

NOTICE OF PASSAGE OF ORDINANCE #835

On the 20th day of May, 2008, the Mayor and Council of the City of Gothenburg adopted an ordinance entitled:

"An ordinance authorizing the issuance of general obligation refunding bonds of the City of Gothenburg, Nebraska, in an aggregate principal amount not to exceed \$700,000; prescribing the form and details of such bonds; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on such bonds as they become due; and authorizing certain other documents and actions in connection therewith.

Said ordinance was published in pamphlet form and copies thereof are available at the office of the City Clerk.

Connie L. Dalrymple
City Clerk

Publish 5-28-08
1 proof

EXHIBIT C

ORDINANCE NO. 835

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF GOTHENBURG, NEBRASKA, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$700,000; PRESCRIBING THE FORM AND DETAILS OF SUCH BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SUCH BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH

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

Section 1. Findings and Determinations. The Mayor and Council of the City of Gothenburg, Nebraska (the "City") hereby find and determine as follows:

(a) The City is a second-class city duly organized and validly existing under the laws of the State of Nebraska.

(b) Pursuant to an ordinance passed and approved by the Mayor and Council of the City on August 7, 2001 (the "**2001 Ordinance**"), the City issued \$970,000 aggregate principal amount of its General Obligation Street Improvement District No. 112 Bonds, Series 2001, dated September 11, 2001 (the "**2001 Bonds**"), for the purpose of financing or refinancing the costs of constructing certain paving improvements in Street Improvement District No. 112 of the City (the "**District**"), duly created by Ordinance No. 704 passed and approved by the Mayor and Council of the City on June 16, 1998. A portion of the 2001 Bonds presently remains outstanding and unpaid, the same bearing interest and maturing as follows (the "**Outstanding 2001 Bonds**"):

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
\$60,000	December 15, 2008	4.40%
65,000	December 15, 2009	4.50
65,000	December 15, 2010	4.60
70,000	December 15, 2011	4.70
70,000	December 15, 2012	4.80
75,000	December 15, 2013	4.90
80,000	December 15, 2014	5.00
85,000	December 15, 2015	5.10
90,000	December 15, 2016	5.20

The Outstanding 2001 Bonds are subject to redemption prior to maturity in whole or in part at any time on or after September 11, 2006, at a redemption price equal to the principal amount being redeemed plus accrued interest thereon to the date fixed for redemption.

(c) All of the Outstanding 2001 Bonds remain unpaid and are a legal liability against the City, provision for the payment of which may be made by the lawful issuance and sale of general obligation refunding bonds of the City pursuant to Section 10-142, inclusive, Reissue Revised Statutes of Nebraska, as amended.

(d) Since the issuance of the 2001 Bonds, the rates of interest available in the markets have declined so that the City can effect a savings in interest cost by providing for the payment and redemption of the Outstanding 2001 Bonds through the issuance of general obligation refunding bonds of the City.

(e) The City has on hand \$30,000 for the payment of the principal of and interest on the Outstanding 2001 Bonds, which will be used and applied, together with certain other legally available funds of the City, if any, in accordance with **Section 7**.

(f) The City has, in this Ordinance, provided for the calling for redemption of all of the Outstanding 2001 Bonds (the "**Refunded Bonds**") on the redemption date determined by the Mayor in accordance with the provisions of this Ordinance (the "**Redemption Date**").

(g) It is necessary, desirable and advisable that the City issue its general obligation refunding bonds for the purpose of providing funds which, together with other funds of the City legally available for such purposes, shall be sufficient for the payment and redemption of the Refunded Bonds on the Redemption Date.

(h) All conditions, acts and things required by law to exist or to be done precedent to the issuance of general obligation refunding bonds of the City in an aggregate principal amount not to exceed \$700,000 (the "**Bonds**") for such purposes do exist and have been done in due form and time as required by law.

Section 2. Authorization of Bonds. Bonds of the City in an aggregate principal amount not to exceed \$700,000 are hereby authorized to be issued to pay the principal of and accrued interest on the Refunded Bonds on the Redemption Date and the costs of issuing the Bonds.

Section 3. Definitions. In addition to those words and terms elsewhere defined herein:

"**Beneficial Owner**" means the person whose name is recorded as the beneficial owner of a Bond or a portion of such Bond by a Participant on the records of such Participant or such person's subrogee.

"**Book-Entry Bonds**" means the Bonds registered in the name of a nominee of DTC as the registered owner thereof pursuant to the terms and provisions of this Ordinance.

"**Code**" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"**Continuing Disclosure Certificate**" shall mean the Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"**Depository**" means The Depository Trust Company, a limited purpose trust company organized under the laws of the state of New York, and its successors and assigns.

"**Interest Payment Date**" means June 15 and December 15 of each year, beginning on the date determined by the Mayor in accordance with this Ordinance.

"**Ordinance**" means this Ordinance, as from time to time amended or supplemented.

"**Participant**" means those entities which are recognized as Participants by DTC.

"Record Date" means the last business day of the month preceding the month in which an Interest Payment Date occurs.

"Refunded Bonds" means all \$660,000 outstanding aggregate principal amount of the Outstanding 2001 Bonds, which shall be called for payment and redemption on the Redemption Date.

Section 4. Details and Form of Bonds; Authority of Mayor.

(a) The Bonds shall be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof, not exceeding the amount maturing in any one year, shall be numbered from R-1 upward in the order of their issuance and shall mature on December 15 of the years determined in accordance with this Ordinance.

(b) The Mayor is hereby authorized and directed, in the exercise of her 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 designation for the Bonds herein authorized, (2) the date of original issue of the Bonds, (3) the aggregate principal amount of Bonds to be issued, which shall in no event exceed \$700,000, (4) the years in which a principal maturity of the Bonds shall occur and the principal amount of Bonds to mature December 15 of each of such years, (5) the date of final maturity of the Bonds, which shall in no event be later than December 15, 2016, (6) the date or dates 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 4.25%, (8) the method by which such rate or rates of interest shall be calculated and the first Interest Payment Date for the Bonds, (9) the provisions governing redemption of the Bonds prior to maturity; provided, however, the Bonds shall be callable not later than five years from the date of original issuance of the Bonds; 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 104%), and the respective periods in which each redemption price shall be payable, (10) the form and contents of the agreement between the City and Wells Fargo Bank, National Association, the bond registrar and paying agent for the Bonds (the **"Registrar"**), under which the Registrar shall serve in such capacity, the compensation to be paid to the Registrar, and the terms under which the Registrar may be replaced with a successor Registrar, (11) all of the other terms of the Bonds not otherwise determined or fixed by the provisions of this Ordinance, (12) the form, content, terms, and provisions of the bond purchase agreement entered into between the City and Ameritas Investment Corp., as underwriter of the Bonds (the **"Underwriter"**), in connection with the sale of the Bonds, the underwriting discount, not to exceed 1.20%, and the purchase price, not less than 97.80% of the principal amount thereof (inclusive of the underwriting discount and any original issue discount), at which the Bonds shall be sold pursuant thereto, (13) the form and contents of any preliminary and final offering circulars or other offering materials of the City utilized in connection with any offering or sale of the Bonds to the public, (14) the Redemption Date, not later than 90 days after the date of issuance of the Bonds, upon which all of the Refunded Bonds shall be called for payment and redemption, and the source of funds (i.e., proceeds of the Bonds and/or other legally available funds of the City) to pay and redeem the Refunded Bonds on the Redemption Date, (15) the form, content, terms and provisions of any published and/or mailed notice of redemption with respect to redemption and retirement of the Refunded Bonds, and (16) 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.

(c) Payments of interest due on the Bonds shall be made by the Registrar by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each 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 pursuant to **Section 6**. Payment of the principal or redemption price of any Bond shall be made upon presentation and surrender of such Bond as the same

shall become due and payable at maturity, upon redemption or otherwise, in lawful money of the United States of America at the office of the Registrar. Notwithstanding the foregoing, Book-Entry Bonds shall be paid in accordance with **Section 3(d)**.

(d) The Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and Clerk. The Bonds shall initially be issued in book-entry form only using the services of the Depository, with one typewritten bond per maturity being issued to the Depository. In such connection such officers are authorized to execute and deliver a letter of understanding and representation (the "**Representation Letter**") in the form required by the Depository, 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 Bonds, the following provisions shall apply:

(1) The City and the Registrar shall have no responsibility or obligation to any Participant or to any Beneficial Owner with respect to the following:

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

(B) the delivery to 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

(C) the payment to any Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Bonds. The 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.

(2) Upon receipt by the Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the City and the Registrar to do so, the City and the Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (A) 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 (B) to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such Bonds shall designate.

(3) Subject to any operational requirements of the Depository, if the City determines that it is desirable that certificates representing the Bonds be delivered to the Beneficial Owners of the Bonds and so notifies the Registrar in writing, the Registrar shall so notify the Depository, whereupon the Depository will notify the Participants of the availability through the Depository of certificates representing the Bonds. In such event, the City and the Registrar shall issue, transfer or exchange certificates representing the Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(4) 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 Representation Letter.

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

(A) any successor securities depository or its nominee;

(B) any persons, upon (i) the resignation of the Depository from its functions as depository or (ii) termination of the use of the Depository pursuant to this **Section 4**.

(6) 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 **Section 6** hereof, the books and records of the 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, the City shall immediately provide a supply of printed bonds certificates, duly executed by the manual or facsimile signatures of the Mayor and Clerk, for issuance upon transfers from the Depository and subsequent transfers or in the event of partial redemption. In the event that such supply of bonds shall be insufficient to meet the requirements of the City and Registrar for issuance of replacement bonds upon transfer or partial redemption, the City agrees to order printed an additional supply of bonds and to direct their execution by the manual or facsimile signature of its then duly qualified and acting Mayor and Clerk. In case any officer whose signature or facsimile thereof shall appear on any Bond shall cease to be such officer before the delivery of such Bond (including any bonds delivered to the Registrar for issuance upon transfer), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such Bond. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication thereon shall have been duly executed by the Registrar. Certificates of Authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Ordinance.

(e) Any Bond issued upon transfer or exchange thereof shall be dated as of the date of original issue of such Bond or the Interest Payment Date six months preceding the Interest Payment Date next following the date of registration thereof in the office of the Registrar, as shall be appropriate, unless such date of registration shall be an Interest Payment Date, in which case they shall be dated as of such date of registration; provided, however, that if, as shown by the records of the Registrar, interest on such Bond shall be in default, the Bond issued in lieu thereof may be dated as of the date to which interest has been paid in full on such surrendered Bond; and provided further, that if the date of registration shall be prior to the first Interest Payment Date, such Bond shall be dated as of the date of original issue thereof. The Bonds shall bear interest from the date of original issue thereof.

(f) When any Bond shall have been duly called for redemption and payment thereof duly made or provided for, interest thereon shall cease from and after the date specified for the redemption thereof.

(g) The principal or redemption price of and interest on the Bonds shall be payable at the office of the Registrar in any coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts.

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

(i) The Mayor, in her discretion, may authorize the printing of CUSIP identification numbers on the Bonds. In the event such numbers are imprinted on the Bonds, no such number shall constitute a part of the contract evidenced by the particular Bond upon which it is imprinted, and no liability shall be attached to the City, or to any officer or agent thereof, including the Registrar, by reason of such numbers or any use made thereof, including any use thereof made by the City, any such officer, the Registrar, or by reason of any inaccuracy, error or omission with respect thereto or in such use.

(j) The Bonds, registration provisions, form of authentication and form of assignment pertaining thereto shall be substantially in the forms set forth below with such changes as may be determined upon by the Mayor and such other necessary or appropriate variations, omissions and insertions as are incidental to series designation, numbering, denominations, interest rate or rates, registration provisions, redemption provisions and other details thereof or as are otherwise permitted or required by law or this Ordinance.

(k) In the event that payments of interest due on the Bonds on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the record date for such Interest Payment Date and shall be payable to the registered owners of the Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Registrar whenever money for the purpose of paying such defaulted interest becomes available.

(l) The Bonds shall be in substantially the following form:

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF DAWSON

CITY OF GOTHENBURG, NEBRASKA
GENERAL OBLIGATION REFUNDING BOND
SERIES 2008

<u>Date of Original Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
December 15, 20__			

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE BOND SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF 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 shall have been duly executed by the Registrar.

IN WITNESS WHEREOF, the **CITY OF GOTHENBURG, NEBRASKA** has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signatures of the Mayor and Clerk of the City all as of the Date of Original Issue specified above.

CITY OF GOTHENBURG, NEBRASKA

ATTEST:

By: _____ (facsimile signature)
Mayor

By: _____ (facsimile signature)
Clerk

CERTIFICATE OF AUTHENTICATION

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

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, Registrar**

Date of Authentication:

By: _____
Authorized Officer

The **CITY OF GOTHENBURG, NEBRASKA** (the "City") hereby acknowledges itself to own and for value received promises to pay to the order of the Registered Owner specified above, or registered assigns, on the Maturity Date stated above, and upon surrender hereof, the Principal Amount stated above with interest thereon from the Date of Original Issue stated above at the Interest Rate stated above semiannually on June 15 and December 15 of each year, commencing December 15, 2008 and continuing until the Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto. The principal or redemption price of and interest on this Bond are payable in lawful money of the United States of America at the designated corporate trust office of Wells Fargo Bank, National Association, in Lincoln, Nebraska, the bond registrar and paying agent, or its successor in such capacities (the "**Registrar**"). Payment of interest on this Bond shall be made to such person as is the Registered Owner on the Record Date (hereinafter defined), and shall be paid by check or draft mailed to such person as is the Registered Owner hereof on the Record Date at his or her address as it appears on the registration books of the City or at such other

address as is furnished to the Registrar in writing by such Registered Owner. 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 Registrar whenever money for such purpose become available. The Record Date for interest shall be the close of business on last business day of the month preceding the month in which such interest is payable. For the prompt payment of this bond, principal and interest, as the same become due, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of a series of bonds of the City designated as General Obligation Refunding Bonds, Series 2008, issued by the City in the aggregate principal amount of \$ _____, all of which are of even date and like tenor except as to number, denomination, date of maturity, rate of interest and priority of redemption. The Bonds are issued pursuant to an ordinance passed and approved by the Mayor and Council of the City on May 20, 2008 (the "Ordinance"), for the purpose of providing for the payment and redemption of (a) \$660,000 aggregate principal amount of the City's General Obligation Street Improvement District No. 112 Bonds, Series 2001, dated September 11, 2001, in pursuance of Section 10-142, Reissue Revised Statutes of Nebraska, as amended, and (b) paying the costs issuing the Bonds.

The Bonds are issued as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Ordinance, Bonds may be exchanged for a like aggregate principal amount of Bonds of different authorized denominations. This Bond is transferable by the Registered Owner hereof or his attorney duly authorized in writing, at the designated corporate trust office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges specified in the Ordinance, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds of the same Maturity Date and of authorized denominations for the same aggregate Principal Amount will be issued to the transferee in exchange therefor. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Bonds maturing on or prior to December 15, 201____, are not subject to redemption prior to their stated maturities. Bonds maturing on or after December 15, 201____ are subject to redemption prior to maturity at the option of the City in whole or in part, on or after _____, 20____ in such principal amounts and from such maturity or maturities as the City shall specify and by lot in integral multiples of \$5,000 within a maturity at a redemption price equal to the percentage of the principal amount being redeemed set forth below, together with accrued interest on such principal amount to the redemption date:

Redemption

Dates

Redemption

Price

In the event any of the Bonds or portions thereof (which shall be \$5,000 or any integral multiple thereof) are called for redemption, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at such registered owner's address as shown on the registration books; provided, however, that

failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bond with respect to which no such failure has occurred. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

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

The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

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 shall have been executed by the Registrar.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond and in the issuance of the bonds refunded hereby did exist, did happen, and were done and performed in regular and due form and time as required by law, and that the indebtedness of the City, including this Bond and the bonds refunded hereby, does not exceed any limitation imposed by law. The City agrees that it shall cause to be made annually, in addition to all other taxes, a special levy of taxes for the purpose of paying and sufficient to pay in full the principal of and interest on this Bond as and when such principal and interest respectively become due.

ASSIGNMENT

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

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

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

Dated: _____

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

Signature Guaranteed By:

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

By: _____
Title: _____

Section 5. Payment of Bonds; Covenant to Levy Taxes. All assessments heretofore levied to pay the costs of improvements in the District shall be deposited into a sinking fund for the payment of the principal or redemption price of and interest on the Bonds when due. Additionally, the full faith and credit of the City shall be and hereby are pledged for the payment of the principal of and interest on the Bonds, and the City hereby represents, covenants, warrants, undertakes and agrees that it shall annually provide for the levy and collection of a tax in addition to all other taxes upon all of the taxable property in the City sufficient in rate and amount to pay the principal of the Bonds and the interest thereon, as the same becomes due and payable, which tax shall be in excess of and in addition to all other taxes now or hereafter authorized to be levied by the City.

Section 6. Registration, Transfer and Exchange of Bonds. As long as any of the Bonds shall remain outstanding, the City shall designate, within the offices of the Registrar, a location for (a) the payment of the principal or redemption price of and interest on the Bonds and (b) the registration and transfer of the Bonds, and shall keep at such location all books for the registration and transfer of the Bonds.

Upon surrender for transfer of any Bond at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more Bonds of any authorized denominations and of a like aggregate principal amount, interest rate and maturity.

Except as the right of exchange may be limited by the Mayor, Bonds may, upon surrender thereof at the office of the Registrar, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Registrar shall deliver Bonds in accordance with the provisions of this Ordinance. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The City shall not be obligated to make any such exchange or transfer of Bonds during period from a Record date to the next succeeding Interest Payment Date nor within 15 days prior to the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds. The City and the Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and the payment of or on account of the principal and the interest on any such Bond shall be made only to or upon the order of the registered owner thereof or its legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

Section 7. Sale of Bonds; Disposition of Proceeds. The Mayor is hereby authorized and directed to sell the Bonds to Ameritas Investment Corp. (the "Underwriter") at such price or prices, subject to the provisions of Section 4(b), as she shall deem to be most advantageous to the City.

The Mayor shall be responsible for delivery of the Bonds and for all other ministerial acts relating to the Bonds. The Mayor and all other officials of the City are hereby authorized to take all actions subsequent to the sale of the Bonds and acceptance of an offer for the purchase thereof, in accordance with the provisions of this Ordinance, as is necessary to effect the delivery of the Bonds to the Underwriter in accordance with any agreements between the City and the Underwriter. Such officials are hereby authorized to execute such orders, certificates, receipts and other documents as may be necessary or desirable to effect such delivery and to receive the purchase price for the Bonds.

The net proceeds of the sale of the Bonds, including the accrued interest, if any, on the Bonds from their date to the date of delivery of and payment therefor, shall be received by the Mayor and applied, together with such funds of the City as may be legally available therefor, as follows:

(a) Such amount from the proceeds of the Bonds as shall be necessary, together with approximately \$30,000 on hand in the debt service fund for the Outstanding 2001 Bonds and such other legally available funds of the City as are necessary to provide for the payment and redemption of the Refunded Bonds on the Redemption Date, shall be transferred to the paying agent for the Refunded Bonds and used to redeem in full the Refunded Bonds on the Redemption Date.

(b) The remaining net proceeds of the Bonds shall be used by the City to pay costs of issuing the Bonds, including the fees of attorneys, financial consultants, accountants, rating agencies, printers and others employed to render professional services and other costs, fees and expenses incurred in connection with the issuance of the Bonds.

Section 8. Discharge of City's Obligations Hereunder and of the Liens, Pledges and Charges Created Hereby. The City's obligations under this Ordinance, and under any ordinances or other proceedings relating or supplemental hereto, and the liens, pledges, charges, covenants and agreements of the City herein or therein made or provided for, shall be fully discharged and satisfied as to any Bond and such Bond shall no longer be deemed to be outstanding hereunder and thereunder if:

(a) such Bond shall have been purchased or canceled by the City, or

(b) as to any Bond not theretofore purchased or canceled by the City, when payment of the principal or redemption price thereof and interest thereon to the due date thereof (whether such due date be by maturity or upon redemption), either (1) shall have been made or caused to be made in accordance with the terms hereof and thereof, or (2) shall have been provided by irrevocably depositing with the Registrar or another fiduciary (as the case may be) in trust for, and irrevocably set aside for, such payment (A) moneys sufficient to make such payment or (B) noncallable direct and general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America (hereinafter referred to as "Government Obligations") maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and such Bond shall cease to draw interest from the due date thereof (whether such due date be by maturity or upon redemption) and, except for the purposes of any such payment shall no longer be secured by or entitled to the benefits of this Ordinance or of any resolutions or other proceedings related or supplemental hereto.

Any such moneys so deposited with the Registrar or another fiduciary (as the case may be), as provided in this paragraph, may at the direction of the Mayor be invested and reinvested in noncallable Government Obligations, maturing in the amounts and at the times as hereinbefore set forth; and all income from all such Government Obligations in the hands of the Registrar or another fiduciary which does not represent a return of principal or capital invested and which is not required for the payment of the Bonds, whichever is applicable, and interest and premium (if any) thereon with respect to which such money shall have been so deposited, shall be paid to the City as and when realized and collected.

Section 9. Use of Preliminary Offering Circular and Offering Circular. The preparation, use, distribution and delivery of Preliminary Offering Circular and Offering Circular or other offering materials of the City in such forms and of such contents as the Mayor shall, in the exercise of her own independent judgment and absolute discretion determine to be necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, public or private sale and delivery of the Bonds be, and the same are hereby in all respects, authorized, directed, adopted, specified, accepted, ratified, approved and confirmed.

Section 10. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, the registered owner or the Beneficial Owner of any Bond may take such actions as may be necessary and appropriate, including seeking a writ of mandamus or specific performance by court order, to cause the City to comply with its obligations under this **Section 10**.

Section 11. Ratification of Prior Actions. All actions heretofore taken by the Mayor and all other officers, officials, employees and agents of the City, including without limitation the expenditure of funds and the selection, appointment and employment of bond counsel and financial advisors and agents, in connection with issuance and sale of the Bonds, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 12. General and Specific Authorizations. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the City hereby (a) authorizes and directs the Mayor and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with bond counsel, the purchaser or purchasers of the Bonds and its or their counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Ordinance, the Preliminary Offering Circular and the Offering Circular and other offering materials of the City used in connection with issuance, sale and delivery of the Bonds, including without limitation and whenever appropriate the execution and delivery thereof and of all other related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Mayor the right, power and authority to exercise her independent judgment and absolute discretion in (1) determining and finalizing all other terms and provisions to be carried by the Bonds not specifically set forth in this Ordinance and (2) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Bonds and the payment and redemption of the Refunded Bonds. The execution and delivery by the Mayor or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Ordinance, shall constitute conclusive evidence of both the City's and their approval of the terms, provisions and contents thereof and of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect

thereto from the City and the authorization, approval and ratification by the City of the documents, instruments, certifications and opinions so executed and the actions so taken.

Section 13. Rebate Account. To ensure proper compliance with the tax covenants contained in **Section 14**, the City shall establish and the City Treasurer shall maintain an account separate from any other fund or account established and maintained hereunder designated as the 2008 Rebate Account. All money at any time deposited in the 2008 Rebate Account in accordance with the provisions of the Federal Tax Certificate (or similar document, however named) delivered in connection with the Bonds, as from time to time amended or supplemented (the "**Tax Certificate**"), shall be held by the City Treasurer for the account of the City in trust for payment to the United States of America, and neither the City nor any registered owner shall have any rights in or claim to such money. All amounts deposited into or on deposit in the 2008 Rebate Account shall be governed hereby and by the Tax Certificate. The City Treasurer shall invest all amounts held in the 2008 Rebate Account in accordance with the Tax Certificate. Money shall not be transferred from the 2008 Rebate Account except in accordance with the Tax Certificate.

Section 14. 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 gross income for federal income tax purposes of the interest on the Bonds and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

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

(c) The City covenants and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The City specifically covenants to pay or cause to be paid to the United States, the required amounts of rebatable arbitrage at the times and in the amounts as determined by the Arbitrage Instructions. Notwithstanding anything to the contrary contained herein, the Arbitrage Instructions may be amended or replaced if, in the opinion of counsel nationally recognized on the subject of municipal bonds, such amendment or replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

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

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

(1) the aggregate face amount of all tax-exempt obligations (other than private activity bonds which are not "qualified 501(c)(3) bonds") which will be issued by the City (and all subordinate entities thereof) during calendar year 2008 is not reasonably expected to exceed \$10,000,000; and

(2) the City (including all subordinate entities thereof) will not issue an aggregate principal amount of tax-exempt obligations (other than private activity bonds that are not "qualified 501(c)(3) bonds") during calendar year 2008, including the Bonds, in excess of \$10,000,000, without first obtaining an opinion of nationally recognized counsel in the area of municipal finance that the designation of the Bonds as "qualified tax-exempt obligations" will not be adversely affected.

The Mayor is hereby authorized to take such other action as may be necessary to make effective the designation in this **Section 14(e)**.

(f) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Section 8** of this Ordinance or any other provision of this Ordinance, until the final maturity date of all Bonds Outstanding.

Section 15. Transcripts. The Clerk of the City is directed to make and certify transcripts of the proceedings of the City precedent to the issuance of such Bonds, one of which transcripts shall be delivered to each purchaser thereof.

Section 16. Severability. (a) 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 registered owners of the Bonds shall retain all the rights and benefits accorded to them under this Ordinance and under any applicable provisions of law.

(b) If any provision 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 circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 17. Headings of Sections Not Controlling. The headings of sections of this Ordinance are set forth herein for convenience of reference only and shall not affect the construction or interpretation of this Ordinance or any section hereof.

Section 18. Effective Date. This Ordinance shall take effect and be in force from and after its passage and publication as provided by law.

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DATED: May 20, 2008.

CITY OF GOTHENBURG, NEBRASKA

ATTEST:

By: Connie L. Halymple
Clerk

By: James E. Hudson
Mayor