

ORDINANCE NO. 1132

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 2016, OF THE CITY OF ASHLAND, NEBRASKA, IN THE PRINCIPAL AMOUNT OF ONE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$1,450,000) ISSUED TO REFINANCE CERTAIN OUTSTANDING BONDS OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR A SINKING FUND AND FOR THE LEVY AND COLLECTION OF TAXES TO PAY SAID BONDS TO THE EXTENT NOT PAID FROM OTHER SOURCES; PROVIDING FOR THE SALE OF THE BONDS AND AUTHORIZING THE CITY TO ENTER INTO A BOND PURCHASE AGREEMENT; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; PROVIDING FOR THE DISPOSITION OF THE BOND PROCEEDS AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM

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

Section 1. The Mayor and Council of Council Members (the "Council") of the City of Ashland, Nebraska (the "City"), hereby find and determine:

(a) that the City has heretofore issued interest-bearing bonds, which remain unpaid and constitute a legal liability against the City as follows (the "Outstanding Bonds"):

Sewer Bonds, Series 2011, dated March 1, 2011, in the outstanding principal amount of \$1,425,000;

(b) that by taking up and paying off such Outstanding Bonds by an issue of General Obligation Refunding Bonds of the City, a substantial savings in the amount of yearly running interest will be made to the City;

(c) that by issuing its refunding bonds in the amount of \$1,450,000 together with a deposit of other available funds of the City, the Outstanding Bonds can be taken up and paid off on August 9, 2016, and have been called for redemption on said date; and

(d) that all conditions, acts and things required by law to exist or to be done precedent to the issuance of general obligation refunding bonds in the amount of \$1,450,000 pursuant to Section 10-142, R.R.S. Neb. 2012, as amended, do exist and have been done in due form and time as required by law.

Section 2. For purposes as set out in Section 1 hereof, there shall be and there are hereby ordered issued General Obligation Sewer Refunding Bonds, Series 2016, to bear date of original issue of August 9, 2016, and to be in fully registered form (the "Bonds"). The Bonds shall bear interest at the rates per annum and mature on March 1 of each year in the principal amounts as follows:

<u>Principal Amount</u>	<u>Maturing on March 1 of Year</u>	<u>Interest Rate Per Annum</u>
\$70,000	2017	0.80%
70,000	2018	0.90
60,000	2019	1.00
65,000	2020	1.15
65,000	2021	1.25
70,000	2022	1.40
70,000	2023	1.50
75,000	2024	1.60
80,000	2025	1.70
80,000	2026	1.85
95,000	2027	2.00
95,000	2028	2.10
100,000	2029	2.25
100,000	2030	2.40
355,000	2031	2.65

The Bonds shall be issued in the denomination of \$5,000 or any integral multiple thereof and 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 purchasers thereof. Interest on the Bonds shall be computed on the basis of a three hundred sixty day year consisting of twelve thirty-day months. Interest on the Bonds shall be payable semiannually on March 1 and September 1 of each year, starting March 1, 2017 (each such date, an "Interest Payment Date"). The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the close of business on the fifteenth day of the calendar month immediately preceding the calendar month in which the Interest Payment Date occurs (the "Record Date"), subject to the provisions of Section 3 hereof. Payment of interest due on the bonds prior to maturity or redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 3 hereof, by mailing a check in the amount due for such interest on each Interest Payment Date to the registered owner of each bond, as of the applicable Record Date, to such owner's registered address as shown on the books of registration, as required to be maintained in Section 3 hereof. Payment of principal due at maturity or at any date fixed for redemption, together with any accrued interest then due, 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. In the event that bonds of this issue are held in the nominee name of a national clearinghouse or depository, payment of principal or interest shall be made by wire transfer of funds in accordance with any applicable regulations governing "Depository Eligible Securities". 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 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. If any Bond is not paid upon presentation of the bond at maturity or any interest installment is not paid when due, the delinquent Bond or delinquent interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01 R.R.S. Nebraska, 2010, as now existing or as the same may be amended from time to time by the Nebraska Legislature.

Section 3. The City Treasurer is hereby designated as Paying Agent and Registrar for the Bonds, provided that the Mayor and Council reserve the right, in their discretion, to appoint a bank with trust powers or trust company to serve as Paying Agent and Registrar under the terms of this Ordinance as may be determined from time to time. 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 Paying Agent and Registrar in Ashland, Nebraska or the principal corporate trust office of any duly-appointed successor, as applicable. 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 the Paying Agent and Registrar upon surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to such 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 will register such transfer upon said registration books and deliver to the transferee registered owner or owners (or send by registered mail to the transferee owner or owners at such owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new Bond or Bonds of the same 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 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 interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bond or Bonds shall be cancelled and destroyed. All Bonds issued upon transfer of the Bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the Bonds surrendered and shall be entitled to all benefits and protection of this ordinance to the same extent as the Bonds upon transfer of which they were delivered. The City and the Paying Agent and Registrar shall not be required to transfer Bonds during any period from any Record Date until its immediately following interest payment. 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 4. Bonds maturing on or after March 1, 2022 shall be subject to redemption, in whole or in part, prior to maturity at any time on or after August 9, 2021, 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 such optional redemption in its sole discretion. Bonds shall be redeemed only in the amount of \$5,000 or integral multiples thereof. Notice of redemption of any Bond called for

redemption shall be given, at the direction of the Mayor and Council in the case of optional redemptions and without further direction in the case of mandatory redemptions, by the Paying Agent and Registrar by mail not less than thirty (30) days prior to the date fixed for redemption, first class postage prepaid, sent to the registered owner of such Bond at said owner's registered address. Such notice shall designate the Bond or Bonds to be redeemed by number and maturity, the date of original issue, the date fixed for redemption and 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 Mayor and Council 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 Mayor and Council shall have the right to further direct notice of redemption for any such Bond for which defective notice has been given.

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 where the office of the Paying Agent 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.

Section 6. The Bonds shall be executed on behalf of the City by being signed by the Mayor and the City Clerk, both of which signatures may be facsimile signatures, and shall have the City seal impressed on each Bond, which may be a facsimile seal. The City Clerk shall make and certify a transcript of proceedings had and done precedent to the issuance of said Bonds which shall be delivered to the purchaser of said Bonds. After being executed by the Mayor and City Clerk, said Bonds shall be delivered to the Treasurer of the City who shall be responsible therefor under his/her official Bond. Such Treasurer shall maintain a record of information with respect to said Bonds in accordance with the requirements of Section 10-140, R.R.S. Neb. 2012, as amended, and shall cause the same to be filed with the office of the Auditor of Public Accounts of the State of Nebraska. The Paying Agent and Registrar shall register each Bond in the name of its initial registered owner as designated by the initial purchaser. Each Bond shall be authenticated on behalf of the City by the Paying Agent and Registrar. 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 of the City are authorized to execute and deliver a letter of representations and inducement (the "Letter of Representations") in the form required by the Depository (which may include any "blanket" letter previously executed and delivered), for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Bonds. Upon 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 to or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (ii) to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such Bonds shall designate.

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

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

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

(i) any successor securities depository or its nominee;

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

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

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

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

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF SAUNDERS
CITY OF ASHLAND

GENERAL OBLIGATION SEWER REFUNDING BOND,
SERIES 2016

Bond No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
_____ %	March 1, ____	August 9, 2016	_____

Registered Owner: _____

Principal Amount: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Ashland, in the County of Saunders, in the State of Nebraska (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the registered owner specified above the principal amount specified above in lawful money of the United States of America on the maturity date specified above, with interest thereon from date of original issue specified above or most recent interest payment date to which interest has been paid or provided for, whichever is later, to maturity (or earlier redemption) at the rate per annum specified above. Interest shall be payable semiannually on the first day of March and September in each year, starting March 1, 2017. Interest shall be computed on the basis of a three hundred sixty day year consisting of twelve thirty-day months. If this bond is not paid upon presentation at maturity or any interest installment hereon is not paid when due, the bond or interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01 R.R.S. Nebraska 2010, as now existing or as the same December be amended from time to time by the Nebraska Legislature. The interest hereon due prior to maturity shall be paid on each interest payment date by the City Treasurer, as Paying Agent and Registrar for the City by wire transfer (but only in accordance with the limited terms of the authorizing ordinance), check or draft mailed to the registered owner hereof, as shown on the records of the Paying Agent and Registrar as of the close of business on the fifteenth day of the calendar month immediately preceding the month in which the interest payment date occurs, at such owner's registered address as it appears on the books of registration of the City. The principal of this bond and the interest due at maturity are payable on presentation and surrender to said Paying Agent and Registrar at the office of the Paying Agent and Registrar in Ashland, Nebraska or the principal corporate trust office of any duly-appointed successor, as applicable. 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.

For the prompt payment of this bond, principal and interest as the same become due, the full faith, credit and resources of said City are hereby irrevocably pledged.

The City, however, reserves the right and option of paying bonds of this issue maturing on or after March 1, 2022, in whole or in part, on August 9, 2021, or at any time thereafter, at the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of any such redemption shall be given by mail, sent to the registered owner of any bond to be redeemed at said registered owner's address in the manner provided in the ordinance authorizing said bonds. Individual bonds may be redeemed in part but only in the amount of \$5,000 or integral multiples thereof. Any bond redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new bond or bonds evidencing the unredeemed principal thereof.

This bond is one of an issue of fully registered bonds of the total principal amount of \$1,450,000, of like tenor herewith except as to denomination, date of maturity and rate of interest issued by the City for the purpose of refunding the City's outstanding Sewer Bonds, Series 2011, dated March 1, 2011, in the outstanding principal amount of \$1,425,000 in full compliance with Section 10-142, Reissue Revised Statutes of Nebraska, 2012. This bond and the others of this issue have been duly authorized by an Ordinance duly passed and approved by the Mayor and Council of the City.

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, its 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 hereof and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

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

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT AND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT AND REGISTRAR FOR PAYMENT OF

PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR 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.

This bond shall not be valid and binding on the City until authenticated by the Paying Agent and 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 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 limitations imposed by law. The City covenants and agrees that it will cause to be levied and collected annually a tax by valuation on all the taxable property in said City, in addition to all other taxes, sufficient in rate and amount to pay the interest on this bond when and as the same becomes due and to create a sinking fund to pay the principal of this bond when the same becomes due.

IN WITNESS WHEREOF, the Mayor and Council of the City of Ashland, Nebraska, have caused this bond to be executed on behalf of the City by being signed by the Mayor and Clerk of the City, both of which signatures may be facsimile signatures, and by causing the official seal of the City to be affixed hereto which may be a facsimile seal, all as of the date of original issue shown above.

CITY OF ASHLAND, NEBRASKA

By _____ (Sample - Do Not Sign) _____
Mayor

ATTEST:

(Sample- Do Not Sign)
City Clerk

(S E A L)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by an ordinance passed and approved by the Mayor and Council of the City of Ashland as described in said bonds.

(Sample – Do Not Sign)
City Treasurer of Ashland, Nebraska,
as Paying Agent and Registrar

(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

SIGNATURE GUARANTEED

By _____

Authorized Officer

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

Section 8. The City Clerk shall make and certify a transcript of proceedings of the City precedent to the issuance of said Bonds which shall be delivered to the purchaser of the Bonds. After the Bonds have been executed, they shall be delivered to the City Treasurer who shall register the same in the names of the initial registered owners thereof as directed by the Initial Purchaser designated in Section 9 hereof and shall be responsible therefor under her official bond.

Section 9. The Bonds are hereby sold to Ameritas Investment Corp. (the "Initial Purchaser") at 98.60% of the principal amount thereof, and the City Treasurer is authorized to deliver the Bonds to the Initial Purchaser upon receipt of said amount plus accrued interest to date of payment. The Bonds are sold to the Initial Purchaser subject to the opinion of Rembolt Ludtke LLP, as Initial Purchaser's bond counsel that the Bonds are lawfully issued; that the Bonds constitute a valid obligation of the City; and that under existing laws and regulations the interest on the Bonds is exempt from both Nebraska state and federal income taxes. Such purchaser and its agents, representatives and counsel (including Initial Purchaser's 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 (as defined herein) at closing. The Council Members and officers of the City (or any one of them) are hereby authorized to enter into a Bond Purchase Agreement substantially in the form presented herewith for the sale of the Bonds to the Initial Purchaser. The net proceeds of the Bonds shall be applied upon receipt for the purposes described in Section 1 hereof.

Section 10. The City covenants and agrees that it will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, in addition to all other taxes, sufficient in rate and amount to pay interest on the Bonds as and when the same becomes due and to create a sinking fund to pay the principal of the Bonds when the same becomes due.

Section 11. The City Council hereby approves (and declares final) on behalf of the City the preliminary Official Statement prepared with respect to the bonds and hereby authorizes the Mayor and Clerk or either of them to approve, execute and deliver on behalf of the City a final Official Statement relating to and describing the bonds. The officers of the City are further authorized to take any and all actions deemed necessary by them in connection with the carrying out and performance of the terms of this Ordinance.

Section 12. In accordance with the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule") promulgated by the Securities and Exchange Commission, the City being the only "obligated persons" other than the City with respect to the bonds, and being an "obligated person" with respect to no more than \$10,000,000 in aggregate amount of outstanding municipal securities (including the Bonds), agrees that it will provide the following continuing disclosure information to the Municipal Securities Rulemaking Council (the "MSRB") in an electronic format as prescribed by the MSRB:

- (a) at least annually not later than nine (9) months after the end of the City's fiscal year, financial information or operating data for the City which is customarily prepared by the City and is publicly available, including the City's audited financial statements and information of the type included in the audit;
- (b) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;

- (7) modifications to rights of the holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar events of the City (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City);
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional Council Member or the change of name of a Council Member, if material.

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


The City agrees that all documents provided to the MSRB under the terms of this continuing disclosure undertaking shall be in such electronic format and accompanied by such identifying information as shall be prescribed by the MSRB. 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 or the accounting methods in accordance with which such information is presented, to the extent necessary or appropriate in the judgment of the City, consistent with the Rule. The City agrees that such covenants are for the benefit of the registered owners of the bonds (including Beneficial Owners) and that such covenants may be enforced by any registered owner or Beneficial Owner, provided that any such right to enforcement shall be limited to specific enforcement of such undertaking and any failure shall not constitute an event of default under the Ordinance. The continuing disclosure obligations of the City with regards to the bonds, as described above, shall cease when none of the bonds remain outstanding. The name, address and telephone number of the person from whom the foregoing information, data and notices can be obtained is the City Clerk.

Section 13. The City of Ashland, Nebraska, hereby covenants to the purchasers and holders of the Bonds hereby authorized that it will make no use of the proceeds of the Bonds, including monies held in any sinking fund for the payment of the Bonds, which would cause the Bonds to be arbitrage Bonds within the meaning of Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and further covenants to comply with Sections 103 and 148 of the Code and all applicable regulations thereunder throughout the term of the Bonds. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax-exempt status of interest payable on the Bonds with respect to taxpayers generally but not including insurance companies or corporations subject to the additional minimum tax. The City hereby designates the Bonds as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not anticipate issuing tax-exempt obligations in calendar 2016 in an amount in excess of \$10,000,000.

Section 14. In order to promote compliance with certain federal tax and securities laws relating to the notes herein authorized (as well as other outstanding bonds) the City has previously adopted "Post-Issuance Compliance Policy and Procedures".

Section 15. This Ordinance shall be published in pamphlet form and take effect as provided by law.

PASSED AND APPROVED this 7th day of July, 2016.



Mayor

ATTEST:



City Clerk

(S E A L)

