

ORDINANCE 972

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AN ORDINANCE APPROVING THE ISSUANCE OF LEASE PURCHASE REFUNDING BONDS, SERIES 2013 BY THE CITY OF CENTRAL CITY MUNICIPAL FACILITIES CORPORATION ON BEHALF OF THE CITY; AUTHORIZING THE APPROVAL OF DOCUMENTS RELATED THERETO IN FINAL FORM; MAKING CERTAIN ALLOCATIONS WITH RESPECT TO SAID BONDS AND AUTHORIZING ALL OTHER ACTIONS NECESSARY OR APPROPRIATE IN CONNECTION THEREWITH.

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

Section 1. The Mayor and City Council hereby determine: that the City has previously entered into a Lease-Purchase Agreement, dated June 26, 2008 (the "Lease"), with the City of Central City Municipal Facilities Corporation (the "Corporation"), and that the Corporation has issued its Lease Purchase Bonds, Series 2008, dated June 26, 2008 (the "2008 Bonds"), for the purpose of providing funds to construct a swimming pool to be used for public purposes in and for the City (the "Project"); that the 2008 Bonds were issued pursuant to a Trust Indenture, Mortgage and Security Agreement, dated as of June 26, 2008 (the "2008 Indenture") by and between the Corporation and The Fremont National Bank and Trust Company (the "Trustee"); that pursuant to the 2008 Indenture the Lease has been assigned to the Trustee; that interest rates available in the bond markets have declined so that by issuing bonds to provide for the refunding of the 2008 Bonds a significant savings in interest and rents may be made by said Corporation for the benefit of the City; that it is advisable for the Corporation to refund the outstanding 2008 Bonds so as to take advantage of such savings; that the documents that are necessary for the transaction by the Corporation have been prepared for approval by the City.

Section 2. The Mayor and Council hereby find and determine that the Corporation proposes to issue its Lease Purchase Refunding Bonds, Series 2013 in the principal amount of \$2,115,000 (the "2013 Refunding Bonds") to refund the 2008 Bonds and in connection therewith will supplement and modify the 2008 Indenture by executing and delivering a Supplemental Trust Indenture, Mortgage and Security Agreement by and between the Corporation and the Trustee, to be dated as of July 16, 2013 (the "Supplemental Indenture"), with the Supplemental Indenture authorizing the issuance of the 2013 Refunding Bonds and setting terms and conditions related to the 2013 Refunding Bonds and that in connection with the Supplemental Indenture and the issuance of the 2013 Refunding Bonds, the Corporation and the Trustee will enter into Rental Return Agreement to be dated as of July 16, 2013 (the "Rental Return Agreement") and that the terms and conditions of the Supplemental Indenture, the 2013 Refunding Bonds and the Rental Return Agreement should be and they are hereby approved by the Mayor and Council on behalf of the City.

Section 3. The Mayor and Council hereby approve the formation of the Corporation, including the Articles of Incorporation and Bylaws thereof and three directors thereof; and further approve the sale of the 2013 Refunding Bonds pursuant to the Supplemental Indenture and the officers of the City (or any one or more of them, including the Mayor, City Clerk and City

Treasurer) are hereby authorized to execute a certification on behalf of the City approving the Supplemental Indenture, the 2013 Refunding Bonds and the Rental Return Agreement, in substantially the form presented in connection with the passage and approval of this ordinance but with any such changes as shall be deemed appropriate by the officer or officers executing such certificate on behalf of the City.

Section 4. The Mayor and Council hereby state that it is the intention of the City that interest on said 2013 Refunding Bonds, as issued by said Corporation on behalf of the City, shall be excludable from gross income under the federal income tax by virtue of Section 103 of the Internal Revenue Code of 1986, as amended, and Revenue Ruling 63-20 and Revenue Procedure 82-26 of the Internal Revenue Service and the Mayor and Council hereby authorize the Mayor and City Clerk to take all actions necessary or appropriate to carry out said intention and for obtaining such interest exclusion. Said 2013 Refunding Bonds, as issued on behalf of the City, are hereby designated by the City as "qualified tax-exempt obligations" under Section 265(b)(3)(B)(i)(III) of the Internal Revenue Code of 1986, as amended, and the City hereby covenants and warrants that it does not anticipate issuance directly by it or on its behalf of bonds or other interest bearing obligations in an amount exceeding \$5,000,000 in calendar 2013. The City of Central City Municipal Facilities Corporation is hereby declared to be a subordinate entity issuing on behalf of the City within the meaning of Section 148(f)(4)(D)(iv) of the Internal Revenue Code of 1986, as amended, and Reg. Section 1.148-8(c)(2)(ii)(B) of the Regulations of the United States Department of Treasury and the City hereby irrevocably allocates \$2,115,000 in principal amount of bonds to said Corporation pursuant to said Section 148(f)(4)(D)(iv) and said Reg. Section 1.148-8(c)(2)(ii)(B) and determines that this City will receive the full benefit from the issuance of said Refunding Bonds. The City hereby covenants, as and to the fullest extent that it may lawfully do so, to take all actions necessary to preserve the tax-exempt status of the interest payable with respect to said Refunding Bonds.

Section 5. This ordinance shall be published in the *Central City Rep.-Nonpareil*, in the manner required by law for such newspaper publication and shall be in force and effect from and after its passage and publication as provided by law and City Ordinance.

PASSED AND APPROVED this 10th day of June, 2013.

CITY OF CENTRAL CITY, NEBRASKA

Mayor

City Clerk