



Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012
Regular Meeting**

Item X1

Resolution for Lincoln Pool Bonds

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RESOLUTION NO. 148

A RESOLUTION OF THE MEMBERS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, AUTHORIZING THE ISSUANCE OF REDEVELOPMENT REVENUE BONDS (LINCOLN PARK PROJECT – LIMITED TAX PLEDGE), SERIES 2012, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,800,000; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BONDS AND AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DETERMINE THE FINAL TERMS AND PROVISIONS OF SAID BONDS WITHIN CERTAIN PARAMETERS; PLEDGING CERTAIN RECEIPTS FROM THE LEVYING OF LIMITED TAXES UPON TAXABLE PROPERTY WITHIN THE CITY FOR PAYMENT OF PRINCIPAL AND INTEREST ON SAID BONDS AS THE SAME FALL DUE AND ALSO PLEDGING CERTAIN FUNDS TO BE HELD UNDER THE TERMS OF THIS RESOLUTION; AUTHORIZING THE ISSUANCE AND DELIVERY OF SAID BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT FOR SAID BONDS; PRESCRIBING THE FORM FOR SAID BONDS; AND PROVIDING FOR THE EFFECTIVENESS OF THIS RESOLUTION.

BE IT RESOLVED by the Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska, (the “Authority”), as follows:

Section 1. The Authority hereby finds and determines (a) that under the terms of Ordinance No. 8021, passed and approved by the Mayor and Council of the City of Grand Island, Nebraska, (the “City”) on June 27, 1994, the Authority has been created and authorized to exercise the powers provided for in Sections 18-2101 to 18-2144 and Sections 18-2147 to 18-2153, R.R.S. Neb. 2007, as amended (collectively, the “Act”); (b) that the City, by resolution adopted on December 19, 2000, declared a portion of the City blighted and substandard (the “Designated Area”), after submission for review by the City’s Planning Commission and after publication of notice and holding of a hearing, as required by the Act; (c) that there was prepared on behalf of the Authority a modification of an existing redevelopment plan entitled “Plan Modification for CRA Area #1 (Lincoln Park Swimming Pool) (including the prior plan as so modified the “Plan”) which Plan was approved by the Mayor and Council of the City on March 26, 2012 providing for the redevelopment of a portion of the Designated Area as described on Exhibit A to the Plan (the “Project Area”) to provide for the

construction of a replacement swimming pool facility (the “Project”); (c) that the City had in effect its general plan for the development of the City from the time prior to the preparation of the Plan; (d) that the Plan was submitted to the City Planning Commission of the City and approved and thereafter recommended by the Authority to the Mayor and Council of the City, all prior to the approval of the Plan by the Mayor and Council; (e) that on March 26, 2012, the Mayor and Council of the City held a public hearing on the Plan prior to the approval thereof, for which notice was given by publication as required by law; (f) that the Project represents a general benefit to the City and will maintain and promote the quality of life in CRA Area #1; (h) that in accordance with the terms of Section 18-2107(11) of the Act, the Authority is authorized to certify annually to the Mayor and Council of the City a tax not to exceed 2.6¢ on each \$100 of taxable valuation in the City (the “Authority Taxes”) and such Authority Taxes are to be employed to assist in the defraying of expenses of redevelopment projects, including the payment of principal and interest on bonds issued to pay the cost of redevelopment projects and, in that such Authority Taxes represent a property tax levy for bonds as defined in Section 10-134 approved according to law and secured by a levy on property, such Authority Taxes are not included in the levy limits established by Section 77-3442, R.R.S. Neb. 2009, nor subject to allocation under Section 77-3443, R.R.S. Neb. 2009, as amended; (i) that it is necessary and appropriate for the Authority under the terms of the Act to issue redevelopment revenue bonds to provide permanent financing for costs of the Project, with such bonds to be payable solely from Authority Taxes and any other amounts pledged under the terms of this Resolution; and (k) that all conditions, acts and things required by law to exist or to be done precedent to the authorizing of the Authority’s redevelopment revenue bonds as provided for in this Resolution do exist and have been done as provided by the Act and other applicable law.

Section 2. For the purposes described in Section 1 hereof, there shall be and there are hereby ordered issued the Authority’s Redevelopment Revenue Bonds (Lincoln Park Pool Project – Limited Tax Pledge), Series 2012, in the aggregate principal amount of not to exceed One Million Eight Hundred Twenty Thousand Dollars (\$1,800,000) (the “Bonds”).

Section 3. The Bonds shall bear interest at the rates per annum (said interest to be computed on the basis of a 360-day year consisting of twelve 30-day months) and mature on December 15 of each year in the principal amounts as follows:

<u>Principal Amount</u>	<u>Maturing on December 15 of Year</u>	<u>Interest Rate Per Annum</u>
\$170,000	2013	
175,000	2014	
175,000	2015	
175,000	2016	
175,000	2017	
180,000	2018	
180,000	2019	
185,000	2020	
190,000	2021	
195,000	2022	

provided, that the Bonds shall bear such series designation, and shall bear interest at the rates per annum as shall be determined in a written designation (the “Designation”) signed by the Chairperson or Secretary of the Authority (each, an “Authorized Officer”) on behalf of the Authority and which may be agreed to by Ameritas Investment Corp. (the “Underwriter”), which Designation may also determine or modify the principal amount for each maturity of the Bonds, mandatory redemption provisions (if any), and pricing terms as set forth in Section 8 below, all within the following limitations:

- (a) the aggregate principal amount of the Bonds shall not exceed the maximum amount set forth in this Section 3;*

;

- (b) *the all-in true interest cost of the Bonds shall not exceed _____%;*
- (c) *the aggregate amount of original issue premium and original issue discount (if any) may result in an aggregate net original issue discount (if any) provided that the net proceeds of the Bonds are sufficient to pay the costs of the Project;*
- (d) *the longest maturity of the Bonds may not be later than December 15, 2022; and*
- (e) *two or more of the principal maturities may be combined and issued as “term bonds” and the Authorized Officer may determine the mandatory sinking fund payments and mandatory redemption amounts. Any Bonds issued as “term bonds” shall be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and may be selected for redemption by any random method of selection determined appropriate by the Paying Agent and Registrar (as hereinafter designated) or by the Depository (as hereinafter designated).*

The Authorized Officers (or any one of them) are hereby authorized to make such determinations on behalf of the Authority and to evidence the same by execution and delivery of the Designation and such determinations, when made and agreed to by the Underwriter, shall constitute the action of the Authority without further action of the Authority.

The Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the Bonds shall be the date of delivery thereof. Interest on the Bonds, at the respective rates for each maturity, shall be payable on June 15, 2013, and semiannually thereafter on June 15 and December 15 of each year (each of said dates an “Interest Payment Date”) and the Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date to which interest has been paid or provided for, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the close of business on 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 5 hereof. The Bonds shall be numbered from 1 upwards in the order of their issuance. None of the Bonds 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 Bonds issued shall be designated by the City Treasurer (Finance Director) as *ex officio* treasurer of the Authority (the “Authority Treasurer”) as directed by the initial purchaser thereof. Payments of interest due on the Bonds prior to maturity or date of redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 4 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each 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 4 hereof. Payments of principal and accrued interest thereon due at maturity or at any date fixed for redemption prior to maturity shall be made by the Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to the Paying Agent and Registrar. The Authority and the Paying Agent and Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payments thereon and for all other purposes and neither the Authority nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such 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 Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the Authority and the

Paying Agent and Registrar, in respect of the liability upon the Bonds or claims for interest to the extent of the sum or sums so paid.

Section 4. Wells Fargo Bank, National Association, is hereby designated as Paying Agent and Registrar for the Bonds. Said Paying Agent and Registrar shall serve in such capacities under the terms of an agreement entitled "Paying Agent and Registrar's Agreement" between the Authority and said Paying Agent and Registrar, in substantially the form presented in connection with the adoption of this Resolution, which form is hereby approved. The Chairperson and Secretary are hereby authorized to execute said agreement on behalf of the Authority in the form presented or with such changes, modifications and completions as such officers shall deem appropriate on behalf of the Authority. The Paying Agent and Registrar shall keep and maintain for the Authority books for the registration and transfer of the Bonds at its designated corporate trust office (the "Designated Office"). The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. Any Bond may be transferred pursuant to its provisions at the Designated Office of the Paying Agent and Registrar by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to the 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 Authority will deliver at the Designated 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 Bond or Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Bonds by this Resolution, one Bond may be transferred for

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

Section 5. In the event that payments of interest due on the 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 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 6. If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the Designated 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 day shall have the same force and effect as if made on the nominal date of payment.

Section 7. The Bonds shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary of the date of original issue thereof, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The Bonds may be subject to mandatory sinking fund redemption as and to the extent determined in the Designation. The Authority may select the Bonds to be redeemed in its sole discretion but the Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Bonds redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for new Bonds evidencing the unredeemed principal thereof. Notice of redemption of any Bond called for redemption shall be given at the direction of the Authority by the 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 Bond at said owner's registered address. Such notice shall designate the Bond or Bonds to be redeemed by maturity or otherwise, the date of original issue and the date fixed for redemption and shall state that such Bond or Bonds are to be presented for prepayment at the office of the Paying Agent and Registrar. In case of any Bond partially redeemed, such notice shall specify the portion of the principal amount of such Bond to be redeemed. No defect in the mailing of notice for any Bond shall affect the sufficiency of the proceedings of the Authority designating the Bonds called for redemption or the effectiveness of such call for Bonds for which notice by mail has been properly given and the Authority shall have the right to further direct notice of redemption for any such Bond for which defective notice has been given.

Section 8. The Bonds shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL
COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND,
NEBRASKA**

**REDEVELOPMENT REVENUE BONDS (LINCOLN PARK POOL PROJECT –
LIMITED TAX PLEDGE), SERIES 2012**

No. \$

Interest Rate Maturity Date Date of Original Issue CUSIP No.
 December 15, _____, 2012

Registered Owner:

Principal Amount: Dollars (\$ _____)

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, (the “Authority”) hereby acknowledges itself to owe and for value received promises to pay, but only from the specific pledged sources as described and referred to herein, 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 to which interest has been paid or provided for, whichever is later, at the rate per annum specified above, payable on June 15, 2013 and semiannually thereafter on June 15 and December 15 of each year (each of said dates an “Interest Payment Date”). Said 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 designated corporate trust office of _____, as Paying Agent and Registrar, in _____. Interest on this bond due prior to maturity or earlier redemption will be paid on each Interest Payment Date by a check or draft mailed by the 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 registered 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 a series and issue of fully registered bonds of the total principal amount of _____ Dollars (\$ _____), of even date and like tenor except as to date of maturity, rate of interest and denomination which were issued by the Authority for the purpose of paying the costs of a replacement swimming pool facility for Lincoln Park in the Authority's Redevelopment Area #1, all as located within the corporate limits of the City of Grand Island, Nebraska (the "City"), as a redevelopment project designated in that Redevelopment Plan Modification approved by the Mayor and Council of the City, on March 26, 2012 (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, (the "Act") and has been duly authorized by resolution adopted by the Members of the Authority on September 19, 2012 (the "Resolution").

This bond constitutes a limited obligation of the Authority payable exclusively from the limited tax which the City is authorized to provide for pursuant to Section 18-2107(11) of the Act (the "Authority Taxes") and reserve funds (if any) held under the terms of the Resolution. Pursuant to the Resolution and Section 18-2124 and 18-2130 of the Act, the Authority Taxes have been pledged for the payment of this bond, both principal and interest as the same fall due. The Authority hereby agrees to provide for the Authority Taxes in a sufficient amount in each year to pay the principal and interest of this bond and the other bonds of this issue as the same fall due. **This bond shall not constitute a general obligation of the City or the Authority and neither the City nor the Authority shall be liable for the payment thereof out of any sources other than amounts received from the Authority Taxes and reserve funds (if any) held for the payment of principal and interest on this bond under the terms of the Resolution. This bond shall not constitute an obligation of the State of Nebraska or of the City of Grand Island (except for amounts from the Authority Taxes and any such reserve funds) and neither the State of Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for amounts from the Authority Taxes). Neither the Members of the Authority's governing body nor any person executing this bond shall be liable personally on this bond by reason of the issuance hereof.**

Bonds of this issue are subject to redemption at the option of the Authority, in whole or in part, at any time on or after the fifth anniversary of the date of original issue thereof, at par plus interest accrued 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 to be redeemed at said registered owner's address in the manner specified in the Resolution authorizing said issue of bonds. Individual bonds may be redeemed in part but only in \$5,000 amounts or integral multiples thereof.

[ADD MANDATORY SINKING FUND PROVISIONS, IF ANY]

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the 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 Authority, 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 purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the date 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 designated 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 day shall have the same force and effect as if made on the nominal date of payment.

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 required by law and that the indebtedness of the Authority, including this bond, does not exceed any limitation imposed by law.

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE RESOLUTION TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT AND REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT AND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT AND REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREOF IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

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

IN WITNESS WHEREOF, the Chairperson and Secretary of the Authority have caused this bond to be executed on behalf of the Authority with the facsimile signatures of the Chairperson and Secretary, all as of the date of original issue specified above.

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA**

By: _____ (Sample – Do Not Sign)
Chairperson

ATTEST:

(Sample – Do Not Sign)
Secretary

**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This bond is one of the series designated therein and has been registered to the owner named in said bond and the name of such owner has been recorded in the books of record maintained by the undersigned as Paying Agent and Registrar for said issue of bonds.

(Sample – Do Not Sign)
Paying Agent and Registrar

By: _____
Authorized Officer

(Form of Assignment)

For value received _____ hereby sells,
assigns and transfers unto _____
_____ (Social Security or Taxpayer I.D. No.
_____) 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.

Dated: _____

Registered Owner(s)

Signature Guaranteed

By _____

Authorized Officer(s)

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.

Section 9. Each of the Bonds shall be executed on behalf of the Authority with the facsimile signatures of the Chairperson and the Secretary. The Bonds shall be issued initially as “book-entry-only” bonds under the services of The Depository Trust Company (the “Depository”), with one typewritten bond certificate per maturity being issued to the Depository. In such connection said officers are authorized to execute and deliver a Letter of Representations (the “Letter of Representations”) in the form required by the Depository (which may be in the form of a blanket letter, including any such letter previously or concurrently executed and delivered), for and on behalf of the Authority, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Bonds. With respect to the issuance of the Bonds as “book-entry-only” bonds, the following provisions shall apply:

(a) The Authority 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 Bonds as securities depository (each, a “Bond Participant”) or to any person who is an actual purchaser of a Bond from a Bond Participant while the 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 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 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 Bonds.

The Paying Agent and Registrar shall make payments with respect to the 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 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 or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the 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 Authority, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (ii) to make available Bonds registered in whatever name or names as the Beneficial Owners transferring or exchanging such Bonds shall designate.

(c) If the Authority determines that it is desirable that certificates representing the Bonds be delivered to the ultimate beneficial owners of the 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 Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the 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 Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to 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.

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

(i) any successor securities depository or its nominee; or

(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.

(f) In the event of any partial redemption of a Bond unless and until such partially redeemed Bond has been replaced in accordance with the provisions of this Resolution, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such bond as is then outstanding and all of the Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository is terminated or resigns and is not replaced, the Authority shall immediately provide a supply of printed bond certificates for issuance upon the transfers from the Depository and 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 certificates upon transfer or partial redemption, the Authority agrees to order printed an additional supply of such certificates and to direct their execution by manual or facsimile signatures of its then duly qualified and acting Chairperson and Secretary. In case any officer whose signature or facsimile thereof shall appear on any Bond shall cease to be such officer before the delivery of such Bond (including such 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 bond. The Bonds shall not be valid and binding on the Authority until authenticated by the Paying Agent and Registrar. Thereafter the Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Bonds, they shall be delivered to the City Treasurer, who is authorized to deliver them to Ameritas Investment Corp., as initial purchaser thereof, upon receipt of a purchase price in the amount of ____% of the principal amount of the Bonds (or such other purchase price as may be determined in the Designation) plus accrued interest thereon to date of payment for the Bonds. Said initial purchaser shall have the right to direct the registration of the Bonds and the denominations thereof within each maturity, subject to the restrictions of this Resolution. Such purchaser and its agents, representatives and the Authority's bond counsel are hereby authorized

to take such actions on behalf of the Authority as are necessary to effectuate the closing of the issuance and sale of the Bonds, including, without limitation, authorizing the release of the Bonds by the Depository at closing. The officers of the Authority (or any one of them) are hereby authorized to execute and deliver the Bond Purchase Agreement for and on behalf of the Authority.

Section 10. The Authority's Secretary is directed to make and certify one or more transcripts of the proceedings of the Authority precedent to the issuance of the Bonds. One such certified transcript shall be delivered to the original purchaser of the Bonds. All amounts received from the sale of the Bonds shall be applied to costs of the Project upon order of the Authority. Costs of the Project shall include but not be limited to costs incurred by the City for accomplishing the Project.

Section 11. There is hereby ordered established and created with the Treasurer of the City, acting as Authority's Treasurer, a special fund and account to be designated as the "Series 2012 Bond Payment Account". Amounts from the previously certified levy of taxes may be deposited to the Series 2012 Bond Payment Account, to assure timely payment of the first year's principal and interest on the Bonds, as determined appropriate by the officers of the Authority. The Authority hereby agrees that it will certify for levy and levy annually, in accordance with the authorization set forth in Section 18-2107(11) of the Act, taxes on all the taxable property in the City at a rate not to exceed 2.6¢ on each \$100 of taxable valuation sufficient to provide for the payments of principal and interest on the Bonds as the same fall due, such taxes being referred to in this Resolution as the "Authority Taxes". The Authority, hereby pledges the Authority Taxes for the prompt payment of the principal and interest on the Bonds as the same fall due, in accordance

with and as authorized by Sections 18-2124 and 18-2130 of the Act. Amounts from the Authority Taxes shall be deposited to the Series 2012 Bond Payment Account at such times as are required for making the payments of principal and interest on the 2012 Bonds as the same fall due.

Section 12. The Authority reserves the right, but with no legal obligation to do so, to provide for payments of principal and interest on the Bonds from any other available income, including revenues from the Project, in the sole discretion of the Authority, as exercised from time to time. The Authority hereby agrees that, so long as any of the Bonds remain outstanding, it will not issue any additional bonds, in addition to the Bonds (or bonds issued to refund the Bonds) payable from the Authority Taxes. The Authority, further reserves the right to provide for payment of principal and interest on the Bonds from the proceeds of refunding bonds. The Authority Taxes extend to and include only those amounts required by this Resolution to be applied to payments of principal and interest on the Bonds. Other amounts from the tax levy permitted to be certified by the Authority under the terms of Section 18-2107(11) of the Act shall remain subject to the control and use by the Authority for its programs and purposes as determined from time to time.

Section 13. The officers of the Authority, or any one or more of them, are hereby authorized to take any and all actions, and to execute any and all documents deemed by them necessary to effect the transactions authorized by this Resolution.

Section 14. The obligations under this Resolution with respect to the Bonds herein authorized shall be fully discharged and satisfied as to any such Bond and any Bond shall no longer be deemed to be outstanding hereunder if such Bond has been purchased by the Authority and cancelled or when the payment of 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 a national or state bank having trust powers, or trust company, in trust, solely for such payment (i) sufficient money to make such payment and/or (ii) direct general obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America) or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as "U.S. Government Obligations") 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 ensure the availability of sufficient money to make such payments; provided, however, that if any Bond is to be paid prior to maturity, the Authority shall have duly called such Bond for redemption and given notice of such redemption as provided by law or made irrevocable provision for the giving of such notice. Any money so deposited with such bank or trust company in excess of the amount required to pay principal of and interest on the Bonds for which deposit has been made shall be paid over to the Authority as and when collected.

Section 15. The Authority hereby agrees that continuing disclosure information shall be provided as set forth in a resolution of the Mayor and Council of the City with respect to the Bonds contemporaneously passed and approved with this Resolution and by reference hereby incorporated in this Resolution.

Section 16. The Authority hereby covenants to the purchasers and holders of the Bonds hereby authorized that it will make no use of the proceeds of said bond issue, including monies held in any sinking fund for the payment of said bonds, which would cause said bonds to be "private activity bonds" within the meaning of such terms as set forth in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code") or "arbitrage bonds" within the

meaning of Sections 103(b) and 148 of the Code and further covenants to comply with said Sections 103 and 148 and all applicable regulations thereunder throughout the term of said bond issue, including payment and reporting of rebate amounts as and to the extent required by law and applicable regulations. The Authority hereby covenants and agrees to take all actions necessary under the Code to maintain the tax-exempt status of interest payable on the Bonds. The Authority hereby designates the 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 anticipate issuing tax-exempt obligations in calendar 2012 in an amount in excess of \$10,000,000.

Section 17. In order to promote compliance with certain federal tax and securities laws relating to the Bonds herein authorized the policy and procedures attached hereto as Exhibit “A” (the “Post-Issuance Compliance Policy and Procedures”) are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

Section 18. 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 19. This Resolution shall be in force and take effect from and after its adoption as provided by law.

Adopted this 19th day of September, 2012.

Chairperson

ATTEST:

Secretary

**Policy and Procedures
Federal Tax Law and Disclosure Requirements for
Tax-exempt Bonds and/or Build America Bonds**

ISSUER NAME: The City of Grand Island, Nebraska/The Community Redevelopment Authority of the City of Grand Island, Nebraska

COMPLIANCE OFFICER (BY TITLE): Finance Director/Treasurer, City of Grand Island, Nebraska

POLICY

It is the policy of the Issuer identified above (the “Issuer”) to comply with all Federal tax requirements and securities law continuing disclosure obligations for its obligations issued as tax-exempt bonds or as direct pay build America bonds to ensure, as applicable (a) that interest on its tax-exempt bonds remains exempt from Federal income tax, (b) that the direct payments associated with its bonds issued as “build America bonds” are received by the Issuer in a timely manner and (c) compliance with any continuing disclosure obligations of the Issuer with respect to its outstanding bonds.

PROCEDURES

Compliance Officer. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Compliance Officer identified above (the “Compliance Officer”). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

Training. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service (either on its website at <http://www.irs.gov/taxexemptbond>, or elsewhere) and the Municipal Securities Rulemaking Board (either on its Electronic Municipal Market Access website [“EMMA”] at <http://www.emma.msrb.org>, or elsewhere).

Compliance Review. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The review shall occur at the time the Issuer’s annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period or frequency of review would be more appropriate.

Scope of Review.

Document Review. At the compliance review, the following documents (the “Bond Documents”) shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue:

- (a) the resolution(s) and/or ordinance(s), as applicable, adopted by the governing body of the Issuer authorizing the issuance of its outstanding bonds, together with any documents setting the final rates and terms of such bonds (the “Authorizing Proceedings”),
- (b) the tax documentation associated with each bond issue, which may include some or all of the following (the “Tax Documents”):
 - (i) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
 - (ii) Form 8038 series filed with the Internal Revenue Service;
 - (iii) tax certificates, tax compliance agreements, tax regulatory agreement or similar documents;

- (iv) covenants, agreements, instructions or memoranda with respect to rebate or private use;
 - (v) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and
 - (vi) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings relating to federal tax matters.
- (c) the Issuer's continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the "Continuing Disclosure Obligations"), and
- (d) any communications or other materials received by the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer's bonds or relating to the Issuer's Continuing Disclosure Obligations.

Use and Timely Expenditure of Bond Proceeds. Expenditure of bond proceeds shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents, and (c) that any mandatory redemptions from excess bond proceeds are timely made if required under the Authorizing Proceedings and Tax Documents.

Arbitrage Yield Restrictions and Rebate Matters. The Tax Documents shall be reviewed by the Compliance Officer to ensure compliance with any applicable yield restriction requirements under Section 148(a) of the Internal Revenue Code (the "Code") and timely calculation and payment of any rebate and the filing of any associated returns pursuant to Section 148(f) of the Code. A qualified rebate analyst shall be engaged as appropriate or as may be required under the Tax Documents.

Use of Bond Financed Property. Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed by the Compliance Officer to ensure compliance. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, contracts related to operation or management of bond-financed property, sponsored research agreements, take-or-pay contracts or other agreements or arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed property which were not anticipated at the time the bonds were issued. Such actions could be prohibited by the Authorizing Proceedings, the Tax Documents or Federal tax law.

Continuing Disclosure. Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated (a) to ensure timely compliance with any annual disclosure requirement, and (b) to ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

Record Keeping. If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus six (6) years.

Incorporation of Tax Documents. The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

Consultation Regarding Questions or Concerns. Any questions or concerns which arise as a result of any review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as “VCAP”) operated by the Internal Revenue Service which allows issuers under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to issuers of certain bonds under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued. In general, if the Issuer identifies a violation of Federal tax requirements in accordance with the implementation of the foregoing procedures the Issuer can generally expect to receive more favorable treatment in resolving its tax violation under VCAP than if the Issuer had not implemented such procedures.

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