

**CITY OF LA VISTA**  
**MAYOR AND CITY COUNCIL REPORT**  
**JUNE 3, 2008 AGENDA**

<b>Subject:</b>	<b>Type:</b>	<b>Submitted By:</b>
CALL FOR REDEMPTION OF BONDS AND REFUNDING SERIES 2008 BOND ISSUE	◆RESOLUTION ◆ ORDINANCE RECEIVE/FILE	SHEILA LINDBERG FINANCE DIRECTOR

**SYNOPSIS**

Resolutions have been prepared authorizing bonds called for redemption of the Various Purpose Bonds, 2001 Series; Various Purpose Bonds, 2002 Series; General Obligation Bonds, Series 2001, Sanitary Improvement District 198; and General Obligation Bonds, Series 2002, Sanitary Improvement District 200.

An ordinance has been prepared authorizing the Refunding of the 2001 \$1,600,000 G.O. Bond Issue, the 2001 \$2,555,000 GO Various Purpose Bond Issue, the 2002 \$1,600,000 Street Improvement Bond Issue and the 2002 \$3,450,000 G.O. Various Purpose Bond Issue. This will be the Refunding Bonds, Series 2008 in the principal amount of \$6,845,000.

**FISCAL IMPACT**

Savings of \$874,857 will be recognized over time in the Debt Service Fund as a result of the lower interest rate.

**RECOMMENDATION**

Approval.

**BACKGROUND**

The City is paying an average coupon (interest) rate of 5.4% on these current bond issues; however, with the refunding, the average coupon rate will fall to 3.8%. The refinancing of these bond issues will help build up the Debt Service Fund in order to ensure the long term sustainability of the fund and to meet the City's current and future debt obligations.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, APPROVING THE CALL OF VARIOUS PURPOSE BONDS, 2002 SERIES FOR REDEMPTION

WHEREAS, That the following bonds are hereby called for redemption at par plus accrued interest on July 15, 2008 after which date said bonds shall cease to bear interest:

**Various Purpose Bonds, 2002 Series**, dated June 12, 2002, in the aggregate principal amount of \$1,400,000, numbered as shown on the records of the paying agent and registrar, becoming due on June 15 in each year from June 15, 2010, through June 15, 2022, issued by the City to pay the costs of constructing improvements in Paving Improvement District No. 2000-1, Sanitary Sewer Extension District No. 2000-1 and Storm Sewer District No. 2000-1, all such districts within the City of La Vista, Nebraska.

WHEREAS, Said bonds are payable at the office of the City Treasurer, in La Vista, Nebraska.

WHEREAS, a copy of this resolution shall be filed at least 30 days prior to the date of call with the City Treasurer, in La Vista, Nebraska, as Paying Agent and Registrar and said Paying Agent and Registrar is hereby instructed to give notice of redemption in the manner provided for in the ordinance authorizing said bonds.

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of La Vista, Nebraska, approving the call of the Various Purpose Bonds, 2002 Series at par plus accrued interest on July 15, 2008 and to authorize the City Treasurer of La Vista, Nebraska as Paying Agent and Registrar to give notice of redemption in the manner provided for in the ordinance authorizing said bonds.

PASSED AND ADOPTED THIS 3RD DAY OF JUNE, 2008.

CITY OF LA VISTA

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Douglas Kindig, Mayor

ATTEST:

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Pamela A. Buethe, CMC  
City Clerk

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, APPROVING THE CALL OF VARIOUS PURPOSE BONDS, 2001 SERIES FOR REDEMPTION

WHEREAS, the following bonds are hereby called for redemption at par plus accrued interest on July 15, 2008 after which date said bonds shall cease to bear interest:

**Various Purpose Bonds, 2001 Series**, dated January 24, 2001, in the principal amount of \$1,450,000, numbered as shown on the records of the paying agent and registrar, becoming due on January 15 in each year from January 15, 2010, through January 15, 2016, issued by the City to pay the costs of constructing improvements in Street Improvement District Nos. 1997-1, 98-1 and 99-1; and to pay the costs of flood control and storm water sewer improvements within the City of La Vista, Nebraska.

WHEREAS, Said bonds are payable at the office of the City Treasurer, in La Vista, Nebraska.

WHEREAS, a copy of this resolution shall be filed at least 30 days prior to the date of call with the City Treasurer, in La Vista, Nebraska, as Paying Agent and Registrar and said Paying Agent and Registrar is hereby instructed to give notice of redemption in the manner provided for in the ordinance authorizing said bonds.

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of La Vista, Nebraska, approving the call of the Various Purpose Bonds, 2001 Series at par plus accrued interest on July 15, 2008 and to authorize the City Treasurer of La Vista, Nebraska as Paying Agent and Registrar to give notice of redemption in the manner provided for in the ordinance authorizing said bonds.

PASSED AND ADOPTED THIS 3RD DAY OF JUNE, 2008.

CITY OF LA VISTA

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Douglas Kindig, Mayor

ATTEST:

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Pamela A. Buethe, CMC  
City Clerk

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, APPROVING THE CALL OF GENERAL OBLIGATION BONDS, 2002 SERIES FOR REDEMPTION

WHEREAS, That the following bonds are hereby called for redemption at par plus accrued interest on July 15, 2008 after which date said bonds shall cease to bear interest:

**General Obligation Bonds, Series 2002, of Sanitary and Improvement**

**District No. 200 of Sarpy County, Nebraska,** dated April 1, 2002, in the aggregate principal amount of \$2,610,000, numbered as shown on the records of the paying agent and registrar, becoming due on April 1 in each year from April 1, 2010, through and including April 1, 2022, (the "Called Bonds") issued by Sanitary and Improvement District No. 200 of Sarpy County, Nebraska, (the "District") for the acquisition and construction of various public infrastructure improvements for the District. The City by Ordinance No. 1046 has annexed all of the District and the Called Bonds constitute the valid and binding obligations of the City.

WHEREAS, Said bonds are payable at the office of Great Western Bank, Omaha, Nebraska.

WHEREAS, a copy of this resolution shall be filed at least 30 days prior to the date of call with Great Western Bank, Omaha, Nebraska, as Paying Agent and Registrar and said Paying Agent and Registrar is hereby instructed to give notice of redemption in the manner provided for in the ordinance authorizing said bonds.

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of La Vista, Nebraska, approving the call of the General Obligation Bonds, 2002 Series at par plus accrued interest on July 15, 2008 and to instruct Great Western Bank, Omaha, Nebraska as Paying Agent and Registrar to give notice of redemption in the manner provided for in the ordinance authorizing said bonds.

PASSED AND ADOPTED THIS 3RD DAY OF JUNE, 2008.

CITY OF LA VISTA

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Douglas Kindig, Mayor

ATTEST:

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Pamela A. Buethe, CMC  
City Clerk

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, APPROVING THE CALL OF GENERAL OBLIGATION BONDS, 2001 SERIES FOR REDEMPTION

WHEREAS, That the following bonds are hereby called for redemption at par plus accrued interest on July 15, 2008 after which date said bonds shall cease to bear interest:

**General Obligation Bonds, Series 2001, of Sanitary and Improvement**

**District No. 198 of Sarpy County, Nebraska,** dated October 15, 2001, in the principal amount of \$1,260,000, numbered as shown on the records of the paying agent and registrar, becoming due on October 15 in each year from October 15, 2009, through and including October 15, 2021, (the "Called Bonds") issued by Sanitary and Improvement District No. 198 of Sarpy County, Nebraska, (the "District") for the acquisition and construction of various public infrastructure improvements for the District. The City by Ordinance No. 1046 has annexed all of the District and the Called Bonds constitute the valid and binding obligations of the City.

WHEREAS, Said bonds are payable at the office of TeamBank, N.A., in Bellevue, Nebraska.

WHEREAS, a copy of this resolution shall be filed at least 30 days prior to the date of call with TeamBank, N.A., in Bellevue, Nebraska, as Paying Agent and Registrar and said Paying Agent and Registrar is hereby instructed to give notice of redemption in the manner provided for in the ordinance authorizing said bonds.

NOW THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of La Vista, Nebraska, approving the call of the General Obligation Bonds, 2001 Series at par plus accrued interest on July 15, 2008 and to instruct TeamBank, N.A., in Bellevue, Nebraska as Paying Agent and Registrar to give notice of redemption in the manner provided for in the ordinance authorizing said bonds.

PASSED AND ADOPTED THIS 3RD DAY OF JUNE, 2008.

CITY OF LA VISTA

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Douglas Kindig, Mayor

ATTEST:

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Pamela A. Buethe, CMC  
City Clerk

**ORDINANCE NO. 1056**

AN ORDINANCE OF THE CITY OF LA VISTA, NEBRASKA, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION VARIOUS PURPOSE REFUNDING BONDS, SERIES 2008, OF THE CITY OF LA VISTA, IN THE PRINCIPAL AMOUNT OF SIX MILLION EIGHT HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$6,845,000) 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 BOND INSURANCE WITH RESPECT TO 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 there have been issued and are now outstanding and unpaid valid interest bearing bonds of the City consisting of the following series:

A) Various Purpose Bonds, 2001 Series, dated January 24, 2001, in the total remaining principal amount of \$1,615,000 which mature and bear interest as follows:

<u>Amount</u>	<u>Interest Rate</u>	<u>Mature January 15 Of Year</u>
\$165,000	5.00%	2009
175,000	5.05	2010
180,000	5.10	2011
190,000	5.15	2012
200,000	5.25	2013
220,000	5.35	2014
225,000	5.45	2015
260,000	5.55	2016

Of which, those bonds maturing in the years 2010 through and including 2016 in the aggregate principal amount of \$1,450,000 (the "Called 2001 VP Bonds") have been called in accordance with their call provisions on July 15, 2008 (the "Redemption Date"); and

B) Various Purpose Bonds, 2002 Series, dated June 12, 2002, in the total remaining principal amount of \$1,545,000 which mature and bear interest as follows:

<u>Amount</u>	<u>Interest Rate</u>	<u>Mature June 15 Of Year</u>
\$70,000	4.10%	2008
75,000	4.30	2009
80,000	4.45	2010
85,000	4.55	2011
90,000	4.65	2012
90,000	4.75	2013
95,000	4.85	2014
100,000	5.00	2015
105,000	5.10	2016
110,000	5.20	2017
120,000	5.25	2018
125,000	5.30	2019
130,000	5.35	2020
135,000	5.40	2021
135,000	5.45	2022

Of which, those bonds maturing in the years 2010 through and including 2022 in the aggregate principal amount of \$1,400,000 (the "Called 2002 VP Bonds") shall be called in accordance with their call provisions on the Redemption Date.

The Mayor and Council of the City further find and determine that City by Ordinance No. 1046 has annexed all of Sanitary and Improvement District No. 198 of Sarpy County, Nebraska ("SID 198") and by Ordinance No. 1046 has annexed all of Sanitary and Improvement District No. 200 of Sarpy County, Nebraska ("SID 200"); that there have been heretofore issued and are now outstanding and unpaid valid interest bearing bonds issued by SID 198 and SID 200 and such outstanding bond

obligations of SID 198 and SID 200 are now obligations of the City of La Vista, Nebraska; that said bonds include the following series:

C) General Obligation Bonds, Series 2001, of Sanitary and Improvement District No. 198 of Sarpy County, Nebraska, dated October 15, 2001, in the total remaining principal amount of \$1,325,000 which mature and bear interest as follows:

<u>Amount</u>	<u>Interest</u>	<u>Mature October 15</u>
	<u>Rate</u>	<u>Of Year</u>
\$65,000	4.70%	2008
70,000	4.80	2009
70,000	4.90	2010
75,000	5.00	2011
80,000	5.10	2012
85,000	5.15	2013
90,000	5.20	2014
95,000	5.25	2015
100,000	5.30	2016
105,000	5.35	2017
110,000	5.40	2018
120,000	5.45	2019
125,000	5.50	2020
135,000	5.50	2021

Of which, those bonds maturing in the years 2009 through and including 2021 in the aggregate principal amount of \$1,260,000 (the "Called 2001 SID Bonds") shall be called in accordance with their call provisions on the Redemption Date; and

D) General Obligation Bonds, Series 2002, of Sanitary and Improvement District No. 200 of Sarpy County, Nebraska, dated April 1, 2002, in the total remaining principal amount of \$2,745,000 which mature and bear interest as follows:

<u>Amount</u>	<u>Interest</u>	<u>Mature April 1</u>
	<u>Rate</u>	<u>Of Year</u>
135,000	4.65	2009
140,000	4.85	2010
150,000	4.95	2011
160,000	5.05	2012
165,000	5.15	2013
175,000	5.25	2014
185,000	5.35	2015
195,000	5.45	2016
205,000	5.55	2017
220,000	5.75	2018
235,000	5.75	2019
245,000	5.75	2020
260,000	5.75	2021
275,000	5.75	2022

Of which, those bonds maturing in the years 2010 through and including 2022 in the aggregate principal amount of \$2,610,000 (the "Called 2002 SID Bonds") shall be called in accordance with their call provisions on the Redemption Date.

The Called 2001 VP Bonds, the Called 2002 VP Bonds, the Called 2001 SID Bonds and the Called 2002 SID Bonds are referred to herein collectively as the "Called Outstanding Bonds". The Mayor and Council of the City further find and determine as follows: since the issuance of the Called Outstanding Bonds rates in the market have so declined, that by issuing its refunding bonds to provide for the payment and redemption of the Called Outstanding Bonds, all as set out above, a savings in the amount of yearly annual payments will be achieved; 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 \$3,942,000 pursuant to Section 10-615 and 10-616, R.R.S. Neb. 1997, as amended, to refund the Called 2001 SID Bonds and the Called 2002 SID Bonds do exist and have been done as required by law; 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 \$2,903,000 pursuant to Section 10-142, R.R.S. Neb. 1997, as amended, to refund the Called 2001 VP Bonds and the Called 2002 VP Bonds do exist and have been done as required by law; that all conditions,

acts and things required to exist or to be done precedent to the issuance of General Obligation Various Purpose Refunding Bonds of the City in the stated principal amount of not to exceed \$8,840,000 under Sections 18-1801 and 18-1802 R.R.S. Neb. 1997, as amended, to provide for the payment and redemption of the Called Outstanding Bonds do exist and have been done as required by law; and that for the purpose of providing for the payment and redemption of the Called Outstanding Bonds, and to pay the costs of issuance of said bonds, it is in the best interest of the City to issue its General Obligation Refunding Bonds in the amount of not to exceed \$8,840,000.

Section 2. To provide for the payment and redemption of the bonds as described in Section 1 hereof, there shall be and there are hereby ordered issued General Obligation Various Purpose Refunding Bonds, Series 2008, of the City of La Vista, Nebraska, in the principal amount of not to exceed Six Million Eight Hundred Forty-five Thousand Dollars (\$6,845,000) (the "Bonds"), with said Bonds bearing interest at the rates per annum and to become due on October 15 of each year as indicated below:

Principal Amount	Maturing October 15	Interest Rate
\$105,000	2008	5.00%
515,000	2009	5.00
525,000	2010	5.00
545,000	2011	5.00
555,000	2012	5.00
585,000	2013	5.00
600,000	2014	5.00
640,000	2015	5.00
415,000	2016	5.00
440,000	2017	5.00
455,000	2018	5.00
470,000	2019	5.00
490,000	2020	5.00
505,000	2021	5.00

*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 consistent with the purpose of obtaining an overall savings in interest costs, 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 in no event shall the aggregate stated principal amount of the Bonds exceed \$6,845,000 and the Designation shall contain the following provision to govern any term maturities with mandatory sinking fund redemptions: "the bonds maturing as term bonds on October 15, 20\_\_\_\_ (the "Term Bonds") shall be subject to call for redemption through application of a mandatory sinking fund payment, 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 October 15 and April 15 of each year, commencing on October 15, 2008 (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 City Treasurer is hereby designated to serve as Paying Agent and Registrar for the Bonds. The Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the Bonds at the office of the City Treasurer. 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. The Mayor and Council without amending this Ordinance may designate a replacement Paying Agent and Registrar with written notice of any such designation being furnished by mail or other means of communication deemed appropriate to the registered owners of the Bonds.

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. 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 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 6. Bonds maturing on or after October 15, 2013 shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary of the date of original issue of the Bonds 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. Any scheduled mandatory redemptions of Term Bonds (if any) shall be at a price equal to 100% of the principal amount redeemed plus interest accrued on the principal amount being redeemed to the date fixed for redemption. The Paying Agent and Registrar shall select the Term Bonds (if any) for mandatory redemption using any random method of selection deemed appropriate by the Paying Agent and Registrar. 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. 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 new Bonds evidencing the unredeemed principal thereof. Notice of redemption shall designate the Bond or Bonds to be

redeemed by maturity or otherwise, the date of original issue and the date fixed for redemption and shall state that such Bond or Bonds are to be presented for prepayment at the office of the Paying Agent and Registrar. In case of any Bond partially redeemed, such notice shall specify the portion of the principal amount of such Bond to be redeemed. No defect in the mailing of notice for any Bond shall affect the sufficiency of the proceedings of the 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 7. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF SARPY

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

No. R-

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	October 15,	Date of Delivery	

Registered Owner: Cede & Co.  
13-2555119

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of La Vista, in the County of Sarpy, in the State of 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 the most recent Interest Payment Date, whichever is later, at the rate per annum specified above, payable semiannually on April 15 and October 15 of each year, commencing October 15, 2008 (each an "Interest Payment Date"). Said interest shall be computed based upon a 360-day year consisting of twelve 30-day months. The principal hereof and interest due at maturity or upon earlier redemption are payable upon presentation and surrender of this bond at the office of the City Treasurer, the Paying Agent and Registrar, in La Vista, Nebraska. Interest on this bond due prior to maturity or early 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 address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

This bond is one of an issue of fully registered bonds of the total principal amount of Six Million Eight Hundred Forty-five Thousand Dollars (\$6,845,000), of even date and like tenor herewith, except as to date of maturity and rate of interest and denomination, which were issued by the City in pursuance of and as provided by Sections 10-142, 10-615 and 10-616, R.R.S. Neb. 1997, as amended, and has been duly authorized by ordinance (the "Ordinance") legally passed, approved and published and by proceedings duly had by the Mayor and Council of said City in accordance with Section 18-1801 and 18-1802, R.R.S. Neb. 1997, as amended, for the purpose of refunding the following obligations issued by the City: Various Purpose Bonds, 2001 Series, dated January 24, 2001 in the principal amount of \$1,450,000 maturing in the years 2010 through and including 2016, Various Purpose Bonds, 2002 Series, dated June 12, 2002 in the principal amount of \$1,400,000 maturing in the years 2010 through and including 2022; and for the purpose of refunding the following obligations issued by Sanitary and Improvement District No. 198 of Sarpy County, Nebraska, and Sanitary and Improvement District No. 200 of Sarpy County, Nebraska, which districts have been annexed by the City of La Vista and which bonds now constitute obligations of the City of La Vista: General Obligation Bonds, Series 2001, of Sanitary and Improvement District No. 198 of Sarpy County, Nebraska, dated October 15, 2001, in the principal amount of \$1,260,000 maturing in the years 2009 through and including 2021, General Obligation Bonds, Series 2002, of Sanitary and Improvement District No. 200 of Sarpy County, Nebraska, dated April 1, 2002, in the principal amount of \$2,610,000 maturing in the years 2010 through and including 2022.

Bonds of this issue maturing on or after October 15, 2013, are subject to redemption at the option of the City, in whole or in part, at any time on or after the fifth anniversary of the date of original issue thereof, at par plus interest accrued on the principal amount redeemed to the date fixed for redemption.

[The Bonds due as term bonds in the year 20\_\_\_\_ (the "Term Bonds") are required to be redeemed prior to their stated maturity, commencing on October 15, 20\_\_\_\_, and continuing on October 15 of each year thereafter through and including payment at maturity, in part, which redemptions and payment at maturity shall be in the years and for the principal amounts set forth below:

Redemption Date	Amount Required to be Redeemed
	(final maturity)

Such mandatory redemptions shall be at a price equal to 100% of the principal amount redeemed plus interest accrued on the principal amount being redeemed to the date fixed for redemption. The Paying Agent and Registrar shall select the Term Bonds for mandatory redemption using any random method of selection deemed appropriate by the Paying Agent and Registrar, subject to the terms of the Ordinance.]

Notice of redemption shall be given by mail to the registered owner of any bond to be redeemed in the manner specified in the Ordinance. 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 authorized in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond or bonds of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the 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 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 REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE 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 PERSON 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 Council have caused this bond to be executed on behalf of the City of La Vista by being signed by facsimile signatures of the Mayor and City Clerk and by causing the official seal of the City to be affixed hereto, all as of the date of original issue specified above.

CITY OF LA VISTA, NEBRASKA

ATTEST:

(facsimile)

Mayor

(facsimile)  
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.

CITY TREASURER, City of La Vista, Nebraska, as  
Paying Agent and Registrar

STATEMENT OF INSURANCE

Assured Guaranty Corp. ("Assured Guaranty"), a Maryland-domiciled insurance company, has delivered its financial guaranty insurance policy (the "Policy") with respect to the scheduled payments of principal of and interest on this Bond to the City Treasurer of the City of La Vista, Nebraska, as paying agent on behalf of the holders of the Bonds (the "Paying Agent"). Such Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from Assured Guaranty or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Assured Guaranty as more fully set forth in the Policy.

(FORM OF ASSIGNMENT)

For value received \_\_\_\_\_ hereby sells,  
assigns and transfers unto \_\_\_\_\_ 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.

Date: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

Witness: \_\_\_\_\_

Note: The signature(s) of 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.

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 and shall have impressed or imprinted thereon the City's seal. The Bonds shall be issued initially as "book-entry-only" bonds using 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 are authorized to execute and deliver a letter of representations (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 Bond Participants and/or 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.

(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, the City shall immediately provide a supply of printed bond certificates for issuance upon the transfers from the Depository and subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement Bonds upon transfer or partial redemption, the City agrees to order printed an additional supply of certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting Mayor and City Clerk of said City. 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 City Treasurer shall cause a record of the information required by Section 10-140, R.R.S. Neb. 1997, as amended, regarding the Bonds to be kept by the City and filed in the office of the Auditor of Public Accounts of the State of Nebraska. 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 99.25% (which 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 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 shall make and certify duplicate transcripts of the proceedings of the Mayor and Council precedent to the issuance of said Bonds, one of which transcripts shall be delivered to the Purchaser of said Bonds.

Section 10. All accrued interest received from the sale of the Bonds shall be applied to pay interest falling due on October 15, 2008. The net principal proceeds of the Bonds shall be applied upon receipt to the redemption on the Redemption Date on a current basis of the principal of the Called 2001 Bonds, the Called 2002 Bonds, the Called 2001 SID Bonds and the Called 2002 SID Bonds by immediate deposit with the respective paying agent for each such issue of bonds. The City agrees to provide all amounts necessary, in addition to the available net proceeds of the Bonds, to effect the redemption in full of the Called 2001 Bonds, the Called 2002 Bonds, the Called 2001 SID Bonds and the Called 2002 SID Bonds on the Redemption Date. The City hereby agrees to take any and all actions and make any and all payments required to effect the redemption in full of the Called Outstanding Bonds as described in this Ordinance. The City hereby agrees that the holders of the Bonds shall be subrogated to the rights of the Called Outstanding Bonds from and after their respective redemptions as described in this Ordinance.

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.

Section 12. The City hereby covenants to the purchasers and holders of the Bonds herein authorized that it will make no use of the proceeds of said issue, including monies held in any sinking fund for the payment of principal and interest on said Bonds, which would cause said Bonds to be arbitrage bonds within the meaning of Sections 103 and 148 and other related sections of the Internal Revenue Code of 1986, as amended, and further covenants to comply with said

Sections 103 and 148 and related sections and all applicable regulations thereunder throughout the term of said issue. The City hereby covenants and agrees to take all actions necessary under the Internal Revenue Code of 1986, as amended, 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 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 the principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made or caused to have been made in accordance with the terms thereof or (b) shall have been provided for by depositing with a national or state bank having trust powers or trust company, in trust, solely for such payment (i) sufficient money to make such payment and/or (ii) direct general obligations of 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 insure the availability of sufficient money to make such payment; 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 may be invested and reinvested in U.S. Government Obligations at the direction of the City, and all interest and income from such U.S. Government Obligations in the hands of 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 approve the Preliminary Official Statement with respect to the Refunding Bonds and the information therein contained, and the Mayor and City Finance Officer or either of them is authorized 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 are being sold on the basis of bond insurance to be provided by Assured Guaranty (the "Insurer"), 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 Clerk (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. The form of Commitment to Issue Financial Guaranty Insurance Policy (the "Commitment") provided by the Insurer is hereby approved and the Mayor and City Clerk (or any one or more of them) are hereby authorized to execute and deliver the Commitment on behalf of the City. The premium for the Financial Guaranty Insurance Policy issued by the Insurer pursuant to the Commitment insuring the payment when due of the principal of and interest on the Bonds as provided therein (the "Policy") shall be paid for by the City from its own funds or from the proceeds of the Bonds, as determined appropriate by the Mayor and City Treasurer of the City and if paid from the proceeds of the Bonds may be directly remitted by the Underwriter to the Insurer on behalf of the City. For purposes of the following provisions, this ordinance is sometime referred to as the "Ordinance" and the Paying Agent and Registrar as the "Paying Agent". The following provisions relate to and shall govern with respect to such bond insurance:

A. Notices and Other Information.

1. Any notice that is required to be given to holders of the Bonds (the "Bondholders"), nationally recognized municipal securities information repositories or state information depositories pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission or to the Paying Agent shall also be provided to Assured Guaranty, simultaneously with the sending of such notices. In addition, to the extent that the City has entered into a continuing disclosure agreement with respect to the Bonds, all information furnished pursuant to such agreement shall also be provided to Assured Guaranty, simultaneously with the furnishing of such information. All notices required to be given to Assured Guaranty shall be in writing and shall be sent by registered or certified mail addressed to Assured Guaranty Corp., 1325 Avenue of the Americas, New York, New York 10019, Attention: General Counsel, with a copy to Assured Guaranty, Attention: Risk Management Department-Public Finance Surveillance.
2. Assured Guaranty shall have the right to receive such additional information as it may reasonably request.

3. The City will permit Assured Guaranty to discuss the affairs, finances and accounts of the City or any information Assured Guaranty may reasonably request regarding the security for the Bonds with appropriate officers of the City, and will use best efforts to enable Assured Guaranty to have access to the facilities, books and records of the City on any business day upon reasonable prior notice.
4. The Paying Agent shall notify Assured Guaranty of any failure of the City to provide notices, certificates and other information under this Ordinance.

B. Defeasance. In the event that the principal and/or interest due on the Bonds shall be paid by Assured Guaranty pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge of the trust estate and all covenants, agreements and other Bonds of the City to the registered owners shall continue to exist and shall run to the benefit of Assured Guaranty, and Assured Guaranty shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

In addition, Assured Guaranty will require the following items:

1. An opinion of counsel that the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Bonds or refunded bonds.
2. An escrow agreement and an opinion of counsel regarding the validity and enforceability of the escrow agreement. The escrow agreement shall provide that:
  - a. Any substitution of securities shall require verification by an independent certified public accountant and the prior written consent of Assured Guaranty.
  - b. The City will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition of any such redemption there shall be provided to Assured Guaranty a verification of an independent certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption.
  - c. The City shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of Assured Guaranty.

C. Paying Agent.

1. Assured Guaranty shall receive prior written notice of any name change of the Paying Agent or the removal, resignation or termination of the Paying Agent.
2. No removal, resignation or termination of the Paying Agent shall take effect until a successor, acceptable to Assured Guaranty, shall be appointed.
3. The Paying Agent may be removed at any time, at the request of Assured Guaranty, for any breach of its Bonds under this Ordinance.

D. Amendments and Supplements. With respect to amendments or supplements to this Ordinance which do not require the consent of the Bondholders, Assured Guaranty must be given notice of any such amendments or supplements. With respect to amendments or supplements to this Ordinance which do require the consent of the Bondholders, Assured Guaranty's prior written consent is required. Copies of any amendments or supplements to such documents which are consented to by Assured Guaranty shall be sent to the rating agencies that have

assigned a rating to the Bonds. Notwithstanding any other provision of this Ordinance, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions thereof, the Paying Agent shall consider the effect on the Bondholders as if there were no Policy.

- E. Assured Guaranty as Third Party Beneficiary. To the extent this Ordinance confers upon or gives or grants to Assured Guaranty any right, remedy or claim under or by reason of this Ordinance, that Assured Guaranty is recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.
- F. Control Rights. Assured Guaranty shall be deemed to be the holder of all of the Bonds for purposes of (a) exercising all remedies and directing the Paying Agent to take actions or for any other purposes following an event of default under this Ordinance, and (b) granting any consent, direction or approval or taking any action permitted by or required under this Ordinance, as the case may be, to be granted or taken by the holders of such Bonds.

Anything in this Section 16 to the contrary notwithstanding, upon the occurrence and continuance of an event of default under this Ordinance, Assured Guaranty shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Paying Agent for the benefit of the Bondholders under this Documentation.

- G. Consent Rights of Assured Guaranty.
  - 1. *Consent of Assured Guaranty.* Any provision of this Ordinance expressly recognizing or granting rights in or to Assured Guaranty may not be amended in any manner that affects the rights of Assured Guaranty hereunder without the prior written consent of Assured Guaranty.
  - 2. *Consent of Assured Guaranty in Addition to Bondholder Consent.* Wherever this Ordinance requires the consent of Bondholders, Assured Guaranty's prior written consent shall also be required.
  - 3. *Consent of Assured Guaranty in the Event of Insolvency.* Any reorganization or liquidation plan with respect to the City must be acceptable to Assured Guaranty. In the event of any such reorganization or liquidation, Assured Guaranty shall have the right to vote on behalf of all Bondholders who hold Bonds guaranteed by Assured Guaranty, absent a payment default by Assured Guaranty under the Policy.

- H. Payment Procedure Under the Policy.
  - 1. At least two (2) Business Days prior to each payment date on the Bonds, the Paying Agent will determine whether there will be sufficient funds to pay all principal of and interest on the Bonds due on the related payment date and shall immediately notify Assured Guaranty or its designee on the same Business Day by telephone or electronic mail, confirmed in writing by registered or certified mail, of the amount of any deficiency. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest or both. If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify Assured Guaranty or its designee.
  - 2. The Paying Agent shall, after giving notice to Assured Guaranty as provided above, make available to Assured Guaranty and, at Assured Guaranty's direction, to any Fiscal Agent, the registration books of the City maintained by the Paying Agent and all records relating to the funds maintained under this Ordinance.
  - 3. The Paying Agent shall provide Assured Guaranty and any Fiscal Agent with a list of registered owners of Bonds entitled to receive principal or interest payments from Assured Guaranty under the terms of the Policy, and shall make arrangements with Assured Guaranty, the Fiscal Agent or another designee of Assured Guaranty to (i) mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from Assured Guaranty and (ii) pay principal upon Bonds

surrendered to Assured Guaranty, the Fiscal Agent or another designee of Assured Guaranty by the registered owners of Bonds entitled to receive full or partial principal payments from Assured Guaranty.

4. The Paying Agent shall, at the time it provides notice to Assured Guaranty of any deficiency pursuant to clause 1 above, notify registered owners of Bonds entitled to receive the payment of principal or interest thereon from Assured Guaranty (i) as to such deficiency and its entitlement to receive principal or interest, as applicable, (ii) that Assured Guaranty will remit to them all or a part of the interest payments due on the related payment date upon proof of its entitlement thereto and delivery to Assured Guaranty or any Fiscal Agent, in form satisfactory to Assured Guaranty, of an appropriate assignment of the registered owner's right to payment, (iii) that, if they are entitled to receive partial payment of principal from Assured Guaranty, they must surrender the related Bonds for payment first to the Paying Agent, which will note on such Bonds the portion of the principal paid by the Paying Agent and second to Assured Guaranty or its designee, together with an appropriate assignment, in form satisfactory to Assured Guaranty, to permit ownership of such Bonds to be registered in the name of Assured Guaranty, which will then pay the unpaid portion of principal, and (iv) that, if they are entitled to receive full payment of principal from Assured Guaranty, they must surrender the related Bonds for payment to Assured Guaranty or its designee, rather than the Paying Agent, together with the an appropriate assignment, in form satisfactory to Assured Guaranty, to permit ownership of such Bonds to be registered in the name of Assured Guaranty.
5. In addition, if the Paying Agent has notice that any holder of the Bonds has been required to disgorge payments of principal or interest on the Bonds previously due for payment pursuant to a final non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy laws, then the Paying Agent shall notify Assured Guaranty or its designee of such fact by telephone or electronic notice, confirmed in writing by registered or certified mail.
6. The Paying Agent will be hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Bonds as follows:
  - a. If and to the extent there is a deficiency in amounts required to pay interest on the Bonds, the Paying Agent shall (a) execute and deliver to Assured Guaranty, in form satisfactory to Assured Guaranty, an instrument appointing Assured Guaranty as agent for such holders in any legal proceeding related to the payment of such interest and an assignment to Assured Guaranty of the claims for interest to which such deficiency relates and which are paid by Assured Guaranty, (b) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from Assured Guaranty with respect to the claims for interest so assigned, and (c) disburse the same to such respective holders; and
  - b. If and to the extent of a deficiency in amounts required to pay principal of the Bonds, the Paying Agent shall (a) execute and deliver to Assured Guaranty, in form satisfactory to Assured Guaranty, an instrument appointing Assured Guaranty as agent for such holder in any legal proceeding related to the payment of such principal and an assignment to Assured Guaranty of the Bond surrendered to Assured Guaranty in an amount equal to the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from Assured Guaranty is received), (b) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from Assured Guaranty, and (c) disburse the same to such holders.
7. Payments with respect to claims for interest on and principal of Bonds disbursed by the Paying Agent from proceeds of the Policy shall not be considered to discharge the obligation of the City with respect to such

Bonds, and Assured Guaranty shall become the owner of such unpaid Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

8. Irrespective of whether any such assignment is executed and delivered, the City and the Paying Agent hereby agree for the benefit of Assured Guaranty that:
  - a. they recognize that to the extent Assured Guaranty makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Bonds, Assured Guaranty will be subrogated to the rights of such holders to receive the amount of such principal and interest from the City, with interest thereon as provided and solely from the sources stated in this Ordinance and the Bonds; and
  - b. they will accordingly pay to Assured Guaranty the amount of such principal and interest, with interest thereon as provided in this Ordinance and the Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Bonds to holders, and will otherwise treat Assured Guaranty as the owner of such rights to the amount of such principal and interest.
9. The City hereby agrees to pay or reimburse Assured Guaranty any and all charges, fees, costs and expenses which Assured Guaranty may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of this Ordinance, including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the City or any affiliate thereof) relating to this Ordinance or the transaction contemplated by this Ordinance, (iii) the foreclosure against, sale or other disposition of any collateral securing any Bonds under this Ordinance, or the pursuit of any remedies under this Ordinance, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, or (iv) any amendment, waiver or other action with respect to, or related to, this Ordinance whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of Assured Guaranty spent in connection with the actions described in clauses (ii) - (iv) above. In addition, Assured Guaranty reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Ordinance. The City will pay interest on the amounts owed in this paragraph from the date of any payment due or paid, at the per annum rate of interest publicly announced from time to time by JP Morgan Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, National Association) plus three percent (3%) per annum (the "Reimbursement Rate"). The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JPMorgan Chase Bank ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank, as Assured Guaranty shall specify. The provisions of this paragraph shall survive the redemption, defeasance or termination of the Bonds or the terminations of this Ordinance.
10. In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the City agrees to pay or reimburse Assured Guaranty any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which Assured Guaranty or its officers, directors, shareholders, employees, agents and each Person, if any, who controls Assured Guaranty within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in

11. respect of or relating to the transactions contemplated by this Ordinance by reason of:
  - a. any omission or action (other than of or by Assured Guaranty) in connection with the offering, issuance, sale, remarketing or delivery of the Bonds;
  - b. the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the City in connection with any transaction arising from or relating to this Ordinance;
  - c. the violation by the City of any law, rule or regulation, or any judgment, order or decree applicable to it;
  - d. the breach by the City of any representation, warranty or covenant under this Ordinance or the occurrence, in respect of the Issuer or the City, under this Ordinance of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or
  - e. any untrue statement or alleged untrue statement of a material fact contained in any official statement, if any, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an official statement, if any, and furnished by Assured Guaranty in writing expressly for use therein.
12. Assured Guaranty shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the City (as such terms are defined in the Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Ordinance, whether or not Assured Guaranty has received a Notice (as defined in the Policy) of Nonpayment or a claim upon the Policy.

In addition, Assured Guaranty shall, to the extent it makes any payment of principal or interest on the Bonds become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of claims for interest, the Paying Agent shall note Assured Guaranty's rights as subrogee on the registration books of the City maintained by the Paying Agent, upon receipt of proof of payment of interest thereon to the registered holders of the Bonds, and (ii) in the case of claims for principal, the Paying Agent, if any, shall note Assured Guaranty's rights as subrogee on the registration books of the City maintained by the Paying Agent, upon surrender of the Bonds together with receipt of proof of payment of principal thereof.

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

PASSED AND APPROVED THIS 3RD DAY OF JUNE, 2008.

CITY OF LA VISTA

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Douglas Kindig, Mayor

ATTEST:

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Pamela A. Buethe, CMC  
City Clerk

Motion for adjournment was duly made, seconded and on roll call vote was declared adopted by the Mayor.

I, Pamela A. Buethe, the undersigned City Clerk for the City of La Vista, Nebraska, hereby certify that the foregoing is a true and correct copy of the proceedings had and done by the Mayor and Council on June 3, 2008; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that a current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, posted during such meeting in the room in which such meeting was held; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes from which the foregoing proceedings have 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 said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

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Pamela A. Buethe, CMC  
City Clerk