-815 of the Cooperation Act do exist and have been done as required by law;

(g) the total estimated cost of refunding the Outstanding Bonds, including all financing costs and contingencies, is not less than \$2,485,000 and that it is necessary and advisable for the Agency to issue its Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2004 (the "2004 Bonds"), in the principal amount of \$2,485,000 pursuant to the Cooperation Act and particularly Sections 13-808 to 13-818, R.R.S. Neb. 1997, as amended, thereof and further that all acts, conditions and things required to exist or to be done precedent to the issuance of the 2004 Bonds, as herein authorized, do exist and have been done and performed in regular and due time and form as required by law, with said 2004 Bonds to be payable from the revenues of the Facilities (including but not limited to amounts attributable to the County Service Agreement and the City Service Agreement) and from all amounts otherwise payable under the City Service Agreement.

Section 2. To pay costs of the Facilities as provided in Section 1 hereof, there shall be and there are hereby ordered issued negotiable bonds of the Grand Island Area Solid Waste Agency to be known as "Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2004" (the "2004 Bonds") in the aggregate principal amount of Two Million Four Hundred Eighty-five Thousand Dollars (\$2,485,000), with said 2004 Bonds bearing interest at the rates per annum and to become due on October 15 of the year as indicated below:

<u>Maturing on October 15 of Year</u>	<u>Amount of Principal Maturing</u>	<u>Interest Rate Per Annum</u>
2005	280,000	%
2006	285,000	%
2007	290,000	%
2008	300,000	%
2009	315,000	%
2010	325,000	%
2011	340,000	%
2012	350,000	%

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The 2004 Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue of the 2004 Bonds shall be the date of delivery thereof. Interest on the 2004 Bonds, at the respective rate for each maturity, shall be payable on October 15, 2004, and on April 15 and October 15 of each year thereafter (each an "Interest Payment Date"), and the 2004 Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date, whichever is later. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the last business day of the month immediately preceding the month in which the Interest Payment Date occurs (the "Record Date"), subject to the provisions of Section 4 hereof. The 2004 Bonds shall be numbered from 1 upwards in the order of their issuance. No 2004 Bond shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the 2004 Bonds issued shall be as directed by the initial purchasers thereof. Payments of interest due on the 2004 Bonds prior to maturity or earlier redemption shall be made by the Paying Agent and Registrar as designated pursuant to Section 3 hereof (the "Paying Agent and Registrar"), by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each 2004 Bond, as of the Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal due at maturity or at any date fixed for redemption prior to maturity together with any unpaid interest accrued thereon shall be made by the Paying Agent and Registrar to the registered owners upon presentation and surrender of the 2004 Bonds to the Paying Agent and Registrar. The Agency and the Paying Agent and Registrar may treat the registered owner of any 2004 Bond as the absolute owner of such 2004 Bond for the purpose of making payments thereon and for all other purposes and neither the Agency nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary whether

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such 2004 Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any 2004 Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the Agency and the Paying Agent and Registrar, in respect of the liability upon the 2004 Bonds or claims for interest to the extent of the sum or sums so paid.

Section 3. Wells Fargo Bank, National Association, is hereby designated to serve as Trustee, Paying Agent and Registrar (the "Paying Agent and Registrar") for the 2004 Bonds. The Paying Agent and Registrar shall serve in such capacities under the terms of an agreement entitled "Trustee, Paying Agent and Registrar's Agreement" between the Agency and said Paying Agent and Registrar, the form of which is hereby approved. The Chairman (Mayor) and Secretary (City Clerk) are hereby authorized to execute said agreement in substantially the form presented but with such changes as they deem appropriate or necessary. The Paying Agent and Registrar shall keep and maintain for the Agency books for the registration and transfer of the 2004 Bonds at its principal corporate trust office. The names and registered addresses of the registered owner or owners of the 2004 Bonds shall at all times be recorded in such books. Any 2004 Bond may be transferred pursuant to its provisions at the office of the Paying Agent and Registrar by surrender of such bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent and thereupon the Paying Agent and Registrar on behalf of the Agency will register such transfer and will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new 2004 Bond or 2004 Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the 2004 Bonds by this Resolution, one 2004 Bond may be transferred for several such 2004 Bonds of the same interest rate and maturity and

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for a like aggregate principal amount, and several such 2004 Bonds may be transferred for one or several such 2004 Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a 2004 Bond, the surrendered 2004 Bond or 2004 Bonds shall be cancelled and destroyed. All 2004 Bonds issued upon transfer of the 2004 Bonds so surrendered shall be valid obligations of the Agency evidencing the same obligations as the 2004 Bonds surrendered and shall be entitled to all the benefits and protection of this Resolution to the same extent as the 2004 Bonds upon transfer of which they were delivered. The Agency and said Paying Agent and Registrar shall not be required to transfer any 2004 Bond during any period from any Record Date until its immediately following Interest Payment Date or to transfer any 2004 Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

Section 4. In the event that payments of interest due on the 2004 Bonds on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners of the 2004 Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 5. The 2004 Bonds maturing on or after October 15, 2009, shall be subject to redemption, in whole or in part, prior to maturity on the fifth anniversary of the date of original issue thereof, or at any time thereafter, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. Such optional redemption shall be made from time to time as shall be directed by the governing body of the Agency. The Agency may select the 2004 Bonds for optional redemption in its sole discretion. 2004 Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Any 2004 Bond redeemed in part only shall be surrendered to said Paying Agent and Registrar in exchange for a

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new 2004 Bond evidencing the unredeemed principal thereof. Notice of redemption of any 2004 Bond called for redemption shall be given, at the direction of the Agency by said Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such 2004 Bond at said owner's registered address. Such notice shall designate the 2004 Bond or 2004 Bonds to be redeemed by maturity or otherwise, the date of original issue and the date fixed for redemption and shall state that such 2004 Bond or 2004 Bonds are to be presented for prepayment at the office of said Paying Agent and Registrar. In case of any 2004 Bond partially redeemed, such notice shall specify the portion of the principal amount of such 2004 Bond to be redeemed. No defect in the mailing of notice for any 2004 Bond shall affect the sufficiency of the proceedings of the Agency designating the 2004 Bonds called for redemption or the effectiveness of such call for the 2004 Bonds for which notice by mail has been properly given and the Agency shall have the right to direct further notice of redemption for any such 2004 Bond for which defective notice has been given.

Section 6. If the date for payment of the principal of or interest on the 2004 Bonds shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the City where the principal corporate trust office of the Paying Agent and Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 7. The 2004 Bonds shall be in substantially the following form:

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UNITED STATES OF AMERICA
STATE OF NEBRASKA

GRAND ISLAND AREA SOLID WASTE AGENCY
SOLID WASTE DISPOSAL FACILITIES REVENUE REFUNDING BOND, SERIES 2004

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
_____ %	October 15, _____	_____, 2004	

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the Grand Island Area Solid Waste Agency (the "Agency"), a separate public body corporate and politic of the State of Nebraska, created by an agreement under Sections 13-801 to 13-827, R.R.S. Neb. 1997, as amended, by and between the City of Grand Island, Nebraska, and The County of Hall, in the State of Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the special sources hereinafter described, to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Interest Payment Date, whichever is later, at the rate per annum specified above, payable October 15, 2004, and semiannually thereafter on April 15 and October 15 of each year (each, an "Interest Payment Date"). Such interest shall be computed on the basis of a 360-day year consisting of twelve 30 day months. The principal of this bond together with interest thereon unpaid and accrued at maturity (or earlier redemption) is payable upon presentation and surrender of this bond at the principal corporate trust office of Wells Fargo Bank, National Association, as Trustee, Paying Agent and Registrar, in Lincoln, Nebraska (the "Paying Agent and Registrar"). Interest on this bond will be paid on each Interest Payment Date by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the month immediately preceding the month in which the Interest Payment Date occurs, to such owner's address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

This bond is one of an issue of fully registered bonds of the total principal amount of Two Million Four Hundred Eighty-five Thousand Dollars (\$2,485,000) of even date and like tenor, except as to the date of maturity, rate of interest and denomination, which were issued by the Agency for the purpose of

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refunding the Agency's Solid Waste Facilities Revenue Refunding Bonds, Series 1998, which were issued for the purpose of refunding indebtedness originally issued for the purpose of paying the costs of constructing and acquiring solid waste disposal facilities and system to serve the City of Grand Island, Nebraska, and The County of Hall (the "Facilities") and has been duly authorized by resolution duly adopted (the "Resolution") and by proceedings duly had by the Agency's governing body, as provided by Chapter 13, Article 8, Reissue Revised Statutes of Nebraska, 1997, as amended.

Any or all of the bonds of said issue maturing on or after October 15, 2009, are subject to redemption at the option of the Agency, in whole or in part, on the fifth anniversary of the date of original issue thereof, or at any time thereafter, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption.

Notice of redemption shall be given by mail to the registered owner of any bond called for redemption in the manner specified in the resolution authorizing said issue of bonds. Individual bonds may be redeemed in part but only in the amount of \$5,000 or integral multiples thereof.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the principal corporate trust office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond or bonds of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the Resolution, subject to the limitations therein prescribed. The Agency, the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all other purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the day for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent and Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Under the Resolution, the Agency has pledged and granted a security interest in all revenues of the Facilities (including any additions or improvements thereto) for the payment of the 2004 Bonds and any additional bonds of equal lien to the 2004 Bonds issued as permitted by the terms of the Resolution ("Additional Bonds"). In addition the Agency has pledged, assigned and granted a security interest in all of its rights under that Service Agreement (the "City Service Agreement") by and between the Agency and the City of Grand Island, Nebraska, dated August 14, 1992, (as supplemented) pursuant to which the City of Grand Island has agreed to make payments equal to all costs required for operating and maintaining the Facilities and all payments required by the Agency to be credited to the Debt Service Fund created by the Resolution for the payment of principal of and interest on the 2004 Bonds, provided that the City shall receive credit against such required payments for all revenues received by the Agency with respect to the Facilities. In addition, in the City Service Agreement, the City has agreed to cause to be levied and collected a special tax upon all the taxable property in the City to make up any deficiency in the revenues of the Facilities to meet the payments agreed to by the City. The Agency has also pledged and granted a security interest in all of its rights under that Service Agreement (the "County Service

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Agreement”), by and between the Agency and The County of Hall, dated September 29, 1992, but such County Service Agreement does not provide for payments in any set amount by the County or for any special tax to be levied by the County. The 2004 Bonds are limited obligations of the Agency payable from the revenues of the Facilities and from payments required to be made by the City under the City Service Agreement. The 2004 Bonds shall not be a debt of any political subdivision of the State of Nebraska and neither the State of Nebraska nor any political subdivision shall be liable thereon.

The Resolution sets forth the covenants and obligations of the Agency with respect to the Facilities and the application of the revenues to be derived therefrom, which revenues are by the terms of said Resolution to be deposited into the “Solid Waste Disposal Facilities Fund” and disbursed to pay costs of operation and maintenance, to make payments of principal and interest on the 2004 Bonds and make other payments as specified in the Resolution. The Resolution also designates the terms and conditions on which Additional Bonds may be issued in the future. The Agency also reserves the right to issue bonds junior in lien to the 2004 Bonds and any Additional Bonds, the principal and interest of which are payable from monies in the “Retained Revenues Fund” of the Solid Waste Disposal Facilities Fund as described in said Resolution. The Resolution also designates the terms and conditions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and all covenants, agreements and obligations of the Agency under such Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if monies or certain specified securities shall have been deposited with the Paying Agent and Registrar.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond did exist, did happen and were done and performed in regular and due form and time as provided by law.

This bond shall not be valid and binding on the Agency until authenticated by the Paying Agent and Registrar.

IN WITNESS WHEREOF, the Mayor and Council of the City of Grand Island, Nebraska, as the governing body of the Agency, have caused this bond to be executed on behalf of the Agency with the facsimile signatures of the Chairman and the Secretary of the Agency.

GRAND ISLAND AREA SOLID WASTE AGENCY

(facsimile signature)
Chairman

ATTEST:

(facsimile signature)
Secretary

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CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by Resolution adopted by the governing body of the Grand Island Area Solid Waste Agency, as described in said bond.

Wells Fargo Bank, National Association,
Trustee, Paying Agent and Registrar

Authorized Signature

(FORM OF ASSIGNMENT)

For value received _____ hereby sells, assigns, and transfers unto _____ the within bond and hereby irrevocably constitutes and appoints _____, Attorney, to transfer the same on the books of registration in the office of the within mentioned Paying Agent and Registrar with full power of substitution in the premises.

Date: _____

Registered Owner

Signature Guaranteed

By _____

Authorized Officer

Note: The signature(s) on this assignment MUST CORRESPOND with the name(s) as written on the face of the within bond in every particular, without alteration, enlargement or any change whatsoever, and must be guaranteed by a commercial bank or a trust company or by a firm having membership on the New York, Midwest or other stock exchange.

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Section 8. Each of the 2004 Bonds shall be executed on behalf of the Agency with the manual or facsimile signatures of the Chairman (Mayor) and Secretary (City Clerk) of the Agency. The 2004 Bonds shall be issued initially as “book-entry only” bonds under the services of The Depository Trust Company (the “Depository”), with one typewritten bond per maturity being issued to the Depository. In such connection said officers of the Agency are authorized to execute and deliver a Letter of Representations (the “Letter of Representations”) in the form required by the Depository, for and on behalf of the Agency, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the 2004 Bonds. Upon issuance of the 2004 Bonds as “book-entry-only” bonds, the following provisions shall apply:

(a) The Agency and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds 2004 Bonds as securities depository (each, a “Bond Participant”) or to any person who is an actual purchaser of a 2004 Bond from a Bond Participant while the 2004 Bonds are in book-entry form (each, a “Beneficial Owner”) with respect to the following:

(i) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the 2004 Bonds,

(ii) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the 2004 Bonds, including any notice of redemption, or

(iii) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the 2004 Bonds. The Paying Agent and Registrar shall make payments with respect to the 2004 Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such 2004 Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable to unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange 2004 Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the

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Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the Agency, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the 2004 Bonds or (ii) to make available 2004 Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such 2004 Bonds shall designate.

(c) If the Agency determines that it is desirable that certificates representing the 2004 Bonds be delivered to the ultimate Beneficial Owners of the 2004 Bonds and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the 2004 Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the 2004 Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any 2004 Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such 2004 Bond and all notices with respect to such 2004 Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the 2004 Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the 2004 Bonds may be delivered in physical form to the following:

(i) any successor securities depository or its nominee;

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section and the terms of the Trustee, Paying Agent and Registrar's Agreement.

If for any reason the Depository resigns and is not replaced or upon termination by the Agency of book-entry-only form, the Agency shall immediately provide a supply of bond certificates for issuance upon subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement bond certificates upon transfer or partial redemption, the Agency agrees to order printed an additional supply of bond certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any 2004 Bond

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shall cease to be such officer before the delivery of such 2004 Bond (including any bond certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption) such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such 2004 Bond. The 2004 Bonds shall not be valid and binding on the Agency until authenticated by the Paying Agent and Registrar. The 2004 Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the 2004 Bonds, they shall be delivered to the City's Treasurer, acting on behalf of the Agency, who is authorized to deliver them to Ameritas Investment Corp. (the "Underwriter"), as initial purchaser thereof, upon receipt of the purchase price of \$_____ plus accrued interest on the principal amount of the 2004 Bonds to date of payment for the 2004 Bonds. Said initial purchasers shall have the right to direct the registration of the 2004 Bonds and the denominations thereof within each maturity, subject to the restrictions of this Resolution. The sale of the 2004 Bonds shall be made pursuant to the terms of the Bond Purchase Agreement, which (in the form presented) is hereby approved as to form. The Chairperson or Vice Chairperson, in their sole discretion, are hereby authorized to execute and deliver said Bond Purchase Agreement for and on behalf of the Agency. Nothing herein shall be deemed or construed to create an obligation of the Agency with respect to the sale of the 2004 Bonds unless and until such time as the Chairperson or Vice Chairperson have executed and delivered the Bond Purchase Agreement to the Underwriter. The Underwriter and its agents, representatives and counsel, as well as the Agency's bond counsel, are hereby authorized to take such actions on behalf of the Agency as are necessary to effect the closing of the issuance and sale of the 2004 Bonds, including, without limitation, authorizing the release of the bonds by the Depository at closing. The Secretary (City Clerk), acting on behalf of the Agency, shall make and certify a transcript of the proceedings of the governing body with respect to the 2004 Bonds which shall be delivered to said purchaser.

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Section 9. All accrued interest received from the sale of the 2004 Bonds shall be applied to pay interest falling due on October 15, 2004, and shall be credited to the Debt Service Fund as described in Section 11 hereof. The balance of the proceeds of the 2004 Bonds shall be deposited on receipt with Wells Fargo Bank, National Association, successor in interest to Norwest Bank Nebraska, National Association, as paying agent and registrar for the Outstanding Bonds (the "1998 Bonds Paying Agent") and shall be applied to redeem the Outstanding Bonds on the Redemption Date. The Agency further agrees to deposit with the 1998 Bonds Paying Agent funds or investments which, together with the proceeds of the 2004 Bonds and anticipated earnings thereon, will be sufficient to assure payment of all principal and interest on the Outstanding Bonds falling due on the Redemption Date.

Section 10. The Agency hereby pledges and grants a security interest to the Paying Agent and Registrar (as trustee) for the benefit of the registered owners of the 2004 Bonds in any and all revenues of any sort (including but not limited to all charges for the disposal of solid waste imposed upon licensed haulers with respect to the Facilities) from the Facilities and in all rights of the Agency in and under the City Service Agreement and the County Service Agreement in order to secure as the same fall due the payments of principal and interest on the 2004 Bonds. The Agency hereby covenants and agrees that all revenues of the Facilities, including any payments made under the City Service Agreement or the County Service Agreement shall be credited to a separate special fund to be held by the City's Finance Director (City Treasurer), apart from all other funds of the City and as funds held by the City as agent and manager for the Agency, which is hereby ordered established and to be designated as the "Solid Waste Disposal Facilities Fund." For purposes of allocating the monies in the Solid Waste Disposal Facilities Fund there are hereby ordered established the following funds within the Solid Waste Disposal Facilities Fund: (a) Operation and Maintenance Fund; (b) Debt Service Fund; (c) Retained Revenues Fund. Said funds

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within the Solid Waste Disposal Facilities Fund shall receive credits from revenues of the Facilities and be subject to expenditure and withdrawal in accordance with the following:

(a) Operation and Maintenance Fund: Out of the Solid Waste Disposal Facilities Fund there shall be monthly deposited into the Operation and Maintenance Fund such amounts as the City, as manager for the Agency acting through authorized City personnel, shall determine to be necessary to pay all reasonable and necessary costs of operating the Facilities (including but not limited to expenses for salaries, wages, supplies, equipment rentals, insurance, accounting, bookkeeping, utilities, fees and charges due the State of Nebraska, taxes, repairs, site monitoring and maintenance) and such funds so credited shall be disbursed by the City Finance Director (City Treasurer) to pay such expenses on behalf of the Agency in accordance with standard City procedures for payment of expenses as in effect from time to time;

(b) Debt Service Fund: Out of the Solid Waste Disposal Facilities Fund there shall be deposited into the Debt Service Fund the following amounts at the following times:

- 1) on October 1, 2004, there shall be deposited an amount equal the interest due on the 2004 Bonds on October 15, 2004;
- 2) on the first day of each month during the period commencing November 1, 2004, and continuing until the 2004 Bonds have been paid in full, an amount equal to 1/6th of the interest payment next falling due on the 2004 Bonds; and
- 3) on the first day of each month during the period commencing November 1, 2004, and continuing until the 2004 Bonds have been paid in full, an amount equal to 1/12th of the principal payment next falling due on the 2004 Bonds.

The City Finance Director (City Treasurer) (acting for the City as manager of the Agency) is hereby authorized and directed, without further authorization, to withdraw monies credited to the Debt Service Fund, or if the monies in such fund are insufficient, then from the Retained Revenues Fund (to the extent not otherwise reserved), an amount sufficient to pay, when due, the principal of and interest on the 2004 Bonds or any Additional Bonds and to transfer such amount to the Paying Agent and Registrar (or other paying agent for Additional Bonds) on or before each principal and interest payment (or mandatory redemption) date. Upon the issuance of any Additional Bonds pursuant to this Resolution appropriate additional credits to the Debt Service Fund shall be provided for sufficient to pay principal and interest on said Additional Bonds.

(c) Retained Revenues Fund: All monies remaining in the Solid Waste Disposal Facilities Fund after the deposits required by the foregoing subsections (a) and (b) shall be credited to the Retaining Revenues Fund. Monies in the Retained Revenues Fund may be applied to make up any deficiencies in the preceding described funds, to provide for any reserve

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determined appropriate by the City, as manager for the Agency, or to provide for any transfer to the City for payments of its compensation as manager under the terms of the Management Agreement between the Agency and the City.

The provisions of this Section shall require the Agency and the City as manager for the Agency to maintain a set of books and records in accordance with such accounting methods and procedures as are generally applicable to municipal utility enterprises, which books and records shall show credits to and expenditures from the several funds required by this Section. Separate bank and investment accounts, separate from other City funds, shall be maintained for all funds of the Agency but monies of the Agency in any of the above funds may be commingled so long as books and records are kept showing the amounts of any such commingled account belonging to each separate fund of the Agency.

Section 11. So long as any of the 2004 Bonds and any Additional Bonds issued pursuant to this Resolution shall remain outstanding and unpaid, the Agency covenants and agrees to establish, revise, from time to time as necessary, and collect (or cause to be established, revised and collected) such charges for solid waste disposal services furnished by the Facilities adequate to produce revenues and earnings sufficient at all times:

(a) to provide funds to pay, when due, the principal of and interest on the 2004 Bonds and any Additional Bonds issued pursuant to this Resolution;

(b) to pay all necessary and reasonable costs of operation and maintenance of the Facilities and to pay for the necessary and reasonable repairs, replacements, enlargements, extensions and improvements to the Facilities;

(c) to provide funds sufficient to make the deposits into the funds and at the times required by Section 10 of this Resolution.

Section 12. To provide for funds for any purpose related to the Facilities, including payment of costs of repairs, additions, improvements and enlargements to the Facilities and the acquisition of any and all additional equipment deemed necessary for the Facilities or to provide for the refunding of the 2004 Bonds or any Additional Bonds then outstanding, the Agency may issue Additional Bonds having

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a status and lien equal to the status and lien provided for in this Resolution for the 2004 Bonds without limitation so long as the Agency and the City in connection with the issuance of such Additional Bonds shall enter into an amendment to the City Service Agreement providing for the City to agree to payments to be made under the City Service Agreement sufficient to meet, in addition to all other payments then required under the City Service Agreement, all payments required by the Agency to be credited to the Debt Service Fund for payment of all principal and interest as the same fall due on any 2004 Bonds or Additional Bonds which are to remain outstanding and on the Additional Bonds to be issued and the term of the City Service Agreement shall be extended, if necessary, to a time not earlier than the final maturity of those 2004 Bonds and Additional Bonds which are to be outstanding after the issuance of such Additional Bonds. Except for such Additional Bonds, the Agency agrees that it will not incur any indebtedness payable from the revenues of the Facilities on any basis superior to or equal to the pledge and lien provided for the 2004 Bonds under this Resolution. The Agency reserves the right to issue bonds, notes or other indebtedness junior in lien and pledge to the 2004 Bonds and any Additional Bonds and the principal and interest upon such junior lien indebtedness may be paid from any funds, not otherwise reserved, in the Retained Earnings Fund. The Agency covenants and agrees that it will not mortgage, pledge or grant security interest in the Facilities or any property of the Agency constituting a part thereof so long as the 2004 Bonds or any Additional Bonds remain outstanding, subject to the rights of the Agency to pledge revenues as provided for in this Section.

Section 13. So long as any of the 2004 Bonds or Additional Bonds are outstanding, the Agency hereby covenants and agrees as follows:

- (a) The Agency will maintain the Facilities in good condition and will continuously operate the same in a reasonable and efficient manner, and the Agency will punctually perform all the duties with reference to said Facilities required by the Constitution and statutes of the State of Nebraska, but this covenant shall not prevent the Agency from discontinuing the use and operation of any portion of the Facilities so long as the Revenues derived from the Agency's ownership and operation of the remaining properties constituting the Facilities shall

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be sufficient to fulfill the Agency's obligations under this Resolution and particularly Sections 10 and 11 of this Resolution.

(b) The Agency will not grant any franchise or right to any person, firm or corporation to own or operate a solid waste disposal facility in competition with the Facilities.

(c) The Agency will maintain (or cause to be maintained) insurance on the property constituting the Facilities (other than such portions of the Facilities as are not normally insured against loss by casualty) in the amounts and against the risks customarily carried by similar enterprises, but including fire and extended coverage insurance, in an amount which would enable the Agency to repair, restore or replace the property damaged to the extent necessary to make the Facilities operable in an efficient and proper manner to carry out the Agency's obligations under this Resolution. The proceeds of any such insurance received by the Agency shall be used to repair, replace or restore the property damaged or destroyed to the extent necessary to make the Facilities operable in an efficient and proper manner.

(d) The Agency will keep proper books, records and accounts separate from all other records and accounts in which complete and correct entries will be made of all transactions relating to the Facilities.

(e) The Agency shall cause each person handling any of the monies in the funds described in Section 10 above to be bonded by an insurance company licensed to do business in Nebraska in an amount or amounts sufficient to cover the monies belonging to the Agency in the possession or control of any such person. The amount of such bond or bonds shall be fixed by the governing body of the Agency or by the City as manager for the Agency.

Section 14. The Agency's obligations under this Resolution and the liens, pledges, covenants and agreements of the Agency herein made or provided for, shall be fully discharged and satisfied as to the 2004 Bonds or any Additional Bonds issued pursuant to this Resolution and any such bonds shall no longer be deemed outstanding hereunder if such bonds shall have been purchased and cancelled by the Agency, or when payment of the principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided for by depositing with the Paying Agent and Registrar or a national or state bank having trust powers or trust company, in trust solely for such payment, (i) sufficient money to make such payment or (ii) Deposit Securities in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will

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Facilities and the application thereof to the respective funds for the 2004 Bonds and Additional Bonds referred to and described in Section 10 of this Resolution.

The Agency further agrees that in the event of default in the payment of interest on or principal of the 2004 Bonds or any Additional Bonds, the Trustee or the registered owner or registered owners of any 2004 Bond or 2004 Bonds shall be entitled, as a matter of right, upon application to a court of competent jurisdiction, to have a receiver appointed for the Facilities and the revenues thereof, which receiver shall have such powers as are prescribed by law or decree of court.

Section 16. The Paying Agent and Registrar is also appointed as Trustee (the "Trustee") under the terms of this Resolution. Such Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering the Paying Agent and Registrar's Agreement as authorized in Section 3 of this Resolution. The Trustee may be removed for cause at the request of and upon affirmative vote of the registered owners of more than 50% of the principal amount of the 2004 Bonds and any Additional Bonds then outstanding. In the event of the removal, resignation, disability or refusal to act of the Trustee, a successor may be appointed by the registered owners of more than 50% in principal amount of the 2004 Bonds and Additional Bonds then outstanding, excluding any bonds held by or for the account of the Agency or the City, and such successor shall have all of the powers and obligations of the Trustee under this Resolution theretofore vested in its predecessor provided, however, that, unless a successor Trustee shall have been appointed by the registered owners of the 2004 Bonds and Additional Bonds as aforesaid, the Agency, by a duly adopted resolution shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the registered owners of bonds as authorized by this Section. Any successor Trustee appointed by the Agency shall immediately and without further act be superseded by any Trustee appointed by the registered owners of the 2004 Bonds and Additional Bonds. The duties and responsibilities of the Trustee shall be governed by the terms of this

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ensure the availability of sufficient money to make such payment; provided, however, that, with respect to any bond to be paid prior to maturity, the Agency shall have duly given notice of redemption of such bond as provided by law or made irrevocable provisions for the giving of such notice. Any such money so deposited with the Paying Agent and Registrar or with a bank or trust company may be invested and reinvested in Deposit Securities and all interest and income from such Deposit Securities in the hands of such Paying Agent and Registrar or bank or trust company, in excess of the amount required to pay principal of and interest on the bonds for which such monies were deposited, shall be paid over to the Agency as and when collected. The term "Deposit Securities" as used in this Section shall mean direct obligations of or obligations the principal and interest which are unconditionally guaranteed by the United States of America, including obligations issued in book-entry form.

Section 15. The terms and provisions of this Resolution do and shall constitute a contract between the Agency and the holder or holders of the 2004 Bonds and any Additional Bonds and no changes, variations or alterations of any kind, except for changes necessary to cure any ambiguity, formal defect or omission, shall be made to this Resolution without the written consent of the holders of two-thirds (2/3rds) in principal amount of the 2004 Bonds and any Additional Bonds then outstanding, provided, however, that neither the principal and interest to be paid upon any bond or the maturity date of any bond shall be changed without the written consent of the holders of all such bonds then outstanding. The Trustee or any registered owner of a 2004 Bond may by mandamus or other appropriate action or proceedings at law or in equity in any court of competent jurisdiction enforce and compel performance of this Resolution and every provision and covenant hereof, including without limiting the generality of the foregoing, the enforcement of the performance of all duties required by the Agency by this Resolution and the applicable laws of the State of Nebraska, including in such duties the making and collecting of sufficient rates, rentals, fees or charges for the use and service provided by the Facilities, the segregation of the Revenues of the

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Resolution and the Trustee, Paying Agent and Registrar's Agreement. To the Trustee for the benefit of the registered owners of the 2004 Bonds and any Additional Bonds, there is by the terms of this Resolution pledged and a security interest granted in all rights of the Agency under the City Service Agreement and the County Service Agreement and such Trustee shall have the right, upon any default in payment of principal or interest on the 2004 Bonds or any Additional Bonds, to enforce for the benefit of the registered owners of the 2004 Bonds and any Additional Bonds, all rights of the Agency against the City or County under the terms of said City Service Agreement and County Service Agreement. None of the provisions contained in this Resolution shall require the Trustee to spend or risk its own funds or otherwise incur individual financial responsibility in the performance of any duties or in the exercise of any of its rights or powers, if there are reasonable grounds for believing that repayment thereof is not reasonably assured to it under the terms of this Resolution. Before taking any action pursuant to the terms of this Resolution, the Trustee shall have the right to request and receive indemnification as to fees and expenses to be incurred from the registered owners of the 2004 Bonds and any Additional Bonds. The right of the Trustee to enforce the terms of this Resolution, including the pledge and security interest provided for herein shall not preclude the right of any of the registered owners of the 2004 Bonds or Additional Bonds from enforcing any and all rights provided for under this Resolution, including the rights of such registered owners as third party beneficiaries of the City Service Agreement or the County Service Agreement. Any and all actions brought by any registered owner or owners of the 2004 Bonds or any Additional Bonds or by the Trustee shall be maintained for the equal and ratable benefit of all registered owners of the 2004 Bonds and Additional Bonds outstanding and no registered owners of any of the 2004 Bonds or Additional Bonds shall have any right in any manner whatsoever by any action or proceedings to affect, disturb or prejudice the pledge and security interest created by this Resolution.

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Section 17. The Chairman (Mayor) and Secretary (City Clerk) and Treasurer (City Finance Director/Treasurer) of the Agency are hereby authorized to do all things and execute all documents as may by them be deemed necessary and proper to complete the issuance and sale of the 2004 Bonds contemplated by this Resolution. The preliminary Official Statement is hereby approved and such officers are further authorized to approve a final Official Statement (the "Official Statement") on behalf of the Agency.

Section 18. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the Agency hereby agrees that it will provide the following continuing disclosure information:

(a) to each nationally recognized municipal securities information repository (a "NRMSIR") and to the Underwriter, the Agency shall provide annual financial and operating information generally consistent with the information set forth under the heading "FINANCIAL STATEMENT/CITY OF GRAND ISLAND" as shown in the Official Statement and the City's audited financial statements (including a schedule showing revenues and expenses for landfill enterprise); such information shall be made available not later than seven months after the end of each fiscal year for the City; audited financial information shall be provided in conformity with generally accepted accounting principles;

(b) in a timely manner to each NRMSIR or to the Municipal Securities Rule Making Board ("MSRB"), notice of the occurrence of any of the following events with respect to the 2004 Bonds, if in the judgment of the Agency, such event is material:

- (1) principal and interest payment delinquencies,
- (2) non-payment related defaults,
- (3) unscheduled draws on debt service reserves reflecting financial difficulties,
- (4) unscheduled draws on credit enhancements reflecting financial difficulties,
- (5) substitution of credit or liquidity providers, or their failure to perform,
- (6) adverse tax opinions or events affecting the tax-exempt status of the 2004 Bonds,
- (7) modifications to rights of the bondholders,

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- (8) bond calls,
- (9) defeasances,
- (10) release, substitution, or sale of property securing repayment of the 2004 Bonds,
and
- (11) rating changes.

The Agency does not hereby undertake to provide notice of the occurrence of any other material event, except the events listed above.

- (c) in a timely manner to each NRMSIR or to the Municipal Securities Rule Making Board (“MSRB”) notice of any failure on the part of the Agency to provide required annual financial information not later than seven months from the close of the City’s fiscal year.

The Agency hereby reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Agency, consistent with the Rule. The Agency hereby agrees that the disclosure undertakings as set forth in this Section 18 are for the benefit of the registered owners of the 2004 Bonds (including Beneficial Owners) and that such covenants may be enforced by any registered owner or Beneficial Owner, provided that any such right to enforcement shall be limited to specific enforcement of such undertaking and any failure shall not constitute a default or an event of default with respect to the 2004 Bonds. The continuing disclosure obligations of the Agency, as set forth in this Section 18, shall cease when none of the 2004 Bonds remain outstanding.

Section 19. The terms and conditions of the Supplement to City Service Agreement and the Supplement to Management Agreement are hereby approved in all respects and execution and delivery of said agreements, in substantially the form presented, for and on behalf of the Agency by its officers are hereby authorized. The Agency acknowledges and agrees that the 2004 Bonds shall henceforth constitute “Facilities Revenue Bonds” under the terms of the Management Agreement and “Facility Bonds” under the terms of the City Service Agreement.

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Section 20. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 21. The Agency hereby covenants and agrees that it will make no use of the proceeds of the 2004 Bonds which would cause the 2004 Bonds to be arbitrage bonds within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and further covenants to comply with said Sections 103(b)(2) and 148 and all applicable regulations thereunder throughout the term of said issue, including if applicable keeping of appropriate records and payments of any rebates due the United States. The Agency hereby covenants to take all action necessary to preserve the tax-exempt status of the interest on the 2004 Bonds for federal income tax purposes under the Code with respect to taxpayers generally. The Agency hereby designates the 2004 Bonds as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not reasonably expect to issue tax-exempt bonds or other tax-exempt interest bearing obligations aggregating in principal amount more than \$10,000,000 during calendar year 2004 (taking into consideration the exception for current refunding issues and bonds or other obligations issued by or on behalf of the City), provided that the amount of the 2004 Bonds hereby designated shall be reduced as and to the extent that a portion of the 2004 Bonds may be determined to be "deemed designated" in accordance with the provisions of Section 265(b)(3)(D) of the Code. The officers of the Agency (or any one of them) are hereby authorized to make allocations of the 2004 Bonds (as to principal maturities) and of the proceeds of the 2004 Bonds and debt service funds of the Agency as may be deemed appropriate under the federal tax laws and regulations, specifically including any allocations relating to the determination of a portion of the 2004 Bonds as "deemed designated". Any such allocations made and determinations set forth in a certificate by an officer of the Agency shall be and constitute authorized

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determinations made on behalf of the Agency with the same force and effect as if set forth in this resolution.

Section 22. This resolution shall be in full force and effect from and after its adoption as provided by law.

PASSED AND APPROVED this 27th day of July, 2004.

Chairperson (Mayor)

ATTEST:

Secretary (City Clerk)

DOCS/606845.1

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TRUSTEE, PAYING AGENT AND REGISTRAR'S AGREEMENT

This Agreement made and entered into as of the _____ day of _____, 2004, by and between the Grand Island Area Solid Waste Agency (the "Agency") and Wells Fargo Bank, National Association (the "Registrar").

WITNESSETH:

WHEREAS, the Agency has authorized the issuance of \$2,485,000 of its Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2004, date of original issue - September 1, 2004, (the "Bonds") by Resolution No. __ (the "Resolution") and requires the services of a trustee, paying agent and registrar for said issue; and

WHEREAS, the Registrar is willing to provide services as trustee, paying agent and registrar pursuant to the terms of this Agreement and the Resolution in consideration for the compensation described in this Agreement.

NOW, THEREFORE, the Agency and the Registrar do hereby agree as follows:

1. The Registrar hereby accepts appointment as trustee, paying agent and registrar in accordance with the terms hereof and the Resolution.
2. The Registrar agrees that it shall maintain on behalf of the Agency books of record in which the registered owners of the Bonds and their registered addresses shall be duly recorded.
3. The Registrar agrees that it shall serve as paying agent for the Agency in making the payments of principal and interest falling due on the Bonds. The Agency shall, not later than each interest and principal payment date on the Bonds, deposit with the Registrar an amount sufficient to make such payment and the Registrar shall apply such deposit by mailing a check or draft to each of the registered owners of the Bonds as shown on the books of record maintained pursuant to paragraph 2 hereof for the appropriate amounts of interest due on each respective Bond, and pay principal and interest upon presentation of each respective Bond in accordance with the terms of the Resolution.
4. Registrar hereby accepts and agrees to perform all duties directed by the Resolution to be performed by the "Paying Agent and Registrar" or "Trustee" as described in the Resolution and the terms of the Resolution are hereby incorporated by reference. Registrar acknowledges receipt of a copy of the Resolution. Registrar acknowledges that the Agency may make deposits of money or securities as provided in Section 16 of the Resolution. In the event of any such deposit, the compensation provided for under this Agreement shall not be altered or abated.
5. The Agency shall furnish to the Registrar a sufficient supply of forms in blank of the Bonds to be issued upon transfer, signed by the facsimile signatures of the Chairperson (Mayor) and Secretary (City Clerk) and shall renew such supply pursuant to Section 8 of the Resolution upon request by the Registrar.
6. The Registrar shall make the initial registration of the Bonds upon written directions from the original purchaser thereof as designated in the Resolution.

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7. Transfer of the Bonds shall be registered and new Bonds issued in replacement thereof, pursuant to the limitations prescribed in the Resolution, upon surrender to the Registrar of any outstanding Bond in form deemed by the Registrar properly endorsed for transfer with all necessary signatures guaranteed in such manner and form as the Registrar may require by a signature guarantor reasonably believed by Registrar to be responsible, accompanied by such assurances as the Registrar shall deem necessary or appropriate to evidence the genuineness and effectiveness of each necessary signature and, if deemed appropriate by the Registrar, satisfactory evidence of compliance with all applicable laws relating to the collection of taxes. In registering transfer of the Bonds, the Registrar may rely upon the Uniform Commercial Code or any other statutes which in the opinion of counsel protect the Registrar and the Agency in not requiring complete documentation, in registering Bonds without inquiry into adverse claims, in delaying registration for purposes of such inquiry or in refusing registration where in Registrar's judgment an adverse claim requires such refusal.

8. Replacement Bonds for any of the Bonds damaged, lost or stolen shall be issued by the Registrar upon a duly certified resolution or resolutions in compliance with the requirements of Sections 10-127 to 10-130, R.R. 5. Neb. 1997, as amended, as now existing or as hereafter amended.

9. As provided by law, the books of registration maintained by the Registrar shall not be deemed public records and shall be available for inspection solely pursuant to a court order or a subpoena of any governmental agency having jurisdiction to issue such subpoena.

10. At least annually, the Registrar shall give a report to the Agency accounting for all funds received and disbursements made. The Registrar shall maintain customary records in connection with its exercise of its duties under this Agreement and the Resolution.

11. At anytime the Registrar may apply to the Agency for instructions and may consult with the Agency's attorney or the Registrar's own counsel in respect to any matter arising in connection with its duties under this Agreement and the Resolution and the Registrar shall not be liable or accountable for any action taken or omitted by it in good faith in accordance with such instructions or with the opinion of such counsel. The Registrar may rely on any paper or document reasonably believed by it to be genuine and to have been signed by the proper person or persons.

12. The Agency hereby agrees to pay any expenses reasonably incurred by the Registrar in connection with the performance of its duties under this Agreement and the Resolution, including counsel fees, and in addition shall pay to the Registrar as compensation for its services the following:

See Attachment

13. Any corporation or association into which the Registrar may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall, ipso facto, be and become successor Registrar hereunder and vested with all of the trusts, powers, discretions, immunities, privileges and all other

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matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

14. Registered owners of the Bonds shall have such right to remove the Registrar and the Registrar shall be permitted to resign upon the terms and conditions set forth in the Resolution.

15. This Agreement shall terminate when the Bonds have been paid in full. The Registrar shall have no duties with respect to the investment of monies paid to it under this Agreement and the Resolution except as set forth herein or in the Resolution. Any deposit of such monies shall be either fully insured by insurance of the Federal Deposit Insurance Corporation or fully secured in the manner required by law for deposit of funds of a city of the first class in the State of Nebraska. Any such deposit may be in an account maintained with the Registrar or an affiliate of the Registrar.

16. Under the terms of the Resolution, the Bonds are to be issued initially as "book-entry-only bonds" using the services of The Depository Trust Company (the "Depository") and initially the entire issue of the Bonds shall be registered in the name of Cede & Co., as nominee for the Depository, with one typewritten bond for each separate stated maturity. Payment of semiannual interest for any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer in accordance with the procedures of the Depository as in effect from time to time. The Registrar agrees that it will execute and observe the terms and conditions of the Letter of Representations (the "Letter of Representations") as authorized by the Resolution.

The Registrar and the Agency may treat the Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal 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 the Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by bondholders and for all other purposes whatsoever, and neither the Registrar nor the Agency shall be affected by any notice to the contrary. Neither the Registrar nor the Agency shall have any responsibility or obligation to any participant of the Depository ("Participant"), any person claiming a beneficial ownership interest in the Bonds under or through the Depository or any Participant, or any other person which is not shown on the registration books of the Registrar as being a bondholder, with respect to the accuracy of any records maintained by the Depository or any Participant, the payment by the Depository or any Participant of any amount in respect of the principal of or interest on the Bonds; any notice which is permitted or required to be given to bondholders under the Resolution; the selection by the Depository or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by the Depository as bondholder. The Registrar shall pay all principal of and interest on the Bonds only to the Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Agency's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions directed below, no person other than the Depository shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the Agency to make payments of principal of and interest pursuant to the Resolution. Upon delivery by the Depository to the Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in the place of Cede & Co., and subject to the provisions in the Resolution with respect to Record Dates, the term "Cede & Co." in this Agreement shall refer to such new nominee of the Depository. If the Depository gives notice to the Agency or the Registrar pursuant to the Letter of Representations that it will discontinue providing its services as securities depository with respect to the Bonds, the Agency shall

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either appoint a successor securities depository or terminate the book-entry system for the Bonds under the following conditions:

(i) Any successor securities depository must be a clearing agency registered with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934 and must enter into an agreement with the Agency and the Registrar agreeing to act as the depository and clearing agency - for all the Bonds. After such agreement has become effective, the Depository shall present the Bonds for registration of transfer in accordance with Section 3 of the Resolution and the Registrar shall register them in the name of the successor securities depository or its nominee. If a successor securities depository has not accepted such position prior to the effective date of the Depository's termination of its services, the book-entry system shall automatically terminate.

(ii) If the Agency elects to terminate the book-entry system for the Bonds, it shall so notify the Registrar in writing. Thereafter, upon presentation of the Bonds, or any of them, by the Depository or its nominee to the Registrar for registration of transfer in accordance with Section 3 of the Resolution, the Registrar shall register the transfer in accordance with such Section 3 of the Resolution and all provisions of this paragraph 16 shall immediately cease to be in effect.

The Agency may elect to terminate the book-entry system for the Bonds at any time by giving written notice to the Depository and the Registrar. On the effective date of such termination, the provisions of this paragraph 16 shall cease to be in effect, except that the Registrar shall continue to comply with applicable provisions of the Letter of Representations with respect to Bonds as to which the Depository remains the registered owner. After such termination, the Registrar shall, upon presentation of Bonds by the Depository or its nominee for registration of transfer or exchange in accordance with Section 3 of the Resolution make such transfer or exchange in accordance with said Section 3. Upon the appointment of a successor securities depository or termination of the book-entry system, the Registrar shall give notice of such event to the registered owners of Bonds (through the Depository) and (1) of the name and address of the successor securities depository or (2) that Bonds may now be obtained by the beneficial owners of the Bonds, or their nominees, upon proper instructions being given to the Depository by the relevant Participant and compliance by the Depository with the provisions of the Resolution regarding registration of transfers. Notwithstanding any other provision of this Agreement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Depository (or any successor nominee), all payments with respect to the principal and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations. In connection with any notice or other communication to be provided to bondholders pursuant to the Resolution by the Agency or the Registrar with respect to any consent or other action to be taken by bondholders, the Agency or the Registrar, as the case may be, shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

17. If any one or more of the covenants or agreements to be performed by either of the parties to this Agreement shall be determined by a court of competent jurisdiction to be unenforceable, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements contained herein and shall in no way affect the validity of the remaining provisions of this Agreement.

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18. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

19. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

IN WITNESS WHEREOF, the parties hereto have each caused this Trustee, Paying Agent and Registrar's Agreement to be executed by their duly authorized officers as of the date first above written.

GRAND ISLAND AREA SOLID WASTE AGENCY

Chairperson (Mayor)

ATTEST:

Secretary (City Clerk)

WELLS FARGO BANK, NATIONAL ASSOCIATION,
Trustee, Paying Agent and Registrar

By: _____
Its: _____

PRESENTATION COPY

SECOND SUPPLEMENT TO SERVICE AGREEMENT

This Second Supplement to Service Agreement (this "Supplement") is entered into as of September 1, 2004, by and between the City of Grand Island, Nebraska (the "City") and the Grand Island Area Solid Waste Agency (the "Agency"), an agency established under the Interlocal Cooperation Act of the State of Nebraska and the Integrated Solid Waste Management Act (Sections 13-2001 to 13-2043, R.S. Supp. 1994, as amended), which Integrated Solid Waste Management Act is hereinafter referred to as the "Act".

WITNESSETH:

WHEREAS, the City is required to provide or contract for such facilities or systems as are necessary for the disposal of solid waste within its solid waste jurisdiction area under the terms of the Act;

WHEREAS, the Agency has been formed pursuant to the Interlocal Cooperation Act (Sections 13-801 to 13-827, Reissue Revised Statutes of Nebraska 1997, as amended) to enable its members, including the City, to comply with the mandates of the Act and to provide for integrated solid waste management facilities and services;

WHEREAS, the City and the Agency have previously entered into an agreement entitled "Service Agreement" dated as of August 14, 1992 (the "Original Agreement") relating to the obtaining of solid waste disposal facilities and the City is the principal user of such facilities;

WHEREAS, the City and the Agency have previously entered into a supplement to the Original Agreement entitled "Supplement to Service Agreement" dated as of July 15, 1998 supplementing the terms of the Original Agreement (the Original Agreement as so supplemented shall be referred to herein as the "Service Agreement");

PRESENTATION COPY

WHEREAS, the Agency presently proposes to issue its Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2004, in the principal amount of \$2,485,000 pursuant to Section 13-808 and 13-815, R.R.S. Neb. 1997, as amended, (the "2004 Bonds") in order obtain a savings in interest costs and the City and the Agency intend and desire that the 2004 Bonds are and shall be treated and deemed to the "Facility Bonds" within the meaning of such term as used in the Service Agreement and to make certain other agreements with respect to the 2004 Bonds;

NOW THEREFORE, the City and the Agency in consideration of the mutual covenants and agreements herein contained do hereby covenant and agree as follows:

Section 1. 2004 Bonds Constitute "Facility Bonds". The City and the Agency hereby agree that the 2004 Bonds do and shall constitute "Facility Bonds" within the meaning of such defined term in the Service Agreement and such 2004 Bonds and the registered owners thereof shall be entitled to all of the agreements and covenants made therein for the benefit of such Facility Bonds and specifically, without limitation, the benefits of Paragraphs 5 and 6 thereof.

Section 2. City to Provide Disclosure Information. The City acknowledges that the Agency has undertaken certain continuing disclosure obligations as set forth in Section 18 of the resolution authorizing the 2004 Bonds. The City hereby agrees to take any and all actions requested or required by the Agency for purposes of fulfilling the Agency's obligations under such continuing disclosure undertaking.

Section 3. Term of Agreement. The Service Agreement and this Supplement shall remain in force and effect in accordance with the terms of the Service Agreement. This Supplement is made for the benefit of the City and the Agency and the registered owners of the 2004 Bonds and

PRESENTATION COPY

shall not be subject to cancellation or rescission by the parties hereto so long as any of the 2004 Bonds remain outstanding under the terms of the resolution authorizing their issuance.

Section 4. Counterparts. This Supplement to Service Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5. Laws Governing Supplement to Service Agreement. The effect and meaning of this Supplement to Service Agreement and all rights of all parties hereunder shall be governed by and construed according to the laws of the State of Nebraska, including the Act.

Section 6. Severability. If any one or more covenants or agreements provided in this Supplement to Service Agreement on the part of the City or the Agency to be performed shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of any other provisions of this Supplement to Service Agreement.

Section 7. Successors and Assigns. All the covenants and representations contained in this Supplement to Service Agreement, by or on behalf of the City or the Agency, shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 8. Article and Section Headings. The headings or titles of the several sections hereof shall be solely for the convenience of reference and shall not affect the meaning or construction, interpretation or effect of this Supplement to Service Agreement.

PRESENTATION COPY

IN WITNESS WHEREOF, the City and the Agency have caused this Supplement to Service Agreement to be executed on their behalf by their respective officers thereunto duly authorized.

CITY OF GRAND ISLAND, NEBRASKA

By: _____
Mayor

ATTEST:

City Clerk

Approved as to form:

City Attorney, Grand Island, Nebraska

GRAND ISLAND AREA SOLID WASTE
AGENCY

By: _____
Chairperson

ATTEST:

Secretary

PRESENTATION COPY

SECOND SUPPLEMENT TO MANAGEMENT AGREEMENT

This Second Supplement to Management Agreement (this "Supplement") is entered into as of September 1, 2004, by and between the City of Grand Island, Nebraska (the "City") and the Grand Island Area Solid Waste Agency (the "Agency"), an agency established under the Interlocal Cooperation Act of the State of Nebraska and the Integrated Solid Waste Management Act (Sections 13-2001 to 13-2043, R.S. Supp. 1994, as amended), which Integrated Solid Waste Management Act is hereinafter referred to as the "Act".

WITNESSETH:

WHEREAS, the City is required to provide or contract for such facilities or systems as are necessary for the disposal of solid waste within its solid waste jurisdiction area under the terms of the Act;

WHEREAS, the Agency has been formed pursuant to the Interlocal Cooperation Act (Sections 13-801 to 13-827, Reissue Revised Statutes of Nebraska 1943, as amended) to enable its members, including the City, to comply with the mandates of the Act and to provide for integrated solid waste management facilities and service;

WHEREAS, the City and the Agency have previously entered into an agreement entitled "Management Agreement" dated as of August 14, 1992 (the "Original Agreement") relating to the management services to be provided by the City for solid waste disposal facilities owned by the Agency;

WHEREAS, the City and the Agency have previously entered into a supplement to the Management Agreement entitled "Supplement to Management Agreement" dated as of July 15,

PRESENTATION COPY

1998 supplementing the terms of the Original Agreement (the Original Agreement as supplemented shall be referred to herein as the “Management Agreement”);

WHEREAS, the Agency presently proposes to issue its Solid Waste Disposal Facilities Revenue Refunding Bonds, Series 2004, in the principal amount of \$2,485,000 pursuant to Sections 13-808 and 13-815, R.R.S. Neb. 1997, as amended, (the “2004 Bonds”) in order obtain a savings in interest costs and the City and the Agency intend and desire that the 2004 Bonds are and shall be treated and deemed to be the “Facilities Revenue Bonds” within the meaning of such term as used in the Management Agreement and to make certain other agreements with respect to the 2004 Bonds;

NOW THEREFORE, the City and the Agency in consideration of the mutual covenants and agreements herein contained do hereby covenant and agree as follows:

Section 1. 2004 Bonds Constitute “Facilities Revenue Bonds”. The City and the Agency hereby agree that the 2004 Bonds do and shall constitute “Facilities Revenue Bonds” within the meaning of such defined term in the Management Agreement and such 2004 Bonds and the registered owners thereof shall be entitled to all of the agreements and covenants made therein for the benefit of such Facilities Revenue Bonds.

Section 2. Term of Agreement. The Management Agreement and this Supplement shall remain in force and effect in accordance with the terms of the Management Agreement. This Supplement is made for the benefit of the City and the Agency.

PRESENTATION COPY

Section 3. Counterparts. This Supplement to Management Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4. Laws Governing Supplement to Management Agreement. The effect and meaning of this Supplement to Management Agreement and all rights of all parties hereunder shall be governed by and construed according to the laws of the State of Nebraska, including the Act.

Section 5. Severability. If any one or more covenants or agreements provided in this Supplement to Management Agreement on the part of the City or the Agency to be performed shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of any other provisions of this Supplement to Management Agreement.

Section 6. Successors and Assigns. All the covenants and representations contained in this Supplement to Management Agreement, by or on behalf of the City or the Agency, shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 7. Article and Section Headings. The headings or titles of the several sections hereof shall be solely for the convenience of reference and shall not affect the meaning or construction, interpretation or effect of this Supplement to Management Agreement.

PRESENTATION COPY

IN WITNESS WHEREOF, the City and the Agency have caused this Supplement to Management Agreement to be executed on their behalf by their respective officers thereunto duly authorized.

CITY OF GRAND ISLAND, NEBRASKA

By: _____
Mayor

ATTEST:

City Clerk

Approved as to form:

City Attorney, Grand Island, Nebraska

GRAND ISLAND AREA SOLID WASTE
AGENCY

By: _____
Chairperson

ATTEST:

Secretary