

CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
AUGUST 19, 2008 AGENDA

| Subject: | Type: | Submitted By: |
|--|---|-------------------------------------|
| G.O. VARIOUS PURPOSE BONDS, SERIES 2008 & 2008A | RESOLUTION ◆ ORDINANCE RECEIVE/FILE | SHEILA LINDBERG FINANCE DIRECTOR |

SYNOPSIS

An ordinance has been prepared for the issuance of Highway allocation pledge fund bonds to retire the City's outstanding warrants of South Port West, 96th Street, and Cornhusker Road. Another ordinance has been prepared for the issuance of General Obligation Refunding Bonds to retire the outstanding warrants of South Port West that the City inherited from the annexation.

FISCAL IMPACT

Principal and interest payments are budgeted in the debt service fund beginning FY08/09.

RECOMMENDATION

Approval.

BACKGROUND

Southport West infrastructure has been completed as well as the street improvements for 96th Street and Cornhusker Road. Warrants were used for short-term financing at a rate greater than 5%. With the projects completed the warrants will be paid off by the bond issue which is the long-term financing tool for the City.

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF HIGHWAY ALLOCATION FUND PLEDGE BONDS OF THE CITY OF LA VISTA, NEBRASKA, SERIES 2008, IN THE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION DOLLARS (\$1,000,000) FOR THE PURPOSE OF PAYING THE COSTS OF CONSTRUCTION OF CERTAIN STREETS OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PLEDGING FUNDS TO BE RECEIVED BY THE CITY FROM THE STATE OF NEBRASKA HIGHWAY ALLOCATION FUND FOR THE PAYMENT OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY THE SAME IF NECESSARY; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; AND PROVIDING FOR THE DISPOSITION OF BOND PROCEEDS; PROVIDING FOR A DESIGNATION SETTING FINAL TERMS OF SAID BONDS; AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM.

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA:

Section 1. The Mayor and City Council hereby find and determine: that the City requires the construction of certain streets and other appurtenant related improvements within the City; specifically including street construction improvements to 96th Street and Cornhusker Road and pursuant to certain contracts entered into by sanitary and improvement districts which have been annexed by the City (collectively, the "Street Improvements"); that contracts have been awarded for such construction and the City has issued warrants for temporary financing (the "Outstanding Warrants") on which the total amount due for principal and interest is not less than \$ _____; that, after application of funds available, the City needs to borrow funds in an amount not exceeding \$1,000,000 to pay off the Outstanding Warrants and provide permanent financing for the Street Improvements; and that it is necessary and advisable for the City to borrow a sum not to exceed \$1,000,000; that there are no bonds which the City has outstanding issued pursuant to Section 66-4,101, R.R.S. Neb. 2004 (or any predecessor statute thereto); that all conditions, acts and things required by law to exist or to be done precedent to the issuance of Highway Allocation Fund Pledge Bonds in an amount not to exceed \$1,000,000 pursuant to Section 66-4,101, R.R.S. Neb. 2004, do exist and have been done as required by law.

Section 2. To pay the costs of the improvements specified in Section 1 hereof, there shall be and there are hereby ordered issued the Highway Allocation Fund Pledge Bonds of the City of La Vista, Nebraska, Series 2008, in the principal amount of not to exceed One Million Dollars (\$1,000,000) (the "Bonds") with said Bonds bearing interest at the rates per annum and with principal payments to become due on November 15 of each year as follows:

| <u>Principal Amount</u> | <u>Maturing November 15 of Year</u> | <u>Interest Rate</u> |
|-------------------------|---|----------------------|
| \$30,000 | 2009 | 5.10% |
| 35,000 | 2010 | 5.10% |
| 35,000 | 2011 | 5.10% |
| 35,000 | 2012 | 5.10% |
| 40,000 | 2013 | 5.10% |
| 40,000 | 2014 | 5.10% |
| 40,000 | 2015 | 5.10% |
| 45,000 | 2016 | 5.10% |

| | | |
|--------|------|-------|
| 45,000 | 2017 | 5.10% |
| 45,000 | 2018 | 5.10% |
| 50,000 | 2019 | 5.10% |
| 50,000 | 2020 | 5.10% |
| 55,000 | 2021 | 5.10% |
| 55,000 | 2022 | 5.10% |
| 60,000 | 2023 | 5.10% |
| 60,000 | 2024 | 5.10% |
| 65,000 | 2025 | 5.10% |
| 70,000 | 2026 | 5.10% |
| 70,000 | 2027 | 5.10% |
| 75,000 | 2028 | 5.10% |

The terms set forth above are intended as preliminary directions relating to the sale and issuance of the Bonds. In connection with determining the final terms of sale for the Bonds under Section 8 of this Ordinance there shall be executed and delivered on behalf of the City a designation of final terms (the "Designation") subject to the following: (a) such Bonds may bear interest at any lower interest rate per annum for each maturity from that shown above, (b) the principal maturity amounts may be modified, and (c) serial maturities may be converted to term maturities with mandatory sinking fund redemptions, all as the City Administrator and/or Mayor may establish acting on behalf of the City and as may be agreed to by the Purchaser designated in Section 8 of this Ordinance, provided further that (x) in no event shall the aggregate stated principal amount of the Bonds exceed \$1,000,000 and (y) the annual debt service requirements in any fiscal year shall not exceed \$90,000. The Designation shall contain the following provision to govern any term maturities with mandatory sinking fund redemptions: "The Bonds maturing as term bonds on November 15, 20____ and November 15, 20____ (the "Term Bonds") shall be subject to call for redemption through application of mandatory sinking fund payments, said Bonds being callable by lot in the amount and on the dates as set out below at par plus accrued interest to the date of such call and in accordance with Section 6 of this Ordinance: [Insert table showing redemption dates and corresponding amounts to be redeemed]"

The Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the Bonds shall be the date of delivery thereof. Interest on the Bonds, at the respective rates for each maturity, shall be payable semi-annually on May 15 and November 15 of each year beginning May 15, 2009 (each an "Interest Payment Date"), and the Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the fifteenth day immediately preceding the Interest Payment Date (the "Record Date"), subject to the provisions of Section 4 hereof. The Bonds shall be numbered from 1 upwards in the order of their issuance. No Bond shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the Bonds issued shall be as directed by the initial purchaser thereof. Payments of interest due on the Bonds prior to maturity or earlier redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 3 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each Bond, as of the Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal due at maturity or at any date fixed for

redemption prior to maturity, together with unpaid accrued interest thereon, shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to said Paying Agent and Registrar. The City and said Paying Agent and Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payments thereon and for all other purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any Bond in accordance with the terms of this Ordinance shall be valid and effectual and shall be a discharge of the City and said Paying Agent and Registrar, in respect of the liability upon the Bonds or claims for interest to the extent of the sum or sums so paid.

Section 3. The Treasurer of the City of La Vista, Nebraska, is hereby designated to serve as Paying Agent and Registrar for the Bonds. Said Treasurer shall serve in such capacities under the terms of this Ordinance subject to replacement as may be determined by the Mayor and Council. The City Treasurer, as Paying Agent and Registrar, shall keep and maintain for the City books for the registration and transfer of the Bonds at said Treasurer's office. The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. Any Bond may be transferred pursuant to its provisions at the office of said Paying Agent and Registrar by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Paying Agent and Registrar, on behalf of the City, will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of the transferee owner or owners, a new Bond or Bonds of the same series, interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Bonds by this Ordinance, one Bond may be transferred for several such Bonds of the same series, interest rate and maturity, and for a like aggregate principal amount, and several such Bonds may be transferred for one or several such Bonds, respectively, of the same series, interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bond shall be canceled and destroyed. All Bonds issued upon transfer of the bonds so surrendered shall be valid obligations of the City evidencing the same obligation as the Bonds surrendered and shall be entitled to all the benefits and protection of this Ordinance to the same extent as the Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any Bond during any period from any

Record Date until its immediately following Interest Payment Date or to transfer any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

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

Section 5. In addition to the mandatory sinking fund redemptions set forth in the Designation as provided for in Section 2 of this Ordinance, Bonds maturing on or after November 15, 2013 shall be subject to redemption, in whole or in part, prior to maturity at any time on or after September 19, 2013, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The City may select the Bonds to be redeemed for optional redemption in its sole discretion. Bonds for mandatory redemption shall be selected by the Paying Agent and Registrar using any random method of selection determined appropriate by the Paying Agent and Registrar. Bonds redeemed pursuant to the requirements for mandatory redemption shall be redeemed at par plus accrued interest on the principal amount redeemed. The Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Bonds redeemed in part only shall be surrendered to said Paying Agent and Registrar in exchange for a new Bond evidencing the unredeemed principal thereof. Notice of redemption of any Bond called for redemption shall be given, at the direction of the City in the case of optional redemption and without further direction in the case of mandatory redemption, by said Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Bond at said owner's registered address. Such notice shall designate the Bond or Bonds to be redeemed by maturity or otherwise, the date of original issue, series and the date fixed for redemption and shall state that such Bond or Bonds are to be presented for prepayment at the office of said Paying Agent and Registrar. In case of any Bond partially redeemed, such notice shall specify the portion of the principal amount of such Bond to be redeemed. No defect in the mailing of notice for any Bond shall affect the sufficiency of the proceedings of the City designating the Bonds called for redemption or the effectiveness of such call for Bonds for which notice by mail has been properly given and the City shall have the right to further direct notice of redemption for any such Bond for which defective notice has been given.

Section 6. If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in La Vista,

Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

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

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF SARPY

HIGHWAY ALLOCATION FUND PLEDGE BOND OF
THE CITY OF LA VISTA, NEBRASKA
SERIES 2008

No. _____ \$ _____

| | | | |
|---------------------------|--------------------------------------|---|--------------|
| <u>Interest Rate</u> % | <u>Maturity Date</u> November 15, | <u>Date of Original Issue</u> September __, 2008 | <u>CUSIP</u> |
|---------------------------|--------------------------------------|---|--------------|

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of La Vista, Nebraska, hereby acknowledges itself to owe and for value received promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Interest Payment Date, whichever is later, at the rate per annum specified above, payable on May 15 and November 15 of each year, commencing May 15, 2009 (each of said dates an "Interest Payment Date"). Said interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal hereof, together with unpaid accrued interest due at maturity or upon earlier redemption, is payable upon presentation and surrender of this bond at the office of the Treasurer of the City of La Vista, as the Paying Agent and Registrar, in La Vista, Nebraska. Interest on this bond due prior to maturity or earlier redemption will be paid on each Interest Payment Date by a check or draft mailed by the Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the fifteenth day immediately preceding the Interest Payment Date, to such owner's registered address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purposes become available.

This bond is one of an issue of fully registered bonds of the total principal amount of One Million Dollars (\$1,000,000), of even date and like tenor except as to date of maturity, rate of interest and denomination which were issued by the City for the purpose of paying the costs of constructing streets and other related and appurtenant improvements for said City, in strict compliance with Section 66-4,101, R.R.S. 2004. The issuance of said bonds has been authorized by proceedings duly had and an ordinance legally passed and approved by the Mayor and City Council of said City (the "Ordinance").

Bonds of this issue maturing on or after November 15, 2013 are subject to redemption at the option of the City, in whole or in part, at any time on or after September 19, 2013, at par plus interest accrued on the principal amount redeemed to the date fixed for redemption. [In addition, the Bonds shall be subject to mandatory sinking fund redemption payments (with bonds being redeemed at par plus accrued interest) as follows:

| | | | |
|----------|---|----------|---|
| \$ _____ | <u>Principal Amount Maturing</u> November 15, 20____ | \$ _____ | <u>Principal Amount Maturing</u> November 15, 20____ |
| \$ _____ | To Be Called November 15, 20____ | \$ _____ | To Be Called November 15, 20____ |
| \$ _____ | To Be Called November 15, 20____ | \$ _____ | To Be Called November 15, 20____ |
| \$ _____ | Payable November 15, 20____ | \$ _____ | Payable November 15, 20____] |

Notice of redemption shall be given by mail to the registered owner of any bond to be redeemed at said registered owner's address in the manner specified in the Ordinance authorizing said issue of bonds. Individual bonds may be redeemed in part but only in \$5,000 amounts or integral multiples thereof.

This bond is transferable by the registered owner or such owner's attorney duly authorizing in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond or bonds of the same aggregate principal amount, interest rate

and maturity will be issued to the transferee as provided in the Ordinance authorizing said issue of bonds, subject to the limitations therein prescribed. The City, the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the date for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of La Vista, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

For the prompt payment of the principal and interest on this bond and the other bonds of the same issue, the City of La Vista, Nebraska, has pledged funds received and to be received from the Highway Allocation Fund of the State of Nebraska with receipts from such fund to be allocated by the City to payment of principal and interest as the same fall due. In addition, the City hereby covenants and agrees that it shall levy ad valorem taxes upon all the taxable property in the City of La Vista, Nebraska, at such rate or rates, within applicable statutory and constitutional limitations, as will provide funds which together with receipts from the Highway Allocation Fund, as pledged to the payment of such principal and interest and any other money made available and used for such purpose, will be sufficient to make payment of the principal of and interest on this bond and the other bonds of the same issue as the same fall due.

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

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

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said City, including this bond, does not exceed any limitation imposed by law.

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

IN WITNESS WHEREOF, the Mayor and City Council of the City of La Vista, Nebraska, have caused this bond to be executed on behalf of the City with the manual or facsimile signatures of the Mayor and the City Clerk and by causing the official seal of the City to be impressed or imprinted hereon, all as of the date of original issue specified above.

THE CITY OF LA VISTA, NEBRASKA

(facsimile signature)

Mayor

(facsimile signature)

City Clerk
(SEAL)

Certificate of Authentication

This bond is one of the bonds authorized by Ordinance of the Mayor and City Council of the City of La Vista, Nebraska, described in the foregoing bond.

TREASURER OF THE CITY OF LA VISTA
LA VISTA, NEBRASKA
as Paying Agent and Registrar

(Form of Assignment)

For value received hereby sells, assigns and transfers unto (Social Security or Taxpayer I.D. No.) the within bond and hereby irrevocably constitutes and appoints , attorney, to transfer the same on the books of registration in the office of the within-mentioned Paying Agent and Registrar with full power of substitution in the premises.

Dated: _____

Registered Owner(s)

Signature Guaranteed

By _____

Authorized Officer(s)

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

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

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

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

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

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

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (ii) to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such Bonds shall designate.

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

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such Bond and all notices with respect to such

Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

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

(i) any successor securities depository or its nominee;

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

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

If for any reason the Depository resigns and is not replaced or upon termination by the City of book-entry-only form, the City shall immediately provide a supply of bond certificates for issuance upon subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement bond certificates upon transfer or partial redemption, the City agrees to order printed an additional supply of bond certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any Bond shall cease to be such officer before the delivery of such Bond (including any bond certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption) such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such Bond. The Bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Bonds, they shall be delivered to the City Treasurer, who is authorized to deliver them to D.A. Davidson & Co., as the initial purchaser thereof, (the "Purchaser") upon receipt of _____% (which percentage/amount may be modified in the Designation to include original issue discount and/or original issue premium if determined appropriate for any maturity in connection with the determination of final interest rates and maturity schedule under the terms of Section 2 of this Ordinance) of the principal amount of the Bonds plus accrued interest thereon to date of payment of the Bonds. The Purchaser shall have the right to direct the registration of the Bonds and the denominations thereof within each maturity, subject to the restrictions of this Ordinance. The final terms of the Bonds shall be set forth in a Designation of Final Maturity Schedule and Interest Rates (the "Designation") executed by or on behalf of the Purchaser and on behalf of the City by the

Mayor. Such Purchaser and its agents, representatives and counsel (including its bond counsel) are hereby authorized to take such actions on behalf of the City as are necessary to effectuate the closing of the issuance and sale of the Bonds, including, without limitation, authorizing the release of the Bonds by the Depository at closing. If no other written agreement for the purchase of the Bonds is executed and delivered, this Ordinance and the Designation shall constitute the bond purchase agreement between the City and the Purchaser.

Section 9. The City Clerk is directed to make and certify a transcript or transcripts of the proceedings of the Mayor and City Council precedent to the issuance of said Bonds, one of which transcripts shall be delivered to the purchaser of said Bonds.

Section 10. The proceeds of the Bonds shall be applied to the costs of construction of the improvements described in Section 1 hereof including the payment and redemption of the Outstanding Warrants. Any application of proceeds other than for payment of the Outstanding Warrants shall be made upon order of the Mayor and Council.

Section 11. For the prompt payment of the Bonds, both principal and interest as the same fall due, the City hereby pledges all receipts now or hereafter received by the City from the State of Nebraska Highway Allocation Fund, as described and referred to in Section 66-4,101, R.R.S. 2004. The pledge provided for in this Section 11 for the Bonds is an equal and ratable pledge, provided, however, that such pledge shall not prevent the City from applying receipts from said fund in any year so long as sufficient receipts from such fund have been set aside for the payment of principal and interest falling due in such year on the Bonds. In addition, the City further reserves the right to issue additional highway allocation fund pledge bonds payable on par with the Bonds and equally and ratably secured by a pledge of receipts from the Highway Allocation Fund. The City hereby further agrees that it shall levy ad valorem taxes 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, as pledged to the payment of the Bonds, and any other monies made available and used for such purpose, will be sufficient to pay the principal of and interest on the Bonds as the same fall due (including mandatory sinking fund redemptions).

Section 12. The City hereby covenants to the purchasers and holders of the Bonds hereby authorized that it will make no use of the proceeds of said Bond issue, including monies held in any sinking fund for the Bonds, which would cause the Bonds to be arbitrage bonds within the meaning of Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and further covenants to comply with said Sections 103(b) and 148 and all applicable regulations thereunder throughout the term of said bond issue. The City hereby covenants and

agrees to take all actions necessary under the Code to maintain the tax-exempt status (as to taxpayers generally) of interest payable on the Bonds.

Section 13. The City's obligations under this Ordinance with respect to any or all of the Bonds herein authorized shall be fully discharged and satisfied as to any or all of such Bonds and any such Bond shall no longer be deemed to be outstanding hereunder if such Bond has been purchased by the City and canceled or when the payment of principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made or caused to be made in accordance with the terms thereof, (b) shall have been provided for by depositing with a national or state bank having trust powers, or trust company, in trust, solely for such payment (i) sufficient money to make such payment and/or (ii) direct general obligations (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America) of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as "U.S. Government Obligations") in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will ensure the availability of sufficient money to make such payments; provided, however, that with respect to any Bond to be paid prior to maturity, the City shall have duly called such Bond for redemption and given notice of such redemption as provided by law or made irrevocable provision for the giving of such notice. Any money so deposited with such bank or trust company in excess of the amount required to pay principal of and interest on the Bonds for which such monies or U.S. Government Obligations were deposited shall be paid over to the City as and when collected.

Section 14. The Mayor and City Council hereby authorize the approval of a Preliminary Official Statement with respect to the Bonds and the information therein contained, and the Mayor, the City Administrator and City Treasurer or any one of them is authorized to approve such Preliminary Official Statement and to approve and deliver a final Official Statement for and on behalf of the City, and said final Official Statement shall be delivered in accordance with the requirements of Reg. Sec. 240.15c2-12 of the Securities and Exchange Commission.

Section 15. In accordance with the requirements of Rule 15c2-12 (as now existing or subsequently amended, the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the City hereby agrees that it will provide the following continuing disclosure information:

(a) to each nationally recognized municipal securities information repository (a "NRMSIR") and to the Purchaser of the Bonds, the City shall provide annual financial and operating information generally consistent with the information set forth under the heading "SELECTED FINANCIAL AND OPERATING INFORMATION" in Appendix A to the Official Statement for the Bonds and its audited financial statements; such information is expected to be available not later than seven months after the end of each fiscal year for the City;

audited financial information shall be provided for the regular City funds, proprietary funds and pension trust funds in conformity with generally accepted accounting principles;

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

- (1) principal and interest payment delinquencies,
- (2) non-payment related defaults,
- (3) unscheduled draws on debt service reserves reflecting financial difficulties,
- (4) unscheduled draws on credit enhancements reflecting financial difficulties,
- (5) substitution of credit or liquidity providers, or their failure to perform,
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds,
- (7) modifications to rights of the registered owners of the Bonds,
- (8) bond calls for the Bonds,
- (9) defeasances for the Bonds,
- (10) release, substitution, or sale of property securing repayment of the Bonds,
and
- (11) rating changes, if any.

The City has not undertaken to provide notice of the occurrence of any other material event, except the events listed above.

(c) in a timely manner to each NRMSIR (as and to the extent required by the Rule) or to the MSRB (as and to the extent required by the Rule) notice of any failure on the part of the City to provide required annual financial information not later than seven months from the close of the City's fiscal year.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City, consistent with the Rule. The City hereby agrees that such covenants may be enforced by any registered owner or Beneficial Owner of the Bonds, provided that any such right to enforcement shall be limited to specific enforcement of the continuing disclosure provisions of this Ordinance and any failure shall not constitute an event of default under this Ordinance or the Bonds. The continuing disclosure obligations of the City shall cease when none of the Bonds remain outstanding.

Section 16. The Bonds may be sold on the basis of bond insurance as may be determined at the time of execution and delivery of the Designation, with the premium for such insurance to be paid by the City as a part of the terms of the sale of the Bonds and the Mayor and City Administrator and City Treasurer (or any one or more of them) are hereby authorized to take any and all actions deemed necessary in connection with effecting such insurance and to execute any and all agreements, documents and certificates deemed necessary in connection therewith.

Section 17. This Ordinance shall be published in pamphlet form and shall be in force and take effect from and after its adoption as provided by law.

ADOPTED THIS 19TH DAY OF AUGUST 2008.

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk

(SEAL)

The undersigned City Clerk of the City of La Vista, Nebraska, does hereby certify that the above and foregoing is a true and correct extract from the minutes of the City Council of the City of La Vista for the meeting indicated therein; that the subjects shown as considered in said minutes were contained in the agenda for said meeting, which agenda, kept continually current, was available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least 24 hours prior to said meeting; that a current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, publicly announced and posted during such meeting in the room in which such meeting was held; that at least one copy of all ordinances, resolutions or other reproducible materials discussed at the meeting was available at the meeting for examination and copying by members of the public; that the minutes of the City Council of the City of La Vista, Nebraska from which the annexed and foregoing transcript of proceedings has been extracted, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of the City Council of the City of La Vista were provided the advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

City Clerk

[SEAL]

NOTICE OF PUBLICATION
OF ORDINANCE NO. _____
IN PAMPHLET FORM

Public Notice is hereby given that at a meeting of the Mayor and City Council of the City of La Vista, Nebraska, held on Tuesday, August 19, 2008, there was passed and adopted Ordinance No. _____ entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF HIGHWAY ALLOCATION FUND PLEDGE BONDS OF THE CITY OF LA VISTA, NEBRASKA, SERIES 2008, IN THE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION DOLLARS (\$1,000,000) FOR THE PURPOSE OF PAYING THE COSTS OF CONSTRUCTION OF CERTAIN STREETS OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PLEDGING FUNDS TO BE RECEIVED BY THE CITY FROM THE STATE OF NEBRASKA HIGHWAY ALLOCATION FUND FOR THE PAYMENT OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY THE SAME IF NECESSARY; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; AND PROVIDING FOR THE DISPOSITION OF BOND PROCEEDS; PROVIDING FOR A DESIGNATION SETTING FINAL TERMS OF SAID BONDS; AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM.

Said Ordinance was published in pamphlet form on _____, 2008. Copies of said Ordinance as published in pamphlet form are available for inspection and distribution at the Office of the City Clerk, in the City of La Vista, Nebraska.

City Clerk

Publish: August 28, 2008

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LA VISTA, NEBRASKA, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2008A, OF THE CITY OF LA VISTA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$3,550,000) TO REFUND CERTAIN OUTSTANDING DEBT OF THE CITY OF LA VISTA; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME; PROVIDING FOR A DESIGNATION SETTING FINAL TERMS OF SAID BONDS; AND PROVIDING FOR PUBLICATION IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA:

Section 1. The Mayor and Council of the City of La Vista, Nebraska (the "City") hereby find and determine that by prior action the Mayor and Council have annexed Sanitary and Improvement District No. 253 of Sarpy County, Nebraska, (the "District") and there is outstanding warrant indebtedness attributable to warrants issued by District for which the City became legally liable (the "Outstanding Warrants"); that to redeem the Outstanding Warrants it is necessary and advisable for the City to issue its refunding bonds in a principal amount not to exceed \$3,550,000 pursuant to Sections 10-142, 10-615 and 10-616, R.R.S. Neb. 1997, as amended; that all conditions, acts and things required to exist or to be done precedent to the issuance of refunding bonds of the City in the principal amount of \$3,550,000 pursuant to Section 10-142 and Sections 10-615 and 10-616, R.R.S. Neb. 1997, as amended, to refund the Outstanding SID Warrants do exist and have been done as required by law.

Section 2. To provide for the redemption of warrants as described in Section 1 hereof, there shall be and there are hereby ordered issued General Obligation Refunding Bonds, Series 2008A, of the City of La Vista, Nebraska, in the principal amount of not to exceed Three Million Five Hundred Fifty Thousand Dollars (\$3,550,000) (the "Bonds"), with said Bonds bearing interest at the rates per annum and to become due on November 15 of each year as indicated below:

| <u>Principal Amount</u> | <u>Maturing November 15 of Year</u> | <u>Interest Rate</u> |
|-------------------------|---|----------------------|
| \$110,000 | 2009 | 5.10% |
| 115,000 | 2010 | 5.10% |
| 125,000 | 2011 | 5.10% |
| 130,000 | 2012 | 5.10% |
| 135,000 | 2013 | 5.10% |
| 140,000 | 2014 | 5.10% |
| 145,000 | 2015 | 5.10% |
| 155,000 | 2016 | 5.10% |
| 160,000 | 2017 | 5.10% |
| 170,000 | 2018 | 5.10% |
| 175,000 | 2019 | 5.10% |
| 185,000 | 2020 | 5.10% |
| 190,000 | 2021 | 5.10% |
| 200,000 | 2022 | 5.10% |
| 210,000 | 2023 | 5.10% |
| 220,000 | 2024 | 5.10% |
| 230,000 | 2025 | 5.10% |
| 240,000 | 2026 | 5.10% |
| 250,000 | 2027 | 5.10% |
| 265,000 | 2028 | 5.10% |

The terms set forth above are intended as preliminary directions relating to the sale and issuance of the Bonds. In connection with determining the final terms of sale for the Bonds under Section 8 of this Ordinance there shall be executed and delivered on behalf of the City a designation of final terms (the "Designation") subject to the following: (a) such Bonds may bear interest at any lower interest rate per annum for each maturity from that shown above, (b) the principal maturity amounts may be modified, and (c) serial maturities may be converted to term maturities with mandatory sinking fund redemptions, all as the City Administrator and/or Mayor may establish acting on behalf of the City and as may be agreed to by the Purchaser designated in Section 8 of this Ordinance, provided further that (x) in no event shall the aggregate stated principal amount of the Bonds exceed \$1,000,000 and (y) the annual debt service requirements in any fiscal year shall not exceed \$310,000. The Designation shall contain the following provision to govern any term maturities with mandatory sinking fund redemptions: "The Bonds maturing as term bonds on November 15, 20__ and November 15, 20__ (the "Term Bonds") shall be subject to call for redemption through application of mandatory sinking fund payments, said Bonds being callable by lot in the amount and on the dates as set out below at par plus accrued interest to the date of such call and in accordance with Section 6 of this Ordinance: [Insert table showing redemption dates and corresponding amounts to be redeemed]"

The Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the Bonds shall be the date of delivery thereof. Interest on the Bonds, at the respective rates for each maturity, shall be payable semi-annually on May 15 and November 15 of each year beginning May 15, 2009 (each an "Interest Payment Date"), and the Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the fifteenth day immediately preceding the Interest Payment Date (the "Record Date"), subject to the provisions of Section 4 hereof. The Bonds shall be numbered from 1 upwards in the order of their issuance. No Bond shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the Bonds issued shall be as directed by the initial purchaser thereof. Payments of interest due on the Bonds prior to maturity or earlier redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 3 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each Bond, as of the Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal due at maturity or at any date fixed for redemption prior to maturity, together with unpaid accrued interest thereon, shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to said Paying Agent and Registrar. The City and said Paying Agent and Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making1 payments thereon and for all other purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or

principal made to the registered owner of any Bond in accordance with the terms of this Ordinance shall be valid and effectual and shall be a discharge of the City and said Paying Agent and Registrar, in respect of the liability upon the Bonds or claims for interest to the extent of the sum or sums so paid.

Section 3. The Treasurer of the City of La Vista, Nebraska, is hereby designated to serve as Paying Agent and Registrar for the Bonds. Said Treasurer shall serve in such capacities under the terms of this Ordinance subject to replacement as may be determined by the Mayor and Council. The City Treasurer, as Paying Agent and Registrar, shall keep and maintain for the City books for the registration and transfer of the Bonds at said Treasurer's office. The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. Any Bond may be transferred pursuant to its provisions at the office of said Paying Agent and Registrar by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Paying Agent and Registrar, on behalf of the City, will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of the transferee owner or owners, a new Bond or Bonds of the same series, interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Bonds by this Ordinance, one Bond may be transferred for several such Bonds of the same series, interest rate and maturity, and for a like aggregate principal amount, and several such Bonds may be transferred for one or several such Bonds, respectively, of the same series, interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bond shall be canceled and destroyed. All Bonds issued upon transfer of the bonds so surrendered shall be valid obligations of the City evidencing the same obligation as the Bonds surrendered and shall be entitled to all the benefits and protection of this Ordinance to the same extent as the Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any Bond during any period from any Record Date until its immediately following Interest Payment Date or to transfer any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

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

Section 5. In addition to the mandatory sinking fund redemptions set forth in the Designation as provided for in Section 2 of this Ordinance, Bonds maturing on or after November 15, 2013 shall be subject to redemption, in whole or in part, prior to maturity at any time on or after September 19, 2013, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The City may select the Bonds to be redeemed for optional redemption in its sole discretion. Bonds for mandatory redemption shall be selected by the Paying Agent and Registrar using any random method of selection determined appropriate by the Paying Agent and Registrar. Bonds redeemed pursuant to the requirements for mandatory redemption shall be redeemed at par plus accrued interest on the principal amount redeemed. The Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Bonds redeemed in part only shall be surrendered to said Paying Agent and Registrar in exchange for a new Bond evidencing the unredeemed principal thereof. Notice of redemption of any Bond called for redemption shall be given, at the direction of the City in the case of optional redemption and without further direction in the case of mandatory redemption, by said Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Bond at said owner's registered address. Such notice shall designate the Bond or Bonds to be redeemed by maturity or otherwise, the date of original issue, series and the date fixed for redemption and shall state that such Bond or Bonds are to be presented for prepayment at the office of said Paying Agent and Registrar. In case of any Bond partially redeemed, such notice shall specify the portion of the principal amount of such Bond to be redeemed. No defect in the mailing of notice for any Bond shall affect the sufficiency of the proceedings of the City designating the Bonds called for redemption or the effectiveness of such call for Bonds for which notice by mail has been properly given and the City shall have the right to further direct notice of redemption for any such Bond for which defective notice has been given.

Section 6. If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in La Vista, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

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

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF SARPY

GENERAL OBLIGATION REFUNDING BOND OF
THE CITY OF LA VISTA, NEBRASKA
SERIES 2008A

No. _____ \$ _____

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Date of Original Issue</u> | <u>CUSIP</u> |
|----------------------|----------------------|-------------------------------|--------------|
| % | November 15, | September __, 2008 | |

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of La Vista, Nebraska, hereby acknowledges itself to owe and for value received promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Interest Payment Date, whichever is later, at the rate per annum specified above, payable on May 15 and November 15 of each year, commencing May 15, 2009 (each of said dates an "Interest Payment Date"). Said interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal hereof, together with unpaid accrued interest due at maturity or upon earlier redemption, is payable upon presentation and surrender of this bond at the office of the Treasurer of the City of La Vista, as the Paying Agent and Registrar, in La Vista, Nebraska. Interest on this bond due prior to maturity or earlier redemption will be paid on each Interest Payment Date by a check or draft mailed by the Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the fifteenth day immediately preceding the Interest Payment Date, to such owner's registered address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purposes become available.

This bond is one of an issue of fully registered bonds of the total principal amount of Three Million Five Hundred Fifty Thousand Dollars (\$3,550,000), of even date and like tenor except as to date of maturity, rate of interest and denomination which were issued by the City for the purpose of refunding outstanding warrant indebtedness attributable warrants issued by Sanitary and Improvement District No. 253 of Sarpy County, Nebraska, as annexed by the City and for which the City is liable, in compliance with and in pursuance of Section 10-142 and Sections 10-615 and 10-616, R.R.S. 1997, as amended. The issuance of said bonds has been authorized by proceedings duly had and an ordinance legally passed and approved by the Mayor and City Council of said City (the "Ordinance").

Bonds of this issue maturing on or after November 15, 2013 are subject to redemption at the option of the City, in whole or in part, at any time on or after September 19, 2013, at par plus interest accrued on the principal amount redeemed to the date fixed for redemption. [In addition, the Bonds shall be subject to mandatory sinking fund redemption payments (with bonds being redeemed at par plus accrued interest) as follows:

| \$ <u>Principal Amount Maturing</u> | \$ <u>Principal Amount Maturing</u> |
|--|--|
| \$ <u>November 15, 20</u> | \$ <u>November 15, 20</u> |
| \$ _____ To Be Called November 15, 20____ | \$ _____ To Be Called November 15, 20____ |

\$ _____ To Be Called November 15, 20____ \$ _____ To Be Called November 15, 20____
\$ _____ Payable November 15, 20____ \$ _____ Payable November 15, 20____

Notice of redemption shall be given by mail to the registered owner of any bond to be redeemed at said registered owner's address in the manner specified in the Ordinance authorizing said issue of bonds. Individual bonds may be redeemed in part but only in \$5,000 amounts or integral multiples thereof.

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

If the date for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of La Vista, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

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

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

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond did exist, did happen and were done and performed in regular and due form and time as required by law, and that the indebtedness of said City, including this bond, does not exceed any limitation imposed by law. The City agrees that it will cause to be levied and collected annually taxes on all the taxable property within the City, in addition to all other taxes, sufficient in rate and amount to fully pay the principal of and interest on this bond and the other bonds of said issue as the same become due.

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

IN WITNESS WHEREOF, the Mayor and City Council of the City of La Vista, Nebraska, have caused this bond to be executed on behalf of the City with the manual or facsimile signatures of the Mayor and the City Clerk and by causing the official seal of the City to be impressed or imprinted hereon, all as of the date of original issue specified above.

THE CITY OF LA VISTA, NEBRASKA

(facsimile signature)
City Clerk
(SEAL)

Certificate of Authentication

This bond is one of the bonds authorized by Ordinance of the Mayor and City Council of the City of La Vista, Nebraska, described in the foregoing bond.

TREASURER OF THE CITY OF LA
VISTA
LA VISTA, NEBRASKA
as Paying Agent and Registrar

(Form of Assignment)

For _____ value _____ received
and transfers unto _____ hereby sells, assigns
(Social Security or Taxpayer I.D. No. _____) the within bond and hereby
irrevocably constitutes _____ and _____ appoints
_____, attorney, to transfer the
same on the books of registration in the office of the within-mentioned Paying Agent and
Registrar with full power of substitution in the premises.

Dated: _____

Registered Owner(s)

Signature Guaranteed

By _____

Authorized Officer(s)

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

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

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

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

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

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

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (ii) to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such Bonds shall designate.

(c) If the City determines that it is desirable that certificates representing the Bonds be delivered to the ultimate Beneficial Owners of the Bonds and so notifies the Paying Agent and Registrar in writing, the Paying

Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

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

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

(i) any successor securities depository or its nominee;

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

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

If for any reason the Depository resigns and is not replaced or upon termination by the City of book-entry-only form, the City shall immediately provide a supply of bond certificates for issuance upon subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement bond certificates upon transfer or partial redemption, the City agrees to order printed an additional supply of bond certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any Bond shall cease to be such officer before the delivery of such Bond (including any bond certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption) such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such Bond. The Bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Bonds, they shall be delivered to the City Treasurer,

who is authorized to deliver them to D.A. Davidson & Co., as the initial purchaser thereof, (the "Purchaser") upon receipt of _____ % (which percentage/amount may be modified in the Designation to include original issue discount and/or original issue premium if determined appropriate for any maturity in connection with the determination of final interest rates and maturity schedule under the terms of Section 2 of this Ordinance) of the principal amount of the Bonds plus accrued interest thereon to date of payment of the Bonds. The Purchaser shall have the right to direct the registration of the Bonds and the denominations thereof within each maturity, subject to the restrictions of this Ordinance. The final terms of the Bonds shall be set forth in a Designation of Final Maturity Schedule and Interest Rates (the "Designation") executed by or on behalf of the Purchaser and on behalf of the City by the Mayor. Such Purchaser and its agents, representatives and counsel (including its bond counsel) are hereby authorized to take such actions on behalf of the City as are necessary to effectuate the closing of the issuance and sale of the Bonds, including, without limitation, authorizing the release of the Bonds by the Depository at closing. If no other written agreement for the purchase of the Bonds is executed and delivered, this Ordinance and the Designation shall constitute the bond purchase agreement between the City and the Purchaser.

Section 9. The City Clerk is directed to make and certify a transcript or transcripts of the proceedings of the Mayor and City Council precedent to the issuance of said Bonds, one of which transcripts shall be delivered to the purchaser of said Bonds.

Section 10. The proceeds of the Bonds shall be applied to the costs of construction of the improvements described in Section 1 hereof including the payment and redemption of the Outstanding Warrants. Any application of proceeds other than for payment of the Outstanding Warrants shall be made upon order of the Mayor and Council.

Section 11. The Mayor and Council shall cause to be levied and collected annually a special levy of taxes on all the taxable property in the City for the purpose of paying and sufficient to pay the interest on and principal of the Bonds when and as such principal and interest become due (including payment of mandatory sinking fund redemptions as scheduled).

Section 12. The City hereby covenants to the purchasers and holders of the Bonds hereby authorized that it will make no use of the proceeds of said Bond issue, including monies held in any sinking fund for the Bonds, which would cause the Bonds to

be arbitrage bonds within the meaning of Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and further covenants to comply with said Sections 103(b) and 148 and all applicable regulations thereunder throughout the term of said bond issue. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax-exempt status (as to taxpayers generally) of interest payable on the Bonds.

Section 13. The City's obligations under this Ordinance with respect to any or all of the Bonds herein authorized shall be fully discharged and satisfied as to any or all of such Bonds and any such Bond shall no longer be deemed to be outstanding hereunder if such Bond has been purchased by the City and canceled or when the payment of principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made or caused to be made in accordance with the terms thereof, (b) shall have been provided for by depositing with a national or state bank having trust powers, or trust company, in trust, solely for such payment (i) sufficient money to make such payment and/or (ii) direct general obligations (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America) of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as "U.S. Government Obligations") in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will ensure the availability of sufficient money to make such payments; provided, however, that with respect to any Bond to be paid prior to maturity, the City shall have duly called such Bond for redemption and given notice of such redemption as provided by law or made irrevocable provision for the giving of such notice. Any money so deposited with such bank or trust company in excess of the amount required to pay principal of and interest on the Bonds for which such monies or U.S. Government Obligations were deposited shall be paid over to the City as and when collected.

Section 14. The Mayor and City Council hereby authorize the approval of a Preliminary Official Statement with respect to the Bonds and the information therein contained, and the Mayor, the City Administrator and City Treasurer or any one of them is authorized to approve such Preliminary Official Statement and to approve and deliver a final Official Statement for and on behalf of the City, and said final Official Statement shall

be delivered in accordance with the requirements of Reg. Sec. 240.15c2-12 of the Securities and Exchange Commission.

Section 15. In accordance with the requirements of Rule 15c2-12 (as now existing or subsequently amended, the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the City hereby agrees that it will provide the following continuing disclosure information:

(a) to each nationally recognized municipal securities information repository (a "NRMSIR") and to the Purchaser of the Bonds, the City shall provide annual financial and operating information generally consistent with the information set forth under the heading "SELECTED FINANCIAL AND OPERATING INFORMATION" in Appendix A to the Official Statement for the Bonds and its audited financial statements; such information is expected to be available not later than seven months after the end of each fiscal year for the City; audited financial information shall be provided for the regular City funds, proprietary funds and pension trust funds in conformity with generally accepted accounting principles;

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

- (1) principal and interest payment delinquencies,
- (2) non-payment related defaults,
- (3) unscheduled draws on debt service reserves reflecting financial difficulties,
- (4) unscheduled draws on credit enhancements reflecting financial difficulties,
- (5) substitution of credit or liquidity providers, or their failure to perform,
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds,
- (7) modifications to rights of the registered owners of the Bonds,
- (8) bond calls for the Bonds,
- (9) defeasances for the Bonds,
- (10) release, substitution, or sale of property securing repayment of the Bonds, and
- (11) rating changes, if any.

The City has not undertaken to provide notice of the occurrence of any other material event, except the events listed above.

(c) in a timely manner to each NRMSIR (as and to the extent required by the Rule) or to the MSRB (as and to the extent required by the Rule) notice of any failure on the part of the City to provide required annual financial information not later than seven months from the close of the City's fiscal year.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City, consistent with the Rule. The City hereby agrees that such covenants may be enforced by any registered owner or Beneficial Owner of the Bonds, provided that any such right to enforcement shall be limited to specific enforcement of the continuing disclosure provisions of this Ordinance and any failure shall not constitute an event of default under this Ordinance or the Bonds. The continuing disclosure obligations of the City shall cease when none of the Bonds remain outstanding.

Section 16. The Bonds may be sold on the basis of bond insurance as may be determined at the time of execution and delivery of the Designation, with the premium for such insurance to be paid by the City as a part of the terms of the sale of the Bonds and the Mayor and City Administrator and City Treasurer (or any one or more of them) are hereby authorized to take any and all actions deemed necessary in connection with effecting such insurance and to execute any and all agreements, documents and certificates deemed necessary in connection therewith.

Section 17. This Ordinance shall be published in pamphlet form and shall be in force and take effect from and after its adoption as provided by law.

ADOPTED THIS 19TH DAY OF AUGUST 2008.

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk

(SEAL)

The undersigned City Clerk of the City of La Vista, Nebraska, does hereby certify that the above and foregoing is a true and correct extract from the minutes of the City Council of the City of La Vista for the meeting indicated therein; that the subjects shown as considered in said minutes were contained in the agenda for said meeting, which agenda, kept continually current, was available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least 24 hours prior to said meeting; that a current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, publicly announced and posted during such meeting in the room in which such meeting was held; that at least one copy of all ordinances, resolutions or other reproducible materials discussed at the meeting was available at the meeting for examination and copying by members of the public; that the minutes of the City Council of the City of La Vista, Nebraska from which the annexed and foregoing transcript of proceedings has been extracted, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of the City Council of the City of La Vista were provided the advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

City Clerk

[SEAL]

NOTICE OF PUBLICATION
OF ORDINANCE NO. _____
IN PAMPHLET FORM

Public Notice is hereby given that at a meeting of the Mayor and City Council of the City of La Vista, Nebraska, held on Tuesday, August 19, 2008, there was passed and adopted Ordinance No. _____ entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF HIGHWAY ALLOCATION FUND PLEDGE BONDS OF THE CITY OF LA VISTA, NEBRASKA, SERIES 2008, IN THE PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION DOLLARS (\$1,000,000) FOR THE PURPOSE OF PAYING THE COSTS OF CONSTRUCTION OF CERTAIN STREETS OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PLEDGING FUNDS TO BE RECEIVED BY THE CITY FROM THE STATE OF NEBRASKA HIGHWAY ALLOCATION FUND FOR THE PAYMENT OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY THE SAME IF NECESSARY; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; AND PROVIDING FOR THE DISPOSITION OF BOND PROCEEDS; PROVIDING FOR A DESIGNATION SETTING FINAL TERMS OF SAID BONDS; AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM.

Said Ordinance was published in pamphlet form on _____, 2008. Copies of said Ordinance as published in pamphlet form are available for inspection and distribution at the Office of the City Clerk, in the City of La Vista, Nebraska.

City Clerk

Publish: August 28, 2008