

City of Scottsbluff, Nebraska

Monday, April 20, 2015

Regular Meeting

Item Public Inp1

Council to receive presentation from Scott Keene, Ameritas, on draft bond ordinances for road projects and possible bond refunding and authorize proceeding with preparation for bond issuance for the road projects and bond refundings.

Staff Contact: Renae Griffiths, Finance Director

Agenda Statement

Item No.

For meeting of: **April 20, 2015**

AGENDA TITLE: Council to listen to presentation from Scott Keene, Ameritas, on draft bond ordinance for road projects and possible bond refundings.

SUBMITTED BY DEPARTMENT/ORGANIZATION: Finance

PRESENTATION BY: Scott Keene with Ameritas

SUMMARY EXPLANATION: Scott will present to the council the process of two bond issuances. He will also present the proposed parameters for the new issuances. These parameters will include items such as interest rates and maturity that the issuance must stay within in order to proceed with the process. This is for review of draft ordinance and the final ordinance is planned for presentation on the May 4, 2015 council meeting. Proposed bond issuances are for:

- Road projects for chip seal project; 27th & 2nd left turn lane; new zoo entrance & Ave N; mill overlay from 27th to 33rd
- Combining lease purchase bonds into a refunding on the library and public safety building bonds to reduce interest costs

BOARD/COMMISSION RECOMMENDATION:

STAFF RECOMMENDATION: Approve proceeding with bond issuances within stated parameters.

EXHIBITS

Resolution Draft Ordinance Contract Minutes Plan/Map

Other (specify) _____

NOTIFICATION LIST: Yes No Further Instructions

APPROVAL FOR SUBMITTAL: _____
City Manager

Rev 3/1/99CClerk

Rev 3/1/99Clerk

A regular meeting of the Mayor and Council of the City of Scottsbluff, Nebraska (the “City”) was held on Monday, _____, 2015, at 6:00 p.m., in the Council Chambers, _____, in the City, the same being open to the public and preceded by advance publicized notice duly given in strict compliance with the provisions of the Open Meetings Act, Chapter 84, Article 14, Reissue Revised Statutes of Nebraska, as amended, as set forth on **Exhibit A** attached hereto stating (a) the date, time and place of the meeting; (b) that an agenda for the meeting, kept continuously current, was available for public inspection in the offices of the Clerk; and (c) that the meeting would be open to the attendance of the public. The Mayor and each member of the Council was also given advance notice of the meeting as acknowledged on **Exhibit B** attached hereto. Additionally, reasonable efforts were made to provide advance notice of the date, time, and place of the meeting to all news media requesting the same.

The Mayor, _____, presided and the Clerk, _____, recorded the proceedings. On roll call, the Mayor and the following Council Members were present: _____; the following Council Members were absent: _____. A quorum being present and the meeting duly convened, the following proceedings were had and done while the meeting was open to the attendance of the public. The Mayor publicly announced the location of a current copy of the Open Meetings Act posted in the meeting room for access by the public.

* * * * *

(Omitted Proceedings)

* * * * *

The Mayor stated that the next item on the agenda was the consideration of an ordinance authorizing the issuance of the City’s General Obligation Highway Allocation Fund Pledge Bonds, Series 2015. Council Member _____ introduced an ordinance (the “**Ordinance**”) titled as follows:

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF GENERAL OBLIGATION HIGHWAY ALLOCATION FUND PLEDGE BONDS, SERIES 2015, OF THE CITY OF SCOTTSBLUFF, NEBRASKA IN A PRINCIPAL AMOUNT NOT TO EXCEED \$_____ TO PAY THE COSTS OF CONSTRUCTING IMPROVEMENTS TO CERTAIN STREETS OF THE CITY; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE BOND AND PROVIDING FOR THE FIXING AND ESTABLISHING OF OTHER DETAILS OF THE BONDS; PLEDGING FUNDS RECEIVED FROM THE NEBRASKA HIGHWAY ALLOCATION FUND AND PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM; AND RELATED MATTERS

and moved that the statutory rule requiring that ordinances be read by title on three different days be suspended so that the Ordinance might be introduced, read by title and then moved for final passage on the same day, without the same being read in full, which motion was seconded by Council Member _____. On roll call vote, the following Council Members voted in favor of the motion to suspend the statutory rule: _____; the following Council Members voted against the motion: _____; the following Council Members were absent or did not vote: _____. The motion to suspend the statutory rule having been agreed upon by at least three-fourths of all of the Council Members present and acting, the Mayor declared the motion passed and the statutory rule suspended.

Following the reading of the title of the Ordinance, Council Member _____ moved that the Ordinance be passed, which motion was seconded by Council Member _____. On roll call vote, the following Council Members voted in favor of passing the Ordinance: _____; the following Council Members voted against passing the Ordinance: _____; the following Council Members were absent or did not vote: _____. The passage of the Ordinance having been agreed upon by a majority of all Members elected to the Council, the Mayor declared the Ordinance passed and, in the presence of the Council,

signed and approved the Ordinance. The Clerk attested to the passage of the Ordinance by signing the same and affixing the seal of the City to the Ordinance. A true and complete copy of the Ordinance is attached hereto as **Exhibit C**.

* * * * *

(Omitted Proceedings)

* * * * *

There being no further business to come before the meeting, on motion duly made, seconded and carried by unanimous vote, the meeting was adjourned.

Cindy Dickinson, Clerk
City of Scottsbluff, Nebraska

AFFIDAVIT OF PUBLICATION OF NOTICE OF MEETING

**ACKNOWLEDGMENT OF RECEIPT OF
ADVANCE NOTICE OF MEETING**

**ACKNOWLEDGMENT OF RECEIPT OF
ADVANCE NOTICE OF MEETING**

We, the undersigned, constituting the Mayor and all of the Members of the Council of the City of Scottsbluff, Nebraska, hereby acknowledge receipt of advance notice of the regular meeting of the Mayor and Council and the agenda for the same held Monday, _____, 2015, at 6:00 p.m., in the Council Chambers, _____, in the City of Scottsbluff, Nebraska.

DATED: _____, 2015.

Mayor

Council Member

Council Member

Council Member

Council Member

ORDINANCE NO. ____

ORDINANCE NO. ____

CITY OF SCOTTSBLUFF, NEBRASKA

PASSED AND APPROVED

_____, 2015

Authorizing

Not to Exceed

\$_____

**GENERAL OBLIGATION HIGHWAY ALLOCATION FUND PLEDGE BONDS
SERIES 2015**

Ordinance

TABLE OF CONTENTS

	Page
Title	1
Findings and Determinations	1

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms.....	2
---	---

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds.....	5
Section 202. Description of Bonds	5
Section 203. Designation of Paying Agent	6
Section 204. Method and Place of Payment of Bonds.....	6
Section 205. Registration, Transfer and Exchange of Bonds	7
Section 206. Execution, Registration, Authentication and Delivery of Bonds.....	8
Section 207. Mutilated, Destroyed, Lost and Stolen Bonds	8
Section 208. Cancellation and Destruction of Bonds Upon Payment.....	9
Section 209. Book-Entry Bonds; Securities Depository	9
Section 210. Preliminary and Final Official Statement	10
Section 211. Sale of Bonds	10
Section 212. Authorization of Officers.....	10

ARTICLE III

REDEMPTION OF BONDS

Section 301. Optional and Mandatory Redemption of Bonds	11
Section 302. Selection of Bonds to be Redeemed	12
Section 303. Notice and Effect of Call for Redemption	12

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds	13
Section 402. Levy and Collection of Annual Tax.....	14

ARTICLE V

**ESTABLISHMENT OF FUNDS;
DEPOSIT AND APPLICATION OF MONEY**

Section 501.	Establishment of Funds.....	14
Section 502.	Deposit of Bond Proceeds.....	14
Section 503.	Application of Money in the Construction Fund	14
Section 504.	Application of Money in the Debt Service Fund	15
Section 505.	Deposits and Investment of Money	15
Section 506.	Payments Due on Saturdays, Sundays and Holidays.....	15
Section 507.	Nonpresentment of the Bonds.....	15

ARTICLE VI

REMEDIES

Section 601.	Remedies.....	16
Section 602.	Limitation on Rights of Owners	16
Section 603.	Remedies Cumulative	16

ARTICLE VII

DEFEASANCE

Section 701.	Defeasance	17
---------------------	------------------	----

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801.	Tax Covenants	17
Section 802.	Continuing Disclosure	18
Section 803.	Amendments	19
Section 804.	Notices, Consents and Other Instruments by Registered Owners.....	19
Section 805.	Further Authority	20
Section 806.	Severability	20
Section 807.	Governing Law	20
Section 808.	Effective Date	20
	Passage and Approval.....	S-1
	Signatures.....	S-1

Exhibit A - Form of Bond

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF GENERAL OBLIGATION HIGHWAY ALLOCATION FUND PLEDGE BONDS, SERIES 2015, OF THE CITY OF SCOTTSBLUFF, NEBRASKA IN A PRINCIPAL AMOUNT NOT TO EXCEED \$_____ TO PAY THE COSTS OF CONSTRUCTING IMPROVEMENTS TO CERTAIN STREETS OF THE CITY; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE BOND AND PROVIDING FOR THE FIXING AND ESTABLISHING OF OTHER DETAILS OF THE BONDS; PLEDGING FUNDS RECEIVED FROM THE NEBRASKA HIGHWAY ALLOCATION FUND AND PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM; AND RELATED MATTERS

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF SCOTTSBLUFF, NEBRASKA AS FOLLOWS:

FINDINGS AND DETERMINATIONS

The Mayor and Council of the City of Scottsbluff, Nebraska (the “City”) hereby find and determine as follows:

1. It is necessary, desirable and advisable that the City construct improvements to certain streets of the City, together with related improvements (collectively, the “Project”) pursuant to plans, specifications and estimates of costs prepared by the City’s special engineers.

2. The estimated costs for such improvements are not less than \$_____.

3. Pursuant to the provisions of Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended (the “Act”), the City is authorized to (a) issue its general obligation highway allocation fund pledge bonds to pay the costs of the Project, (b) pledge funds received from the State of Nebraska Highway Allocation Fund (the “Highway Allocation Fund”) to the payment of the principal thereof and the interest thereon, and (c) levy and collect a tax upon all the taxable property in the City at such rate or rates within any applicable statutory and constitutional limitations as will provide funds which, together with receipts from the Highway Allocation Fund pledged to the payment of such bonds, will be sufficient in amount to pay the principal of such bonds and the interest thereon when and as the same become due.

4. Taking into consideration available funds of the City for such purposes, it will be necessary for the City to issue its general obligation highway allocation fund pledge bonds in a principal amount not to exceed \$_____ (the “Bonds”) to pay the costs of the Project.

5. In addition to the Bonds herein authorized, the City has outstanding under the Act its General Obligation Highway Allocation Fund Pledge Bonds, Series 2012, date of original issue – January 10, 2012, issued in the original principal amount of \$1,180,000 and currently outstanding in the principal amount of \$475,000 (the “2012 Bonds”).

6. The maximum annual debt service on the Bonds and the 2012 Bonds will not be greater than \$_____, and the City's anticipated receipts from the Highway Allocation Fund for its current fiscal year are not less than \$_____.

7. All conditions, acts and things required to exist or to be done precedent to the issuance of the Bonds, the pledging of funds and the levying of taxes as provided in this Ordinance do exist and have been done as required by law.

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms used in this Ordinance have the following meanings:

"Act" means Sections 66-4,101 and 66-4,102, Reissue Revised Statutes of Nebraska, as amended.

"Authorized Officer" means the Mayor of the City.

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

"Bond Counsel" means Gilmore & Bell, P.C., or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

"Bond Register" means the books for the registration, transfer and exchange of the Bonds kept at the office of the Paying Agent.

"Bonds" means the not to exceed \$_____ principal amount of General Obligation Highway Allocation Fund Pledge Bonds, Series 2015, authorized and issued by the City pursuant to this Ordinance.

"Business Day" means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

"Cede & Co." means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

"City" means the City of Scottsbluff, Nebraska.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

"Construction Fund" means the fund by that name referred to in **Section 501**.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking executed by the City, dated the date of delivery of the Bonds, as originally executed and as amended from time to time in accordance with its terms.

“Debt Service Fund” means the fund by that name referred to in **Section 501**.

“Defaulted Interest” means interest on the Bonds which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (A) not subject to redemption prior to maturity or (B) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody’s Investors Service, Inc. (presently “Aaa”) or Standard & Poor’s Ratings Group (presently “AAA”).

“Designated Office” means the corporate trust administration office maintained by the Paying Agent at which the Paying Agent discharges its obligations under this Ordinance and which may be changed by the Paying Agent upon written notice to the City and to each Registered Owner.

“Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States (including the interest component of obligations of the Ordinance Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the City.

“Interest Payment Date” means the dates established by the Authorized Officer pursuant to **Section 210** for the payment of interest on the Bonds.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Ordinance” means this Ordinance passed by the Council and approved by the Mayor, authorizing the issuance of the Bonds, as amended from time to time.

“Outstanding” means, when used with reference to the Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following Bonds:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means _____.

“Permitted Investments” means any of the following securities, if and to the extent the same are at the time legal for investment of the City’s funds:

(a) Government Obligations;

(b) bonds, notes or other obligations of the State, or any political subdivision of the State, that at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;

(c) repurchase agreements with any bank, bank holding company, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a) or (b) above and that have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account for the benefit of the City;

(d) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation; and

(e) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state,

provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (a) through (c), inclusive, which shall have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits.

“**Person**” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“**Project**” means constructing improvements to certain of the City’s streets and roads.

“**Purchaser**” means Ameritas Investment Corp., Lincoln, Nebraska, as the original purchaser of the Bonds.

“**Record Date**” for the interest payable on any Interest Payment Date means the fifteenth day preceding such Interest Payment Date.

“**Redemption Date**” when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of this Ordinance.

“**Redemption Price**” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance.

“**Registered Owner**” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“**Replacement Bond**” means Bonds issued to Beneficial Owners in accordance with **Section 207**.

“**Securities Depository**” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“**Special Record Date**” means the date fixed by the Paying Agent pursuant to **Section 204** hereof for the payment of Defaulted Interest.

“**State**” means the State of Nebraska.

“**Tax Certificate**” means the Federal Tax Certificate executed and delivered by the City in connection with the issuance of the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“**United States**” means the United States of America.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. The City is hereby authorized and directed to issue the Bonds in a principal amount not to exceed \$_____ to pay the costs of the Project and issuing the Bonds.

Section 202. Description of Bonds. The Bonds shall consist of fully registered bonds, numbered from R-1 upward in order of issuance, in denominations of \$5,000 or any integral multiple thereof, and bearing a series designation of the calendar year in which the Bonds are issued. The Bonds shall be subject to registration, transfer and exchange as provided in **Section 205** hereof. All of the Bonds shall be dated the date of delivery thereof, shall become due and payable in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in **Article III** hereof, and shall bear interest at the rates determined by the Authorized Officer such that the true interest cost on the Bonds shall not exceed _____% in accordance with the provisions of **Section 210** hereof. The Bonds shall bear interest computed on the basis of a 360 day year of twelve 30 day months from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

Each of the Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be in substantially the form set forth in **Exhibit A** attached hereto.

Section 203. Designation of Paying Agent. The City hereby designates the Paying Agent as its paying agent for the payment of the principal or Redemption Price of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of the Bonds. The Paying Agent shall serve in such capacities under the terms of an agreement entitled "Bond Registrar and Paying Agent Agreement" between the City and the Paying Agent (the "**Registrar Agreement**"), in substantially the form presented herewith, which is hereby ratified and approved. One or more Authorized Officers are hereby authorized to execute the Registrar Agreement in substantially the form presented but with such changes as such Authorized Officer shall deem appropriate or necessary.

The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent by (a) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (b) causing notice of the appointment of the successor Paying Agent to be given by first-class mail to each Registered Owner. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company organized and doing business under the laws of the United States or of a state of the United States, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state regulatory authority.

Section 204. Method and Place of Payment of Bonds. The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency of the United States that on the respective dates of payment thereof is legal tender for the payment of public and private debts.

The principal or Redemption Price of each Bond shall be paid at Maturity by check or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the Designated Office of the Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register.

Notwithstanding the foregoing provisions of this **Section 204**, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first-class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

The Paying Agent shall keep a record of the payment of the principal or Redemption Price of and interest on all Bonds and at least annually shall forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds. The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the Designated Office. Each Bond when issued shall be registered in the name of the Registered Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in this **Section 205**. Upon surrender of any Bond at the Designated Office, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate stated principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make

a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The City and the Paying Agent shall not be required (a) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in aggregate stated principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners whose authority is evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Registration, Authentication and Delivery of Bonds. Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Mayor and Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized officer or employee of the Paying Agent, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to the Purchaser upon payment of the purchase price of the Bonds plus accrued interest thereon to the date of their delivery.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Paying Agent such security or indemnity as may be required by the Paying Agent, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon the City's request, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City, in its discretion, may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this **Section 207**, the City may require the payment by the Registered Owner of an amount sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Every new Bond issued pursuant to this **Section 207** shall constitute a replacement of the prior obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and destroyed and shall file an executed counterpart of such certificate with the City.

Section 209. Book-Entry Bonds; Securities Depository.

(a) The Bonds shall initially be registered to Cede & Co., as nominee for the Securities Depository, and no Beneficial Owner will receive any certificate representing its respective interest(s) in the Bonds, except in the event the Paying Agent issues Replacement Bonds as provided in **Section 209(b)** hereof. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of the principal or Redemption Price of and interest on the Bonds to the Participants until and unless the Paying Agent authenticates and delivers Replacement Bonds to the Beneficial Owners as described in **Section 209(b)** hereof.

(b) (1) If the Agency determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (C) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Registered Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, or (2) if the Paying Agent receives written notice from Participants having interests in not less than 50% in aggregate stated principal amount of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Registered Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Bonds, then the Paying Agent shall notify the Registered Owners of such determination or such notice and of the availability of certificates to Registered Owners requesting the same, and the Paying Agent shall register in the name of and authenticate and deliver Replacement Bonds to the Beneficial Owners or their nominees in principal

amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under **Section 209(b)(1)(A)** or **(1)(B)** hereof, the Agency, with the consent of the Paying Agent, may select a successor securities depository in accordance with **Section 209(c)** hereof to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Paying Agent, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Agency, the Paying Agent or Registered Owners are unable to locate a qualified successor of the Securities Depository in accordance with **Section 209(c)** hereof, then the Paying Agent shall authenticate and cause delivery of Replacement Bonds to Registered Owners as provided herein. The Paying Agent may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Bonds. The cost of printing Replacement Bonds shall be paid for by the Agency.

(c) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Agency may appoint a successor Securities Depository provided the Paying Agent receives written evidence satisfactory to the Paying Agent with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Paying Agent upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 210. Preliminary and Final Official Statement. The Authorized Officers are hereby authorized to approve and deem final a Preliminary Official Statement and a final Official Statement on behalf of the City all in accordance with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. The use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The Authorized Officers are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

The City agrees to provide to the Purchaser within seven Business Days of the date of the sale of Bonds sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the Securities and Exchange Commission and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 211. Sale of Bonds. The Authorized Officer is hereby authorized to enter into the Bond Purchase Agreement between the City and the Purchaser in substantially the form presented herewith, under which the City agrees to sell the Bonds to the Purchaser at a purchase price of not less than ____% of the principal amount thereof, plus accrued interest to the date of delivery, upon the terms and conditions set forth therein and with such changes therein as shall be approved by the Authorized Officer, which officer is hereby authorized to execute the Bond Purchase Agreement for and on behalf of the City, such officer's signature thereon being conclusive evidence of his or her approval thereof.

Section 212. Authorization of Officers. The Authorized Officer is hereby authorized and directed, in the exercise of his own independent judgment and absolute discretion, to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in

accordance with and subject to the provisions of this Ordinance, (1) the date of original issue of the Bonds which shall not be later than _____, 20__, (2) the aggregate stated principal amount of Bonds to be issued, which shall in no event exceed \$_____, (3) the dates on which the principal of the Bonds shall mature and the principal amount of Bonds to mature on each of such dates, together with any mandatory sinking fund payments with respect to Bonds which are issued are “term bonds,” (4) the date of final maturity of the Bonds, which shall in no event be later than _____, 20__, (5) the Interest Payment Dates, (6) the date upon which the Bonds shall be sold, (7) the rate or rates of interest to be carried by each maturity of the Bonds such that the true interest cost on the Bonds shall not exceed ___%, (8) the provisions governing the redemption of the Bonds prior to maturity, the nature of any notice to be given in the event of any such prior redemption, the redemption price or prices payable upon such redemption (not to exceed ___%) and the respective periods in which each redemption price shall be payable, (9) the price at which the Bonds may be sold to the Purchaser, provided that the price at which the Bonds will be sold shall not be less than ___% of the principal amount thereof, and the underwriting discount shall not exceed ___% of the aggregate stated principal amount thereof, (10) all of the other terms of the Bonds not otherwise determined or fixed by the provisions of this Ordinance, and (11) the form, content, terms, and provisions of any closing and other documentation executed and delivered by the City in connection with authorization, issuance, sale and delivery of the Bonds.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Optional and Mandatory Redemption of Bonds.

(a) **Optional Redemption by City.** At the option of the City, Bonds or portions thereof may be called for redemption and payment prior to their Stated Maturity at any time or after the fifth anniversary of the date of issuance thereof at the Redemption Prices determined by the Authorized Officer in accordance with the provisions of **Section 210** hereof.

(b) **Mandatory Redemption.** Any Bonds issued as “term bonds” shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. The taxes levied in **Article IV** hereof which are to be deposited into the Debt Service Fund shall be sufficient to redeem, and the City shall redeem on the dates specified by the Authorized Officer pursuant to **Section 210** hereof the principal amounts determined by the Authorized Officer pursuant to **Section 210** hereof.

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation term bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate stated principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any term bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any term bonds subject to mandatory redemption on such mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this **Section 301(b)**) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this **Section 301(b)**. Each term bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem term bonds of the same Stated Maturity

on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for term bonds of the same Stated Maturity in chronological order, and the principal amount of term bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption payment.

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of written instructions of the City specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the Paying Agent shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such principal amounts and from such maturity or maturities as the City, in its sole and absolute discretion shall determine, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds by lot when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate stated principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as provided, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to the Purchaser of the Bonds and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the Redemption Date;

- (b) the Redemption Price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (d) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and
- (e) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the Designated Office.

The failure of any Registered Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Prior to any Redemption Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on that date.

Official notice of redemption having been given as provided, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

The Paying Agent is also directed to comply with any mandatory or voluntary standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. For the prompt payment of the Bonds and the 2012 Bonds, both principal or redemption price and interest, when and as the same shall become due, the City hereby pledges all receipts now or hereafter received by the City from the Highway Allocation Fund, as provided by the Act. The pledge provided for in this **Section 401** shall not prevent the City from applying receipts from the Highway Allocation Fund in any year so long as sufficient receipts therefrom have been set aside for the payment of the principal or redemption price of and interest on the Bonds and the 2012 Bonds falling due in such year. To the extent that other legally available money of the City appropriated for such purposes is insufficient to pay the principal or redemption price of and interest on the Bonds and the 2012 Bonds when and as the same shall become due, the City hereby further agrees

that it will cause to be levied and collected annually a tax on all the taxable property in the City within any applicable statutory and constitutional limitations sufficient in amount to pay the principal or redemption price of and interest on the Bonds and the 2012 Bonds until the same is fully paid. In addition, the City further reserves the right to issue additional highway allocation fund pledge bonds payable on a parity with the Bonds and the 2012 Bonds and equally and ratably secured by a pledge of receipts from the Highway Allocation Fund.

Section 402. Levy and Collection of Annual Tax. For the purpose of providing for the payment of the principal or Redemption Price of and interest on the Bonds and the 2012 Bonds as the same become due, to the extent receipts from the Highway Allocation Fund are insufficient, there is hereby levied upon all of the taxable property in the City a direct annual tax on all the taxable property in the City within any applicable statutory and constitutional limitations sufficient to pay all of the principal of and interest on the Bonds and the 2012 Bonds as the same becomes due and payable in each year.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from such taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal or Redemption Price of and interest on the Bonds and the 2012 Bonds as and when the same become due and the fees and expenses of the Paying Agent.

If at any time such taxes are not collected in time to pay the principal of or interest on the Bonds and the 2012 Bonds when due, the Treasurer is hereby authorized and directed to pay such principal or interest out of the general funds of the City and to reimburse the general funds for money so expended when such taxes are collected.

ARTICLE V

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF MONEY

Section 501. Establishment of Funds. There have been or shall be established in the treasury of the City and shall be held and administered by the Treasurer of the City the following separate funds:

- (a) Construction Fund; and
- (b) Debt Service Fund.

Section 502. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited simultaneously with the delivery of the Bonds as follows:

- (a) All accrued interest received from the sale of the Bonds shall be deposited in the Debt Service Fund and applied in accordance with **Section 504** hereof.
- (b) The remaining balance of the proceeds derived from the sale of the Bonds shall be deposited in the Construction Fund and shall be applied in accordance with **Section 503** hereof.

Section 503. Application of Money in the Construction Fund. Money in the Construction Fund shall be used by the City solely for the purpose of (a) paying the costs of the Project in accordance with the plans and specifications therefor prepared by the City's engineers approved by the Council and

on file in the office of the Clerk, including any alterations in or amendments to such plans and specifications deemed advisable by the City's engineers and approved by the Council, and (b) paying the costs and expenses of issuing the Bonds.

The Treasurer shall make a withdrawal from the Construction Fund only upon a duly authorized and executed order of the Council accompanied by a certificate executed by the City's engineers stating that such payment is being made for a purpose within the scope of this Ordinance and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Nothing hereinbefore contained shall prevent the payment out of the Construction Fund of all costs and expenses incident to the issuance of the Bonds without a certificate from the City's engineers.

Upon completion of the Project, any surplus remaining in the Construction Fund shall be transferred to and deposited in the Debt Service Fund.

Section 504. Application of Money in the Debt Service Fund. All amounts paid and credited to the Debt Service Fund shall be expended and used by the City for the sole purpose of paying the principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Fund sums sufficient to pay both principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owner of any Bond is no longer entitled to enforce payment of such Bond or the interest thereon, the Paying Agent shall return such funds to the City. All money deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such money.

Any money or investments remaining in the Debt Service Fund after the retirement of the indebtedness for which the Bonds were issued and all other indebtedness of the City shall be transferred and paid into the Road Fund of the City.

Section 505. Deposits and Investment of Money. Money in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State. All money held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

Money held in any fund referred to in this Ordinance may be invested by the Treasurer at the direction of the Council, in accordance with this Ordinance and the Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than the date when the money invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Section 506. Payments Due on Saturdays, Sundays and Holidays. If any payment on any Bond is due on a date which is not a Business Day, then such payment need not be made on such date but

may be made on the next succeeding Business Day with the same force and effect as if made on such payment date, and no interest shall accrue for the period after such payment date.

Section 507. Nonpresentment of the Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, such Bond. If any Bond is not presented for payment within four years following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Nebraska;

(b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 602. Limitation on Rights of Owners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Registered Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Registered Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Registered Owner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the City's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Nebraska and having full trust powers, at or prior to the Stated Maturity or Redemption Date of such Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of such Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption has been given, or the City has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with **Section 302(a)** of this Ordinance. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

(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 federal gross income 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, which would adversely affect the exclusion from federal gross income of the interest on the Bonds. The City will also adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with other applicable future law, 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 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 (2) 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 arbitrage rebate to the United States pursuant to Section 148(f) of the Code and the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds. The Tax Certificate may be amended or replaced if, in the opinion of Bond Counsel, such amendment or replacement will not adversely affect the exclusion from federal gross income of the 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, (1) in a manner that would cause the Bonds to be a “private activity bond” within the meaning of Section 141(a) of the Code, or (2) to make or finance a loan to any Person.

(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 the calendar year in which the Bonds are issued 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 obligations designated by the City to be “qualified tax-exempt obligations” during the calendar year in which the Bonds are issued, including the Bonds, in excess of \$10,000,000, without first obtaining an opinion of Bond Counsel that the designation of the Bonds as “qualified tax-exempt obligations” will not be adversely affected.

The authorized Officer is hereby authorized to take such other action as may be necessary to make effective the designation in this **Section 801(f)**.

(f) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article VII** of this Ordinance or any other provision of this Ordinance, until the final Maturity of the Bonds.

Section 802. Continuing Disclosure. The City hereby (a) authorizes and directs that an Authorized Officer execute and deliver, on the date of issue of the Bonds, the Continuing Disclosure

Undertaking in such form as shall be satisfactory to the City, and (b) covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Undertaking) or any Beneficial Owner or any Registered Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this **Section 802**.

Section 803. Amendments. The rights and duties of the City and the Registered Owners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by an ordinance of the City with the written consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

Any provision of the Bonds or of this Ordinance may, however, be amended or modified by ordinance duly adopted by the governing body of the City at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Registered Owners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Registered Owners.

Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Registered Owners is given, as above provided, shall be expressed in an ordinance adopted by the Mayor and Council amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance, if any, and a certified copy of this Ordinance shall always be kept on file in the office of the Secretary, shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance of this Ordinance will be sent by the Clerk to any such Registered Owner or prospective purchaser.

Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the Clerk a copy of such amendatory or supplemental ordinance of the City, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance which affects the duties or obligations of the Paying Agent under this Ordinance.

Section 804. Notices, Consents and Other Instruments by Registered Owners. Any notice, consent, request, direction, approval or other instrument to be signed and executed by any Registered Owner may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owner in person or by an agent with written authorization. Proof of the execution of any such instrument or writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Registered Owners of the requisite aggregate principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Registered Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Registered Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as provided if the pledgee establishes to the satisfaction of the Registered Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 805. Further Authority. The officers of the City, including the Mayor and Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 806. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 807. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 808. Effective Date. This Ordinance shall take effect and be in full force from and after its passage and publication in pamphlet form as provided by law.

[The remainder of this page intentionally left blank.]

DATED: _____, 2015.

CITY OF SCOTTSBLUFF, NEBRASKA

ATTEST:

By: _____
Mayor

By: _____
Clerk

[S E A L]

S-1

Signature Page – Bond Ordinance

EXHIBIT A

(FORM OF BOND)

EXCEPT AS OTHERWISE PROVIDED IN THE RESOLUTION (REFERRED TO HEREIN), THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

**Registered
No. R-___**

**Registered
\$_____**

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
CITY OF SCOTTSBLUFF, NEBRASKA**

**GENERAL OBLIGATION HIGHWAY ALLOCATION FUND PLEDGE BOND
SERIES 2015**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP Number</u>
_____ %	_____, 20__	_____, 2015	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The **CITY OF SCOTTSBLUFF, NEBRASKA**, a City of the first class, duly organized and validly existing under the laws of the State of Nebraska (the “City”), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount stated above on the Maturity Date shown above unless called for redemption prior to such Maturity Date, and to pay interest thereon at the Interest Rate per annum shown above (computed on the basis of a 360 day year of twelve 30 day months) from the Dated Date shown above or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually on _____ and _____ in each year, beginning _____, 20__, until the Principal Amount has been paid.

The principal or redemption price of this Bond shall be paid at maturity or upon earlier redemption by check or draft mailed to the person in whose name this Bond is registered at the maturity or redemption date thereof, upon presentation and surrender of this Bond at the office of _____, _____, Nebraska (the “Paying Agent”). The interest payable on this Bond on any interest payment date shall be paid to the person in whose name this Bond is registered on the registration books maintained by the Paying Agent at the close of business on the Record Date for such interest, which shall be the fifteenth day next preceding such interest payment date.

Such interest shall be payable by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register. The principal or redemption price of and interest on this Bond shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon has been executed by the Paying Agent.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions and things required to be done and to exist precedent to and in the issuance of the Bond have been done and performed and do exist in due and regular form and manner as required by the constitution and laws of the State of Nebraska; that a direct annual tax upon all taxable tangible property situated in the City has been levied for the purpose of paying the principal of and interest on this Bond when due; and that the total indebtedness of the City, including this Bond and the series of which it is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, THE CITY OF SCOTTSBLUFF, NEBRASKA, has caused this Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Clerk.

CERTIFICATE OF AUTHENTICATION

CITY OF SCOTTSBLUFF, NEBRASKA

This Bond is the Bond of the issue described in the within-mentioned Ordinance.

Registration Date: _____

_____, Paying Agent

By: _____
Treasurer

By: _____
(facsimile signature)
Mayor

ATTEST:

By: _____
(facsimile signature)
Clerk

(FORM OF REVERSE SIDE OF BOND)

ADDITIONAL PROVISIONS

This bond is one of an issue of fully registered bonds (the “**Bonds**”) in the aggregate stated principal amount of _____ Dollars (\$_____), of even date and like tenor except as to number, denomination, maturity date, interest rate and redemption provisions, authorized by Ordinance No. _____ (the “**Ordinance**”), passed by the Council and approved by the Mayor of the City on _____, 2015, pursuant to Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended, for the purpose of paying (a) the costs of improvements to certain streets of the City (the “**Project**”) and (b) the costs of issuing the Bonds in strict compliance with the provisions of Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended.

This bond is issued on a parity with and is payable from the same sources as additional highway allocation fund bond issuance in accordance with the provisions of the Ordinance (the “**Additional Bonds**”). In the Ordinance, the City has pledged funds received and to be received from the Highway Allocation Fund of the State of Nebraska and allocates such receipts to payment of the principal hereof and the interest hereon when and as the same becomes due on a parity with the 2012 Bonds any Additional Bonds. In addition, the City has covenanted and agreed that to the extent other legally available money of the City appropriated for such purposes is insufficient to pay the principal of and interest on the Bonds and the 2012 Bonds when and as the same shall become due, it shall levy ad valorem taxes upon all the taxable property in the City at such rate or rates, within applicable statutory and constitutional limitations, which, together with receipts from the Highway Allocation Fund and any other money made available and used for such purpose, will be sufficient to make payment of the principal of and interest on the Bonds and the 2012 Bonds as the same shall become due.

Reference is hereby made to the Ordinance, a copy of which is on file in the office of the Clerk, and to all the provisions of which any owner of this bond by its acceptance hereof hereby assents, for a description of and the nature and extent of the security for the Bonds; the Highway Allocation Fund and tax revenues pledged to the payment of the principal of and interest on the Bonds; the terms and provisions upon which the covenants made therein may be discharged at or prior to the maturity or redemption of the Bonds and the Bonds thereafter no longer be secured by the Ordinance or be deemed to be outstanding thereunder, if money or certain specified securities shall have been deposited with the Registrar or the Treasurer sufficient and held in trust solely for the payment thereof; and for the other terms and provisions thereof.

At the option of the City, Bonds or portions thereof maturing on or after _____, 20__ may be redeemed and paid prior to maturity at any time on or after _____, 20__, as a whole or in part in such principal amounts and from such maturity or maturities as the City may determine (Bonds of less than a full maturity to be selected in multiples of \$5,000 principal amount in such equitable manner as the Paying Agent shall designate) at a redemption price equal to 100% of the principal amount of the Bonds called for redemption plus accrued interest thereon to the redemption date.

Bonds maturing on _____, 20__, are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance on _____, 20__, and on each _____, thereafter prior to maturity, at a redemption price equal to 100% of the Principal Amount thereof plus accrued interest to the redemption date.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first-class mail at least 15 days prior to the redemption date to the original purchaser

S-1

Signature Page – Bond Ordinance

of the Bond and the Registered Owner hereof at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as provided, the Bond or portions thereof to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) the Bond or portions thereof shall cease to bear interest.

The Bond is issuable in the form of a fully registered Bond in the denominations of \$0.01 or any integral multiple thereof.

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the designated corporate trust administration office of the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond in any authorized denomination of the same maturity and in the same aggregate stated principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. The City and the Paying Agent may deem and treat the person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of The Depository Trust Company (the "**Securities Depository**"), is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Agency and the Paying Agent will recognize the Securities Depository nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (a) payments of principal or redemption price of and interest on this Bond, (b) notices and (c) voting. Transfer of principal or redemption price and interest payments to participants of the Securities Depository, and transfer of principal or redemption price and interest payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Agency and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal or redemption price of and interest on this Bond shall be made in accordance with existing arrangements among the Agency, the Paying Agent and the Securities Depository.

EXCEPT AS OTHERWISE PROVIDED IN THE RESOLUTION, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

S-1

Signature Page – Bond Ordinance

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: _____

S-1

Signature Page – Bond Ordinance

CITY OF SCOTTSBLUFF, NEBRASKA

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE CITY OF SCOTTSBLUFF, NEBRASKA TO CONVEY TO THE CITY OF SCOTTSBLUFF LEASING CORPORATION CERTAIN ADDITIONAL REAL ESTATE OF THE CITY; APPROVING THE ISSUANCE OF NOT TO EXCEED \$_____ PRINCIPAL AMOUNT OF LEASE RENTAL REVENUE AND REFUNDING BONDS IN ONE OR MORE SERIES BY THE CITY OF SCOTTSBLUFF LEASING CORPORATION, FOR THE PURPOSE OF PROVIDING FUNDS TO (1) PROVIDE FOR THE PAYMENT AND REDEMPTION OF \$2,205,000 AGGREGATE PRINCIPAL AMOUNT OF THE CORPORATION'S LEASE RENTAL REVENUE AND REFUNDING BONDS, SERIES 2009 AND \$1,285,000 AGGREGATE PRINCIPAL AMOUNT OF THE CORPORATION'S LEASE RENTAL REVENUE BONDS, SERIES 2010, UPON THE SATISFACTION OF CERTAIN CONDITIONS, AND (2) PAY THE COSTS OF A PROJECT FOR THE CITY INVOLVING SUCH REAL ESTATE; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF SCOTTSBLUFF, NEBRASKA, AS FOLLOWS:

FINDINGS AND DETERMINATIONS

The Mayor and Council (the "Council") of the City of Scottsbluff, Nebraska (the "City"), hereby find and determine that:

1. The City is authorized pursuant to Section 19-2421, Reissue Revised Statutes of Nebraska, as amended (the "Act"), to enter into contracts for the lease of real or personal property for any purpose for which the City is authorized by law to purchase property or construct improvements, which contracts are not restricted to a single year, and may provide for the purchase of the property in installment payments.

2. The City of Scottsbluff Leasing Corporation (the "Corporation"), is a nonprofit corporation duly organized and existing under the Nebraska Nonprofit Corporation Act, Chapter 21, Article 19, Reissue Revised Statutes of Nebraska, as amended, for the purpose of acquiring property of any kind and nature, usable or useful to the City in performing its governmental functions and leasing the same to the City.

3. (a) Pursuant to a Trust Indenture Supplement Number One dated as of September 2, 2009 (the "2009 Indenture") between the Corporation and U.S. Bank National Association, trustee (the "2009 Trustee") the Corporation has heretofore issued \$4,005,000 principal amount Lease Rental Revenue and Refunding Bonds, Series 2009, dated the date of delivery (September 2, 2009) thereof (the "2009 Bonds") for the purpose of (i) providing for the payment and redemption of \$2,060,000 principal

amount of the Corporation's Lease Rental Revenue and Refunding Bonds, Series 2003, dated as of February 15, 2003 (the "**2003 Bonds**") and (ii) paying the costs of acquiring, constructing, furnishing and equipping certain recreational facilities for the use and benefit of the City (the "**2009 Project**"). The 2003 Bonds were issued for the purpose of (i) providing for the payment and redemption of \$605,000 principal amount of the Corporation's Lease Rental Revenue Bonds, Series 1997, dated as of September 15, 1997 (the "**1997 Bonds**") and (ii) refinancing the costs of acquiring, constructing, furnishing and equipping certain recreation facilities for the use and benefit of the City (the "**2003 Project**"). The 1997 Bonds were issued to pay the costs of (i) acquiring two new fire trucks for the use of the City, (ii) making certain improvements to the City's Riverside Zoo, and (iii) developing two softball fields at Lacy Park (collectively the "**1997 Project**").

(b) Pursuant to a Trust Indenture Supplement Number Two dated as of July 8, 2010 (the "**2010 Indenture**") between the Corporation and U.S. Bank National Association, trustee (the "**2010 Trustee**") the Corporation has heretofore issued \$2,035,000 principal amount Lease Rental Revenue Bonds, Series 2010, dated the date of delivery (July 8, 2010) thereof (the "**2010 Bonds**") for the purpose of (a) paying the costs of acquiring, constructing, furnishing and equipping an addition to and renovations of the Lied Scottsbluff Public Library for the use and benefit of the City (the "**2010 Project**"). .

4. The City has leased the real property on which the 2003 Project, the 1997 Project and the 2010 Project (collectively, the "**Prior Projects**") are located (collectively, the "**Project Sites**") to the Corporation pursuant to a Site Lease, dated as of February 15, 2003, as amended by Site Lease Amendment Number One, dated as of September 2, 2009, and as further amended by Site Lease Amendment Number Two, dated as of July 8, 2010 (collectively, the "**Prior Site Lease**") between the City, as lessor, and the Corporation, as lessee, and the Corporation has leased the Prior Projects to the City pursuant to a Lease Agreement dated as of February 15, 2003, as amended by Lease Agreement Amendment Number One, dated as of September 2, 2009, and as further amended by Lease Agreement Amendment Number Two, dated as of July 8, 2010 (collectively, the "**Prior Lease Agreement**") between the Corporation, as lessor, and the City, as lessee.

5. The 2009 Bonds and the 2010 Bonds remain unpaid and are a legal liability against the Corporation, provision for the payment of which may be made by the lawful issuance and sale of refunding bonds of the Corporation pursuant to the Nebraska Nonprofit Corporation Act.

6. Upon the satisfaction of certain conditions, by making provision for the redemption and payment of the 2009 Bonds and the 2010 Bonds through the issuance of refunding bonds, a savings in the amount of annual debt service on the 2009 Bonds and the 2010 Bonds would be made by the Corporation for the benefit of the City.

7. By Resolution duly adopted by the Board of Directors, the Corporation has duly authorized the President, in the manner prescribed by law, upon the satisfaction of certain conditions, to call all of the outstanding 2009 Bonds and the 2010 Bonds for redemption and payment on a date determined by the President (the "**Redemption Date**") in accordance with the resolution adopted by the Corporation on _____, 2015.

8. Except for amounts representing accrued rental payments under the Prior Lease Agreement, all bond sinking fund money of the Corporation and the City in existence with respect to the 2009 Bonds and the 2010 Bonds has been used to pay principal and interest maturing, accruing and falling due on the 2009 Bonds and the 2010 Bonds on or before the Redemption Date, all of such sinking fund money being hereby appropriated and set aside for such purpose, it being found hereby that except

for such accrued rental payments, no sinking fund money is presently in existence to pay the principal of the 2009 Bonds and the 2010 Bonds being called for redemption on the Redemption Date, and that neither the Corporation nor the City has any other funds accumulated for the payment thereof.

9. The Mayor and Council finds and determines that it is necessary and desirable for the City to grant to the Corporation a leasehold interest in and to certain real estate in addition to the Prior Project Site located within the geographic limits of the City (the “**2015 Project Site**”), including sites, buildings, structures and fixtures located thereon.

10. It is necessary and desirable that the City authorize the Corporation to (a) issue its Lease Rental Revenue and Refunding Bonds in one or more series in a principal amount not to exceed \$_____ (the “**Bonds**”), for the purpose of providing funds to (i) provide for the payment and redemption of the outstanding 2009 Bonds and the 2010 Bonds on the Redemption Date upon the satisfaction of certain conditions, and (ii) acquire, construct, furnish and equip certain municipal facilities for the use and benefit of the City (the “**2015 Project**”); (b) lease the Prior Project and the 2015 Project (collectively, the “**Project**”) to the City; (c) enter into a Trust Indenture Supplement No. 3 (the “**Indenture Supplement**”), with U.S. Bank National Association, as Trustee (the “**Trustee**”), for the purpose of issuing and securing the Bonds, as therein provided, (d) enter into one or more Site Lease Amendments (the “**Site Lease Amendment(s)**”) with the City under which the City will lease to the Corporation the real property constituting the Prior Project Site and the 2015 Project Site (collectively, the “**Project Site**”), and (e) enter into one or more Lease Agreement Amendments (the “**Lease Agreement Amendment(s)**”) with the City under which the Corporation will use the proceeds of the Bonds to refinance the Prior Project upon the satisfaction of certain conditions and finance the 2015 Project and lease the Project to the City in consideration of rental payments by the City which are to be sufficient to pay the principal or redemption price of and interest on the Bonds as the same become due.

11. The Mayor and Council further finds and determines that it is necessary and desirable in connection with the conveyance of the Project Site, the lease of the Project and the issuance of the Bonds that the City enter into certain documents, and that the City take certain other actions and approve the execution of certain other documents as herein provided;

Section 1. Additional Findings and Determinations.

(a) The Corporation will engage in activities that are public in nature. The purposes and activities of the Corporation are those permitted under the Nebraska Nonprofit Corporation Act (Chapter 21, Article 19, Reissue Revised Statutes of Nebraska, as amended) and the Project is located within the geographic boundaries of the City.

(b) The Corporation is not organized for profit except to the extent of retiring indebtedness, and the Articles of Incorporation so provide.

(c) The income of the Corporation will not inure to any private person, and the Articles of Incorporation so provide.

(d) The City will have a beneficial interest in the Corporation and will have exclusive beneficial possession and use of the Project while the Bonds remain outstanding.

(e) The City will obtain full legal title to the Project upon payment in full of the Bonds and any Additional Bonds (as defined in the Indenture).

(f) The Corporation will be performing activities which otherwise would be the responsibility of the City.

Section 2. Approval of Issuance of the Bonds by the Corporation. The City hereby approves the issuance and sale by the Corporation of its Lease Rental Revenue and Refunding Bonds in one or more series in a principal amount not to exceed \$_____, for the purpose of providing funds to (a) provide for the payment and redemption of the outstanding 2009 Bonds and the 2010 Bonds on the Redemption Date upon the satisfaction of certain conditions, and (b) acquire, construct, furnish and equip municipal facilities on the 2015 Project Site. The Bonds shall be issued and secured pursuant to the Indenture hereinafter approved. The Bonds shall be dated the date of delivery thereof and payment therefore, shall mature on December 1 in the years and in the respective amounts and shall bear interest from the date thereof payable semiannually on June 1 and December 1, beginning on the date determined by the Mayor in accordance with the provisions of **Section 9** hereof, in each year at the rates per annum approved by the Mayor in accordance with the provisions of **Section 9** hereof.

The Bonds shall be sold to the Purchaser (hereinafter defined) at a purchase price not less than ___% of the principal amount thereof, which purchase price shall include an underwriter's discount not to exceed ___%. The Bonds shall be in such denominations, shall be in such forms, shall be subject to redemption prior to maturity, shall have such other terms and provisions, and shall be issued, executed and delivered in such manner subject to such provisions, covenants and agreements, as are set forth in the Indenture.

Section 3. Limited Obligations. The Bonds and the interest thereon shall be limited obligations payable solely out of the rents, revenues and receipts received by the Corporation from the City pursuant to the Lease authorized herein. The Bonds and the interest thereon shall not constitute a debt or liability of the City, or of the State of Nebraska or of any political subdivision thereof, and the Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 4. Authorization of Documents. The City is hereby authorized to enter into the following documents, with such changes therein as shall be approved by the officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) one or more Lease Agreement Amendment(s), appropriately numbered and dated and in substantially the form of the prior lease agreement amendments entered into in connection with the 2009 Bonds and 2010 Bonds, further amending and supplementing the Prior Lease Agreement, under which the Corporation shall (i) refinance the Prior Projects upon the satisfaction of certain conditions, and (ii) acquire, construct, furnish and equip the 2015 Project and shall lease the Prior Projects and 2015 Project to the City upon the terms and conditions set forth in the Prior Lease, as amended and supplemented from time to time, including with limitation, the Lease Agreement Amendment(s) (collectively, the "**Lease Agreement**").

(b) one or more Site Lease Amendments, appropriately numbered and dated and in substantially the form of the prior site lease amendments entered into in connection with the 2009 Bonds and 2010 Bonds, further amending and supplementing the Prior Site Lease pursuant to which the Corporation will acquire a leasehold interest in the 2015 Project Site upon the terms and conditions set forth in the Prior Site Lease, as amended and supplemented from time to time, including, without limitation, the Site Lease Amendment (collectively, the "**Site Lease**").

(c) one or more Bond Purchase Agreements, appropriately dated (the “**Bond Purchase Agreement(s)**”), in substantially the form entered into in connection with the 2009 Bonds and 2010 Bonds, among the Corporation, the City and Ameritas Investment Corp. (the “**Purchaser**”), under which the Corporation agrees to sell the Bonds to the Purchaser upon the terms and conditions as set forth in the Bond Purchase Agreement.

(d) one or more Continuing Disclosure Undertakings (the “**Disclosure Certificate(s)**”) pursuant to which the City agrees to provide certain financial and other information with respect to the Bonds, the form of which shall be described in the preliminary Official Statement (as defined below).

Section 5. Approval of Documents. The City hereby approves the following document:

(a) one or more Trust Indenture Supplements, appropriately numbered and dated (the “**Trust Indenture Supplement(s)**”), in substantially the form entered into in connection with the 2009 Bonds and 2010 Bonds, amending and supplementing the Trust Indenture, dated as of February 15, 2003, as supplemented by Trust Indenture Supplement Number One, dated as of September 2, 2009, and as further supplemented by Trust Indenture Supplement Number Two, dated as of July 8, 2010 (collectively, “**Existing Indenture**”), between the Corporation and the Trustee, pursuant to which the Bonds shall be issued and the Corporation shall pledge and assign the rents, revenues and receipts received pursuant to the Lease to the Trustee for the benefit of and security of the owners of the Bonds upon the terms and conditions as set forth in the Existing Indenture, as amended and supplemented from time to time, including, without limitation, the Trust Indenture Supplement(s) (collectively, the “**Indenture**”).

Section 6. Official Statement. The City hereby ratifies and approves the publication, distribution and use of a preliminary Official Statement in connection with the offering of the Bonds, with such changes, additions and modifications, as may be approved by the Mayor, City Clerk or Director of Finance (the “**Preliminary Official Statement**”). The Mayor and Director of Finance are each hereby authorized to deem the information contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, as amended. The City further authorizes and directs the preparation of, and authorizes and directs the execution and delivery by the Mayor or Director of Finance of a final Official Statement for use in connection with the sale of the Bonds.

Section 7. Execution of Documents. The City is hereby authorized to enter into and the Mayor is hereby authorized and directed to execute and deliver, for and on behalf of and as the act and deed of the City, the Lease Agreement Amendment(s) (including one or more Memorandum of Lease Agreement to be recorded in the appropriate real estate records at closing to evidence the Lease), the Site Lease Amendment(s), the Bond Purchase Agreement(s), the Disclosure Certificate(s) and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

Section 8. Designation of Bonds as Qualified Tax-Exempt Obligations. The City hereby acknowledges that the Corporation may designate the Bonds to be “qualified tax-exempt obligations” as such term is defined in Section 265(b)(3) of the Code. If such bonds are so designated, the City hereby authorizes the Mayor or Director of Finance to represent that:

(a) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds or current refunding issues) which will be issued by or on behalf of the City and all entities subordinate to the City during calendar year 2015 does not exceed \$10,000,000; and

(b) the aggregate principal amount of obligations designated by the City as “qualified tax-exempt obligations” during calendar year 2015, including the Bonds but excluding any bonds which are “deemed designated”, does not and will not exceed \$10,000,000.

The Mayor and Director of Finance are each hereby authorized to take such other action as may be necessary to make effective the designation in this Section.

Section 9. Authority of Mayor; Further Authority.

(a) In connection with the issuance of a series of Bonds to pay the costs of the 2015 Project and as a part of such sale, the Mayor shall approve (i) the dated date; (ii) the principal amount of such series of Bonds including the principal amounts of the respective Serial Bonds and Term Bonds of such series of Bonds; provided, however that the aggregate amount of such series of Bonds shall not exceed _____ (\$_____) but may be less than that amount; (iii) the rate or rates of interest to be borne by each maturity of such series of Bonds; provided that yield on such series of Bonds shall not exceed __%, (iv) the principal amount of such series of Bonds maturing in each year; (v) the Sinking Fund Installments due and the dates thereof with respect to such series of Bonds in each year for which the Mayor determines that a Sinking Fund Installment shall be due; (vi) the dates upon which such series of Bonds will be subject to redemption at the option of the City and the redemption price, not to exceed __% of the principal amount thereof, payable upon the redemption of such series of Bonds, (vii) the purchase price of such series of Bonds, which shall not be less than __% of the principal amount thereof, which purchase price shall include an underwriter’s discount not to exceed __% and (viii) the number, date, form and contents of each Trust Indenture Supplement, Lease Agreement Supplement, Site Lease Amendment, Bond Purchase Agreement, Disclosure Certificate and any other agreement executed and delivered by the City in connection with the issuance of such series of Bonds.

The Mayor shall report from time to time to the Council the purchase price of such series of Bonds sold and the principal amount, maturities, Sinking Fund Installments and other terms thereof established in accordance with the provisions of this Resolution.

(b) A series of Bonds may be issued to refund the 2009 Bonds and the 2010 Bonds only if the present value savings (determined with respect to the principal amount of 2009 Bonds and the 2010 Bonds then outstanding) is not less than ____%. At such time as such present value savings is not less than __%, the Corporation is authorized to issue a series of Bonds to refund the 2009 Bonds and the 2010 Bonds. In connection with the issuance of a series of Bonds to refund the 2009 Bonds and the 2010 Bonds, and as a part of such sale, the Mayor shall approve (i) the dated date; (ii) the principal amount of such series of Bonds including the principal amounts of the respective Serial Bonds and Term Bonds of such series of Bonds; provided, however that the aggregate amount of such series of Bonds shall not exceed _____ (\$_____) but may be less than that amount; (iii) the rate or rates of interest to be borne by each maturity of such series of Bonds; provided that yield on such series of Bonds shall not exceed __%, (iv) the principal amount of such series of Bonds maturing in each year; (v) the Sinking Fund Installments due and the dates thereof with respect to such series of Bonds in each year for which the Mayor determines that a Sinking Fund Installment shall be due; (vi) the dates upon which such series of Bonds will be subject to redemption at the option of the City and the redemption price, not to exceed __% of the principal amount thereof, payable upon the redemption of such series of Bond, (vii) the purchase price of such series of Bonds, which shall not be less than 98.0%

of the principal amount thereof, which purchase price shall include an underwriter's discount not to exceed ___%, (viii) the number, date, form and contents of each Trust Indenture Supplement, Lease Agreement Supplement, Site Lease Amendment, Bond Purchase Agreement, Disclosure Certificate and any other agreement executed and delivered by the Corporation in connection with the issuance of such series of Bonds, and (ix) the redemption date of the 2009 Bonds and the 2010 Bonds and the form and content of any notice of redemption.

The Mayor shall report from time to time to the City Council the purchase price of such series of Bonds sold and the principal amount, maturities, Sinking Fund Installments and other terms thereof established in accordance with the provisions of this Resolution, together with the savings to be achieved in connection with refunding the outstanding 2009 Bonds and 2010 Bonds.

(c) The officers, agents and employees of the City, including the Mayor and the Clerk, shall be, and they hereby are, authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Lease, the Site Lease, the Bond Purchase Agreement(s), the Disclosure Certificate(s), to make alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 10. Conveyance of Project to City when Bonds are Paid. The Mayor and Council hereby declares that the City will accept from the Corporation conveyance of unencumbered fee title to the Project after all the Bonds and any Additional Bonds (as defined in the Indenture) have been paid or payment therefor has been provided for in accordance with the herein approved Indenture.

Section 11. Severability. 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 12. Repeal of Conflicting Ordinances. 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 13. Effective Date. This ordinance shall be in full force and effect from and after its passage and publication in pamphlet form as provided by law.

PASSED AND APPROVED: _____, 2015.

CITY OF SCOTTSBLUFF, NEBRASKA

ATTEST:

By: _____
Mayor

By: _____
Clerk

[S E A L]