



City of Grand Island

Tuesday, October 27, 2015

Council Session

Item F-1

#9561 - Approving Final Bond for Webb Road Street Improvement District No. 1260 and Westgate Road Paving District No. 1261

Staff Contact: William Clingman, Interim Finance Director

Council Agenda Memo

From: William Clingman, Interim Finance Director

Meeting: October 27, 2015

Subject: Approving Final Bond for Webb Road Street Improvement District No. 1260 and Westgate Road Paving District No. 1261

Presenter(s): William Clingman, Interim Finance Director
Blaine Spady, Smith Hayes

Background

On May 27, 2014 Bond Anticipation Notes were approved in the amount of \$2,230,000 for the Web Road Street Improvement District No. 1260 and Westgate Road Paving District No. 1261

On August 25, 2015 the certificate of final completion for Street Improvement District No. 1260 was approved by the City Council at a total cost of \$1,611,703.25. On September 22, 2015 the special assessment related to the district was levied in the amount of \$1,513,175.50 and ordinance 9559 was approved. As of October 21, 2015 the district has a remaining balance to be paid of \$858,993.83

On July 14, 2015 the certificate of final completion for Street Improvement District No. 1261 was approved by the City Council at a total cost of \$740,772.18. On August 11, 2015 the special assessment related to the district was levied in the amount of \$628,454.25 and ordinance 9550 was approved. As of October 21, 2015 the district has a remaining balance to be paid of \$269,344.62.

Discussion

State statutes require that the permanent financing for Street Improvement and Paving projects cannot be put in place until a certificate of substantial completion is obtained from the engineer. Now that certificates of substantial completion have been approved by the City Council permanent financing can be put in place.

Based on the payments made for District No. 1260 and 1261, intersection costs and issuance fees of the new bonds, bond financing of \$1,231,000 is needed to pay off the Bond Anticipation Notes that come due on November 15, 2015. The totals that make up

the \$1,231,000 are \$1,128,338.45 for the assessment balances that will be paid over the next 9 years, \$92,522.75 for intersection costs that were not assessed or cost the City must cover and \$10,138.80 for cost of issuance on the new bonds.

The bonds that are being issued will be issued with yearly principal and interest payments over the course of 9 years. They can also be paid off at any time should a large portion, or all, of the remaining assessment balances get paid off before the 9 years is over. The bonds will be a direct purchase by a financial institution that is still yet to be determined. The maximum allowable True Interest Cost (TIC) will be 2.75%, but our expectations are that the TIC will come in lower than this with the banks competing for the issue.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Take no action or fail to approve the ordinance. This would require using reserve cash instead of issuing bonds.

Recommendation

City Administration recommends that the Council approve the issuance of Bonds in the amount of \$1,231,000.

Sample Motion

Move to approve ordinance 9561 that approves the issuance of \$1,231,000 in bonds.

ORDINANCE NO. 9561

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION VARIOUS PURPOSE BONDS, SERIES 2015, OF THE CITY OF GRAND ISLAND, NEBRASKA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION TWO HUNDRED THIRTY-ONE THOUSAND DOLLARS (\$1,231,000) TO PROVIDE FOR THE PAYMENT AT MATURITY OF THE CITY'S BOND ANTICIPATION NOTES, SERIES 2014; PRESCRIBING THE TERMS AND FORM OF SUCH BONDS; PROVIDING FOR THE LEVY OF TAXES TO PAY THE INTEREST ON AND PRINCIPAL OF SUCH BONDS; PROVIDING THAT THIS ORDINANCE IS A MEASURE NECESSARY TO CARRY OUT THE CONTRACTUAL OBLIGATIONS OF THE CITY; PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM; AND RELATED MATTERS

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

Section 1. The Mayor and Council (the **“Council”**) of the City of Grand Island, Nebraska (the **“City”**) hereby find and determine as follows:

(a) That the Council has duly created Street Improvement District Nos. 1260 and 1261 (the **“Districts”**) pursuant to Sections 16-619 to 16-623, inclusive, Reissue Revised Statutes of Nebraska, as amended, and Ordinance Nos. 9420 and 9421, and certain improvements were constructed in the Districts, all of which improvements have been completed and have been and are hereby accepted by the City; the aggregate cost of such completed improvements, as reported by the City's special engineers, and approved by the Mayor and Council, is as follows:

<u>STREET IMPROVEMENT DISTRICT NO.</u>	<u>INTERSECTIONS</u>	<u>GENERAL BENEFIT</u>	<u>SPECIAL BENEFIT</u>	<u>TOTAL</u>
1260	\$98,527.75	\$ 0.00	\$1,513,175.50	\$1,611,703.25
1261	<u>19,630.13</u>	<u>92,687.80</u>	<u>628,454.25</u>	<u>740,772.18</u>
TOTAL	<u>\$118,157.88</u>	<u>\$92,687.80</u>	<u>\$2,141,629.75</u>	<u>\$2,352,475.43</u>

The City has levied special assessments according to law on the real estate in the Districts specially benefited thereby in proportion to such benefits, which special assessments are valid liens on the real estate upon which they have been levied; after applying to the payment of the costs of such improvements all funds available for such purpose, there still remains due and payable by the City for general benefit costs, including additional expenses incurred for interest on warrants and bond anticipation notes of the City issued to provide interim financing for the construction of improvements in such general benefit improvements and legal, fiscal, financing and miscellaneous expenses, not less than \$1,231,000; all conditions, acts and things required by law to exist or to be done precedent to the issuance of Street Improvement Bonds of the City in the amount of not to exceed \$1,137,708.88 pursuant to Section 16-623, Reissue Revised Statutes of Nebraska, as amended, and Intersection Improvement Bonds of the City in the amount of not to exceed \$93,291.12 pursuant to Section 16-626, Reissue Revised Statutes of Nebraska, as amended, all for the purpose of paying the cost of the improvements and related expenses heretofore described, do exist and have been done in due form and time as required by law.

(b) That the City has issued and outstanding \$2,230,000 in principal amount of its Bond Anticipation Notes, Series 2014, dated July 3, 2014, (the “**Outstanding Notes**”) which were issued to pay costs of the improvements in the Districts and which mature and are due and payable on November 15, 2015.

Section 2. (a) The Mayor and Council further find and determine that all conditions, acts and things required by law to exist or to be done precedent to the issuance of general obligation various purpose bonds of the City in the principal amount of not to exceed \$1,231,000 (the “**Bonds**”) pursuant to Sections 16-623, 16-626, 18-1801 and 18-1802, Reissue Revised Statutes of Nebraska, as amended, to pay the costs of improvements in the Districts do exist and have been done as required by law. The Bonds shall consist of fully registered bonds without coupons. The Bonds or any portion thereof are hereby authorized to be sold pursuant to a purchaser approved by the Mayor, City Administrator or Finance Director of the City (each, an “**Authorized Officer**”). In connection with such sale, an Authorized Officer is hereby authorized to execute a Designation of Final Rates and Terms (the “**Designation**”) to specify, determine, designate, establish and appoint, as the case may be (i) any fee for the purchaser of the Bonds in an amount not to exceed \$5,000, (ii) the title (including series designation), dated date, aggregate principal amount (including the aggregate principal amounts of serial Bonds and Term Bonds, if any), and the final maturity date of the Bonds, which shall not be later than December 31, 2025, (iii) the principal amounts maturing in each year (iv) the rate or rates of interest to be borne by each principal maturity, provided that the true interest cost of the Bonds shall not exceed 2.75%, (v) the principal payment dates and Interest Payment Dates and the frequency of interest payments during each year, (vi) the amount and due date of each sinking fund requirement for any of the Bonds issued as Term Bonds, (vii) the date of original issue of the Bonds (the “**Date of Original Issue**”) and (viii) all other terms and provisions of the Bonds not otherwise specified or fixed by this Ordinance.

(b) The Bonds shall be subject to redemption at the option of the City prior to the stated maturities thereof at any time, as a whole, or in part from time to time in such principal amount and from such maturity or maturities as the City, in its sole and absolute discretion shall determine, and in the event that less than all of the Bonds of any maturity are to be called for redemption, the particular Bonds of such maturity to be redeemed shall be selected by lot, at a redemption price of the amount thereof, together with the interest accrued on such principal amount to the date fixed for redemption.

If less than all of the principal amount thereof is to be redeemed, in such case upon the surrender of such Bond there shall be issued to the registered owner thereof without charge therefor, for the then unredeemed balance of the principal amount thereof, Bonds of like series, maturity and interest rates in any of the authorized denominations provided by this Ordinance.

Notice of redemption of Bonds stating their designation, date, maturity and principal amounts shall be given by the Registrar by mailing such notice by first-class mail, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption to the registered owners at their most recent addresses appearing upon the books of registry, but failure to mail such notice shall not affect the proceedings for redemption. Notice of redemption need not be given to the holder of any Bond, whether registered or not, who has waived notice of redemption. Notice of redemption having been given as provided above or notice of redemption having been waived by the owners of Bonds called for redemption who have not been given such notice as provided above, the Bonds so called for redemption shall become due and payable on the designated redemption date. If on or before the said redemption date funds sufficient to pay the Bonds so called for redemption at the applicable redemption price and accrued interest to said date have been deposited or caused to have been deposited by the City with the Registrar for the purposes of such payment and notice of redemption thereof has been given or waived as hereinbefore provided, then from and after the date fixed for redemption interest on such Bonds so called shall cease to accrue and become payable. If such funds shall not have been so deposited with the Registrar as provided on or before the date fixed for

redemption, such call for redemption shall be revoked and the Bonds so called for redemption shall continue to be outstanding the same as though they had not been so called, and shall continue to bear interest until paid at such rate as they would have borne had they not been called for redemption, and shall continue to be protected by this Ordinance and entitled to the benefits and security hereof.

Section 3. Interest on the Bonds at the respective rates for each maturity is payable as provided in the Designation (each of such dates an “**Interest Payment Date**”) from the Date of Original Issue or the most recent Interest Payment Date, whichever is later, until maturity or earlier redemption by check or draft mailed by the Registrar or its successor on such Interest Payment Date to the registered owner of each Bond at such registered owner’s address as it appears on the Bond Register maintained by the Registrar or its successor at the close of business on the fifteenth day preceding such Interest Payment Date (the “**Record Date**”) subject to the provisions of the following paragraph. The principal on the Bonds and the interest due at maturity or upon redemption prior to maturity is payable in lawful money of the United States of America to the registered owners thereof upon presentation and surrender of such Bonds to the Registrar.

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 Registrar whenever moneys for the purpose of paying such defaulted interest become available.

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 of Grand Island, Nebraska, 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 4. Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and Clerk and shall have the City Seal impressed or imprinted on each Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds and shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate or authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Ordinance.

Section 5. The Bonds shall be in substantially the following form:

This bond is one of a series of bonds of the total principal amount of _____ Thousand Dollars (\$_____) all of like date and tenor except as to denomination, date of maturity, rate of interest and priority of redemption which have been issued by the City for the purpose of providing for the payment and redemption of \$_____ outstanding principal amount of the City's Bond Anticipation Notes, Series 2014, (the "2014 Notes"), providing permanent financing for improvements in Street Improvement District Nos. 1260 and 1261 of the City pursuant to Sections 16-623 and 16-626, R.R.S. Neb., as amended, and paying the costs of issuance of the series of bonds of which this bond is one. This bond and the series of which it is one, are issued under the authority of and in compliance with the laws of the State of Nebraska governing the City, and pursuant to Ordinance No. ____ of the City (the "Ordinance") duly enacted and by proceedings duly had by the Mayor and Council.

This bond is transferable by the Registered Owner hereof as provided by the Ordinance and subject to the restrictions on transfer specified in **Section 7** of the Ordinance and only upon delivery of an Investor Letter, as described in the Ordinance. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes.

If the date for payment of the principal of or interest on this bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Grand Island, Nebraska, 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.

The City has in the Ordinance designated such issue of bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986, as amended.

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 City, including this bond, does not exceed any statutory limitation imposed by law. All special assessments levied upon real estate in the City specially benefited by the improvements financed from the proceeds of the 2014 Notes are valid liens on the lots and tracts of land upon which they have been levied and shall, when collected, be set aside and constitute a sinking fund for the payment of the principal and interest on said bonds. The City agrees that it will collect said special assessments and in addition thereto, will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, except intangible property, in addition to all other taxes, sufficient in rate and amount to fully pay the principal and interest on said bonds as the same becomes due.

This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the execution by the Registrar of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, the Mayor and Council have caused this bond to be executed on behalf of the City by the manual or facsimile signatures of its Mayor and Clerk and have caused the City Seal to be impressed or imprinted hereon, all as of the Date of Issue set forth above.

CITY OF GRAND ISLAND, NEBRASKA

ATTEST:

By: _____ (Facsimile Signature)
Mayor

By: _____ (Facsimile Signature)
Clerk

[S E A L]

**BOND REGISTRAR AND PAYING AGENT'S
CERTIFICATE OF AUTHENTICATION**

This Bond is one of the series of bonds described in the within-mentioned Ordinance.

**CITY TREASURER, CITY OF GRAND
ISLAND, NEBRASKA**, Bond Registrar and
Paying Agent

By: _____

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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

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

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

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

By: _____
Title: _____

Section 6. Each of the Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and Clerk. 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 any bond certificates delivered to the Registrar for issuance upon transfer), 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 City until authenticated by the Registrar. The Bonds shall be delivered to the 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 the purchaser thereof specified in the Designation upon receipt of (a) the full purchase price of the Bonds less any costs of issuance of the Bonds to be withheld at closing and (b) delivery to the City of an investor letter in the form of **Exhibit A** hereto.

Section 7. The City Treasurer of the City of Grand Island, Nebraska, is hereby appointed as Bond Registrar and Paying Agent (the “**Registrar**”) for the Bonds. The Registrar shall keep the books for the registration and transfer of Bonds at its office in Grand Island, Nebraska. The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. The transfer of any Bond may be registered upon the books kept for the registration and registration of transfer of Bonds only (i) upon presentation and surrender thereof to the Registrar together with an assignment duly executed by the registered owner or such registered owner’s attorney or legal representative in such form as shall be satisfactory to the Registrar, (ii) the City shall consent to such transfer in its discretion and (iii) the assignee is a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission and the registered owner has obtained from such proposed transferee and provided to the Registrar, prior to such transfer and assignment, an investor letter in substantially the form of **Exhibit A** hereto. Upon any such registration of transfer, the City shall execute and the Registrar shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds of any denomination or denominations authorized by this Ordinance of the same series and maturity and in the same aggregate principal amount and bearing interest at the same rate. Bonds may be exchanged at the principal office of the Registrar for a like aggregate principal amount of Bonds and the City shall execute and the Registrar shall authenticate and deliver Bonds which the owner making the exchange is entitled to receive, numbered consecutively beginning after the last number then outstanding and of the same maturity and bearing interest at the same rate as the Bonds surrendered for exchange. The Registrar may impose a charge sufficient to defray all costs and expenses incident to registrations of transfer and exchanges. In each case the Registrar shall require the payment by the owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The Registrar shall not be required to transfer Bonds for a period of 16 days next preceding any interest or principal payment date or to transfer any Bonds for a period of 30 days next preceding any date fixed for redemption. The Registrar shall also be responsible for making the payments of principal and interest as the same fall due upon the Bonds from funds provided by the City for such purpose. Payments of interest due upon the Bonds prior to maturity or redemption shall be made by the Registrar by mailing a check in the amount due for such interest on each interest payment date to the registered owner of each Bond as of the close of business on the fifteenth day of the month immediately preceding the month in which interest on the Bonds is payable, addressed to such owner’s registered address as shown on the books of registration as required to be maintained under this **Section 7**. Payments of principal due at maturity or at any date fixed for redemption prior to maturity, together with any accrued interest then due, shall be made by the Registrar upon presentation and surrender of such Bond at the office of the Registrar. The City and the Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for purposes of making payment thereon and for all other purposes. All payments on account of interest or principal made to the registered owner of any Bond shall be valid and effectual and shall be a discharge of the City and the

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

Section 8. After the Bonds are executed by the City they shall be delivered to the Registrar for authentication and registration as to ownership, and in the denominations designated in writing by the initial purchaser thereof identified in the Designation. After execution, authentication and registration of the Bonds, the City Treasurer is authorized and directed to deliver them to the initial purchaser upon receipt of the purchase price of the Bonds.

Section 9. The City warrants that the special assessments levied upon the real estate specifically benefited by the improvements financed or refinanced the proceeds of the Bonds and the Outstanding Notes to have been lawfully levied and are valid liens on the respective lots and tracts of land upon which they have been levied and that such assessments and the interest thereon shall, when collected, constitute a sinking fund for the payment of the principal of and interest on the Bonds. The City agrees that it will collect said special assessments and, in addition thereto, the City will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, except intangible property, in addition to all other taxes, which with other funds of the City available therefor, shall be sufficient in rate and amount to fully pay the principal of and interest on the Bonds as the same become due.

Section 10. The Clerk shall make and certify one or more complete transcripts of the proceedings had and done by the City precedent to the issuance of said Bonds, one of which transcripts shall be delivered to the initial purchaser of the Bonds. After being executed by the Mayor and Clerk, said Bonds shall be delivered to Underwriter.

Section 11. (a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

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

(c) The City covenants and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The City specifically covenants to pay or cause to be paid to the United States, the required amounts of rebatable arbitrage at the times and in the amounts as determined by the Federal Tax Certificate executed by the City in connection with the issuance of the Bonds. Notwithstanding anything to the contrary contained herein, the Arbitrage Instructions may be amended or replaced if, in the opinion of counsel nationally recognized on the subject of municipal bonds, such amendment or

replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

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

(e) The City hereby designates the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code. In addition, the City hereby represents that:

(1) the aggregate face amount of all tax-exempt obligations (other than private activity bonds which are not “qualified 501(c)(3) bonds”) which will be issued by the City (and all subordinate entities thereof) during calendar year 2015 is not reasonably expected to exceed \$10,000,000; and

(2) the City (including all subordinate entities thereof) will not issue an aggregate principal amount of tax-exempt obligations (other than private activity bonds that are not “qualified 501(c)(3) bonds”) during calendar year 2015, including the Bonds, in excess of \$10,000,000, without first obtaining an opinion of nationally recognized counsel in the area of municipal finance that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

The Mayor and City Finance Director are hereby authorized to take such other action as may be necessary to make effective the designation in this subsection (e).

(f) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to Section 12 of this Ordinance or any other provision of this Ordinance, until the final maturity date of all Bonds outstanding.

Section 12. The City’s obligation under this Ordinance shall be fully discharged and satisfied as to the Bonds authorized and issued hereunder, and said Bonds shall no longer be deemed outstanding hereunder when payment of the principal of such Bonds plus interest thereon to the date of maturity or redemption thereof (a) shall have been made or caused to be made in accordance with the terms thereof; or (b) shall have been provided by depositing with the Registrar or in escrow with a national or state bank having trust powers, in trust solely for such payment (i) sufficient moneys to make such payment or (ii) direct general obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America or obligations of an agency of the United States of America (herein referred to as “**Government Obligations**”), in such amount and maturing as to principal and interest at such times, as will insure the availability of sufficient moneys to make such payment, and such Bonds shall cease to draw interest from the date of their redemption or maturity and, except for the purposes of such payment, shall no longer be entitled to the benefits of this Ordinance; provided that, with respect to any Bonds called or to be called for redemption prior to the stated maturity thereof, notice of redemption shall have been duly given. If moneys shall have been deposited in accordance with the terms hereof with the Registrar as escrow agent in trust for that purpose sufficient to pay the principal of such Bonds, together with all interest due thereon to the due date thereof or to the date fixed for the redemption thereof, as the case may be, all liability of the City for such payment shall forthwith cease, determine and be completely discharged, and such Bonds shall no longer be considered outstanding.

Section 13. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Council hereby (a) authorizes and directs the Mayor, Treasurer, Clerk, City Attorney and all other officers, officials, employees and agents of the City to carry out or cause to be carried

out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with bond counsel, the initial purchaser of the bonds and its counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Ordinance and issuance, sale and delivery of the Bonds, including without limitation and whenever appropriate the execution and delivery thereof and of all other related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Mayor the right, power and authority to exercise his own independent judgment and absolute discretion in (i) determining and finalizing the terms, provisions, form and contents of any official statement utilized in offering the Bonds for sale to the public, (ii) determining and finalizing all other terms and provisions to be carried by the Bonds not specifically set forth in this Ordinance, and (iii) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Bonds. The execution and delivery by the Mayor or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Ordinance, shall constitute conclusive evidence of both the City's and their approval of the terms, provisions and contents thereof and all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the City and the authorization, approval and ratification by the City of the documents, instruments, certifications and opinions so executed and the actions so taken.

Section 14. If any one or more of the provisions of this Ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed severable from the remaining provisions of this Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds and the owners of the Bonds shall retain all the rights and benefits accorded to them under this Ordinance and under any applicable provisions of law.

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

Section 15. All ordinances, resolutions or orders, or parts thereof in conflict with the provisions of this Ordinance are to be extent of such conflict hereby repealed.

Section 16. This ordinance is hereby determined to be a measure necessary to carry out the City's contractual obligations with respect to the Outstanding Notes and shall be in force and take effect from and after its passage and publication in pamphlet form as provided by law.

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PASSED AND APPROVED: October 27, 2015.

CITY OF GRAND ISLAND, NEBRASKA

ATTEST:

By: _____
Clerk

By: _____
Mayor

[SEAL]

EXHIBIT A
FORM OF INVESTOR LETTER

_____, 2015

City of Grand Island, Nebraska
Grand Island, Nebraska

Gilmore & Bell, P.C.
Omaha, Nebraska

Re: \$_____ General Obligation Various Purpose Bonds, Series 2015, dated
 November ___, 2015

Ladies and Gentlemen:

The undersigned, _____, as purchaser (the **“Purchaser”**) of the above-referenced bonds (the **“Bonds”**) issued by the City of Grand Island, Nebraska, (the **“City”**) pursuant to and on the terms set forth in Ordinance No. ___ of the City passed by the City Council on October 27, 2015, and the Designation of Final Rates and Terms dated _____, 2015, and executed by officials of the City (together, the **“Ordinance”**), hereby represents and warrants to you that:

1. Capitalized terms used herein and not otherwise defined are used with the meanings given such terms in the Ordinance.

2. The Purchaser has duly authorized, by all necessary action, the purchase of the Bonds and the right to receive the payments of principal of and interest on the Bonds pursuant to the terms and provisions of the Ordinance (the **“Payments”**).

3. The Purchaser is a qualified institutional buyer as defined in Rule 144A under the Securities Act of 1933, as amended (the **“Securities Act”**), because the Purchaser is [Insert Basis of Qualification]. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds, the Payments, and the Ordinance. The Purchaser is able to bear the economic risks of that investment, including a complete loss of such investment.

4. The Purchaser understands that the obligations of the City to make the Payments under the Ordinance and the Bonds are payable from the sources described in the Ordinance.

5. The Purchaser acknowledges that it has either been supplied with or has been given access to information, including financial statements and other financial information, which it has asked for and the Purchaser has had the opportunity to ask questions and receive answers from appropriate officers of the City concerning the City, the Bonds, the Payments, the Ordinance and the security therefor, so that the Purchaser has been able to evaluate the risks and merits of purchasing the Bonds and make its decision to purchase the Bonds on the terms set forth in the Ordinance.

6. The Purchaser made its own inquiry and analysis with respect to the Ordinance, the Bonds, the Payments, and the security therefor, and other factors affecting the security and payment of such payments set forth in the Ordinance. The Purchaser is aware that the business of the City involves

certain economic variables and risks that could adversely affect the security for the payments to be made by the City to the Purchaser under the terms of the Ordinance and the Bonds. The Purchaser has examined the legal documents relating to the Bonds and the Ordinance, including the proposed legal opinion to be delivered by Gilmore & Bell, P.C. as to the validity of and tax status of interest on the Bonds.

7. The Purchaser understands that the Bonds (including the right to receive the Payments under the terms of the Ordinance) (a) are not being registered or otherwise qualified for sale under the securities laws and regulations of any state, (b) will not be listed on any securities exchange, (c) do not and will not carry a credit rating from any credit rating service and (d) will be delivered in a form which may not be readily marketable.

8. The Purchaser understands that the Bonds (including the right to the Payments under the terms of the Ordinance) have not been registered under the Securities Act in reliance upon certain exemptions from registration. The Purchaser represents to you that it is purchasing the Bonds for investment for its own account and not with a view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise dispose of the Bonds or any part of its interest in the Bonds. The Purchaser agrees not to sell, transfer or otherwise dispose of the Bonds or all or any part of its interest in the Bonds or the Ordinance unless the transferee executes a letter of representation in substantially the form of this letter and such sale, transfer or other disposition is in compliance with applicable securities laws and the provisions of the Ordinance.

9. The Purchaser agrees to indemnify and hold harmless the City with respect to any claim asserted against the City that is based upon the Purchaser's sale, transfer or other disposition of the Bonds or all or any part of the Purchaser's interests in the Bonds or the Ordinance in violation of the provisions hereof or of the Ordinance, other than any claim that is based upon the gross negligence or willful misconduct of the City.

10. The Purchaser has executed and delivered this letter in connection with issuance of the Bonds as an inducement to the City to cause the issuance of the Bonds and the execution and delivery thereof to the Purchaser.

Only the addressees hereof may rely upon this letter.

By: _____
Authorized Officer