

ORDINANCE NO. 09-707

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009 OF THE CITY OF FRIEND, NEBRASKA, IN A PRINCIPAL AMOUNT NOT TO EXCEED OF NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000) TO REFUND ALL OR PART OF THE CITY OF FRIEND, NEBRASKA (A) OUTSTANDING VARIOUS PURPOSE BONDS, SERIES 2002, DATED AS OF JULY 1, 2002, IN THE PRINCIPAL AMOUNT OF THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$370,000), AND (B) OUTSTANDING REFUNDING BONDS, DATED FEBRUARY 11, 2004, IN THE PRINCIPAL AMOUNT OF FOUR HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$445,000); PRESCRIBING THE TERMS AND FORM OF SUCH BONDS; PROVIDING FOR THE LEVY OF TAXES TO PAY THE INTEREST ON AND PRINCIPAL OF SUCH BONDS; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM; AND RELATED MATTERS

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

Section 1. The Mayor and Council (the “**Council**”) of the City of Friend, Nebraska (the “**City**”) hereby find and determine that:

(a) there City has previously issued and there are now outstanding and unpaid valid interest-bearing bonds of the City as follows:

(1) Various Purpose Bonds, Series 2002, dated as of July 1, 2002, in the principal amount of \$370,000 (the “**Outstanding 2002 Bonds**”), and bearing interest and maturing as follows:

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2009	\$35,000	4.10%
2010	35,000	4.25
2011	35,000	4.40
2012	40,000	4.50
2013	40,000	4.60
2014	45,000	4.70
2015	45,000	4.80
2016	45,000	4.90
2017	50,000	5.00

such bonds being part of an issue of \$550,000 principal amount of Various Purpose Bonds, Series 2002 issued pursuant to Ordinance No. 02-581 duly passed by the Council and approved by the Mayor on June 4, 2002 (the “**2002 Ordinance**”), bonds maturing on or after August 1, 2007, being redeemable at the option of the City at any time on or after July 1, 2007, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

(2) Refunding Bonds, dated as of July 1, 2004, in the principal amount of \$445,000 (the “**Outstanding 2004 Bonds**”), and bearing interest and maturing as follows:

<u>Maturity</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2009	\$55,000	2.95%
2010	60,000	3.20
2011	60,000	3.45
2012	60,000	3.65
2013	65,000	3.75
2014	70,000	3.90
2015	75,000	4.00

such bonds being part of an issue of \$685,000 principal amount of Refunding Bonds issued pursuant to Ordinance No. 03-668 duly passed by the Council and approved by the Mayor on January 6, 2004 (the “**2004 Ordinance**”), such bonds maturing on or after December 1, 2009, being redeemable at the option of the City at any time on or after February 11, 2009, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

(b) All of the Outstanding 2002 Bonds and the Outstanding 2004 Bonds (collectively, the “**Outstanding Bonds**”) remain unpaid and are a legal liability against the City, provision for the payment of which may be made by the lawful issuance and sale of refunding bonds of the City pursuant to Section 10-142, Reissue Revised Statutes of Nebraska, as amended.

(c) Since the issuance of the Outstanding 2002 Bonds and the Outstanding 2004 Bonds, the rates of interest available in the markets have declined so that the City can effect a savings in interest costs by providing for payment and redemption of all or part of the Outstanding 2002 Bonds and/or the Outstanding 2004 Bonds, as determined by the Mayor in accordance with the provisions of this Ordinance (collectively, the “**Refunded Bonds**”), through the issuance of refunding bonds of the City.

(d) By making provision for the redemption and payment of the Refunded Bonds through the issuance of refunding bonds, a savings in the amount of annual debt service on the Refunded Bonds would be made by the City.

(e) By resolution heretofore adopted, the City has, in the manner prescribed by law, duly called the Refunded Bonds for payment and redemption on the date determined by the Mayor in accordance with the provisions of Resolution No. _____ of the City (the “**Redemption Date**”).

(f) All bond sinking fund money of the City in existence with respect to the Refunded Bonds has been or will be used to pay principal and interest maturing, accruing and falling due on the Refunded Bonds on or before the Redemption Date, all of such sinking fund money being hereby appropriated and set aside for such purpose, it being found hereby that no sinking fund money is presently in existence to pay the principal of or interest on the Refunded Bonds being called for redemption on the Bond Redemption Date, and that the City has no other funds accumulated for the payment thereof.

(g) All conditions, acts and things required by law to exist or to be done precedent to and in the issuance of refunding bonds of the City in the principal amount of not to exceed \$950,000 do exist and have been done and performed as required or provided by law.

Section 2. (a) The Mayor and Council further find and determine that: all conditions, acts and things required by law to exist or to be done precedent to the issuance of General Obligation Refunding Bonds of the City pursuant to Sections 10-142, Reissue Revised Statutes of Nebraska, as amended, to refund

and provide for the payment and redemption of the Refunded Bonds do exist and have been done as required by law and, at such time as the present value of the savings (a) from refunding the Outstanding 2002 Bonds is not less than 3.00% and/or (b) from refunding the Outstanding 2004 Bonds is not less than 1.00%, there shall be and there are hereby ordered issued General Obligation Refunding Bonds, Series 2009 of the City of Friend, Nebraska, in a principal amount sufficient to refund all or part of the Outstanding 2002 Bonds and/or the Outstanding 2004 Bonds, not to exceed Nine Hundred Fifty Thousand Dollars (\$950,000) (the “**Bonds**”) consisting of Bonds fully registered as to both principal and interest on the books of the Bond Registrar and Paying Agent named herein (the “**Registrar**”), numbered from one upwards in order of issuance in the denomination of \$5,000 and integral multiples thereof, having a Date of Original Issue of the date of delivery thereof and payment therefor, such Bonds to become due and to bear interest calculated on the basis of a 360-day year consisting of twelve 30-day months as determined by the Mayor in accordance with the provisions of **Section 2(b)** hereof.

(b) The Mayor is hereby authorized and directed, in the exercise of his own independent judgment and absolute discretion, to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Ordinance: (1) the date of original issue of the Bonds, (2) whether the Bonds shall be issued to refund all or part of the Outstanding 2002 Bonds and/or the Outstanding 2004 Bonds, the maturities and principal amounts thereof to be refunded, and the aggregate principal amount of Bonds to be issued, which shall in no event exceed \$950,000, (3) the years in which a principal maturity of the Bonds shall occur and the principal amount of Bonds to mature December 1 of each of such years, (4) the date of final maturity of the Bonds, which shall in no event be later than December 1, 2017, (5) the date or dates upon which the Bonds shall be sold, (6) the rate or rates of interest to be carried by each maturity of the Bonds such that the yield on the Bonds (computed in conformance with the provisions of the Code) shall not exceed 4.00%, (7) all of the other terms of the Bonds not otherwise determined or fixed by the provisions of this Ordinance, (8) the underwriting discount, not to exceed 1.25% and the price, not less than 98.0% of the principal amount thereof, at which the Bonds shall be sold pursuant to the Purchase Agreement (herein defined), (9) the form and contents of any preliminary and final official statements or other offering materials of the City utilized in connection with any offering or sale of the Bonds to the public, (10) the form, content, terms and provisions of any published and/or mailed notice of redemption with respect to redemption and retirement of any of the Refunded Bonds, and (11) the form, content, terms, and provisions of any closing and other documentation executed and delivered by the City in connection with authorization, issuance, sale and delivery of the Bonds.

(c) The Bonds maturing on or before December 1, 2013 shall not be subject to redemption prior to their stated maturities. The Bonds maturing on or after December 1, 2014 shall be subject to redemption at the option of the City prior to the stated maturities thereof at any time on or after the fifth anniversary of the Date of the Original Issue, as a whole, or in part from time to time in such principal amount and from such maturity or maturities as the City, in its sole and absolute discretion shall determine, and in the event that less than all of the Bonds of any maturity are to be called for redemption, the particular Bonds of such maturity to be redeemed shall be selected by lot, at a redemption price of the amount thereof, together with the interest accrued on such principal amount to the date fixed for redemption.

The Bonds shall be redeemed in whole multiples of \$5,000 and if any Bond be in a denomination in excess of \$5,000, portions of the principal amount thereof in installments of \$5,000 or any multiples thereof may be redeemed, and if less than all of the principal amount thereof is to be redeemed, in such case upon the surrender of such Bond there shall be issued to the registered owner thereof without charge therefor, for the then unredeemed balance of the principal amount thereof, Bonds of like series, maturity and interest rates in any of the authorized denominations provided by this Ordinance.

Notice of redemption of Bonds stating their designation, date, maturity and principal amounts shall be given by the Registrar by mailing such notice by first-class mail, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption to the registered owners at their most recent addresses appearing upon the books of registry, but failure to mail such notice shall not affect the proceedings for redemption. Notice of redemption need not be given to the holder of any Bond, whether registered or not, who has waived notice of redemption. Notice of redemption having been given as provided above or notice of redemption having been waived by the owners of Bonds called for redemption who have not been given such notice as provided above, the Bonds so called for redemption shall become due and payable on the designated redemption date. The City shall give written notice to the Registrar of its election to redeem Bonds at least forty-five days prior to the said redemption date, or such shorter period as shall be acceptable to the Registrar. If on or before the said redemption date funds sufficient to pay the Bonds so called for redemption at the applicable redemption price and accrued interest to said date have been deposited or caused to have been deposited by the City with the Registrar for the purposes of such payment and notice of redemption thereof has been given or waived as hereinbefore provided, then from and after the date fixed for redemption interest on such Bonds so called shall cease to accrue and become payable. If such funds shall not have been so deposited with the Registrar as aforesaid on or before the date fixed for redemption, such call for redemption shall be revoked and the Bonds so called for redemption shall continue to be outstanding the same as though they had not been so called, and shall continue to bear interest until paid at such rate as they would have borne had they not been called for redemption, and shall continue to be protected by this Ordinance and entitled to the benefits and security hereof.

Section 3. Interest on the Bonds at the respective rates for each maturity is payable semiannually on June 1 and December 1 of each year beginning December 1, 2009 (each of said dates an **“Interest Payment Date”**) from the Date of Original Issue or the most recent Interest Payment Date, whichever is later, until maturity or earlier redemption by check or draft mailed by the Registrar or its successor on such Interest Payment Date to the registered owner of each Bond at such registered owner’s address as it appears on the Bond Register maintained by the Registrar or its successor at the close of business on the fifteenth day of the month preceding the month in which each Interest Payment Date occurs (the **“Record Date”**) subject to the provisions of the following paragraph. The principal on the Bonds and the interest due at maturity or upon redemption prior to maturity is payable in lawful money of the United States of America to the registered owners thereof upon presentation and surrender of such Bonds to the Registrar.

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

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 of St. Louis, Missouri 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 4. Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk and shall have the City Seal impressed or imprinted on each Bond. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds and shall cease to be such officer before the delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond has been duly executed by

the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate or authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Ordinance.

Section 5. The Bonds shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF SALINE
CITY OF FRIEND
GENERAL OBLIGATION REFUNDING BOND, SERIES 2009**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Issue</u>	<u>CUSIP Number</u>
	December 1, 20__	April __, 2009	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The **CITY OF FRIEND, NEBRASKA** (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner specified above or registered assigns, the Principal Amount stated above in lawful money of the United States of America on the Maturity Date specified above, with interest thereon, calculated on the basis of a 360-day year consisting of twelve 30-day months, from Date of Issue stated above at the Interest Rate per annum specified above, payable semiannually on June 1 and December 1 of each year, beginning December 1, 2009 (each of such dates an “**Interest Payment Date**”) until maturity or earlier redemption.

The Principal Amount and the interest due at maturity or upon redemption prior to maturity is payable to the Registered Owner hereof in lawful money of the United States of America without deduction for services as paying agent at the office of the Bond Registrar and Paying Agent, **UMB BANK, N.A.** (the “**Registrar**”), upon presentation and surrender of this bond. Interest on this bond due prior to maturity or earlier redemption shall be paid by check or draft mailed by the Registrar on the date such interest is due and payable to the Registered Owner at such Registered Owner’s address as it appears on the registration books of the Registrar as of the close of business on the fifteenth day of the month preceding the month in which interest on this bond is payable (the “**Record Date**”). Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the Registered Owner of this bond (or of one or more predecessor bonds hereto) on such special Record Date for payment of such defaulted interest as shall be fixed by the Registrar whenever money for such purpose become available. For the prompt payment of this bond, both principal and interest at the time the same becomes due, the full faith, credit, resources and taxing powers of the City are hereby pledged.

The bonds of the series of which this bond is one maturing on or prior to December 1, 2013 shall not be subject to redemption prior to their stated maturities. The bonds of the series of which this bond is one maturing on and after December 1, 2014 are subject to redemption at the option of the City prior to the stated maturities thereof at any time on and after the fifth anniversary of the Date of Issue, as a whole, or in part from time to time in such principal amounts and from such maturity or maturities as the City, in its sole and absolute discretion, shall determine, and in the event that less than all the bonds of a maturity are to be called for redemption, the particular bonds of such maturity to be redeemed shall be selected by lot at the

redemption price of the principal amount thereof, together with the interest accrued on such principal amount to the date fixed for redemption.

Bonds shall be redeemed in whole multiples of \$5,000 and if any bond be in a denomination in excess of \$5,000, portions of the principal amount thereof in installments of \$5,000 or any multiples thereof may be redeemed, and if less than all of the principal thereof is to be redeemed, in such case upon the surrender of such bond there shall be issued to the registered owner thereof without charge therefor, for the then unredeemed balance of the principal amount thereof, registered bonds of like series, maturity and interest rates in any of the authorized denominations provided by the Ordinance (hereinafter defined).

Notice of redemption of this bond shall be given to the Registered Owner hereof by first-class mail, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption, all as more particularly set forth in the Ordinance (hereinafter defined). Notice of redemption having been given as provided in the Ordinance (hereinafter defined), or notice of redemption having been waived, and funds for the payment thereof having been deposited with the Registrar, this bond shall cease to bear interest from and after the date fixed for redemption.

This bond is one of a series of bonds numbered from 1 upwards, in order of their issuance, being in the denomination of \$5,000 and integral multiples thereof, of the total principal amount of _____ Thousand Dollars (\$_____) all of like date and tenor except as to denomination, date of maturity, rate of interest and priority of redemption which have been issued by the City for the purpose of providing for the payment and redemption of [(1) \$370,000 principal amount of the City's Various Purpose Bonds, Series 2002, dated as of July 1, 2002, and (2) \$445,000 aggregate principal amount of the City's Refunding Bonds, dated February 11, 2004 (collectively,] the "**Refunded Bonds**", in pursuance of Section 10-142, Reissue Revised Statutes of Nebraska, as amended, and paying the costs of issuance of the series of bonds of which this bond is one. This bond and the series of which it is one, are issued under the authority of and in compliance with the laws of the State of Nebraska governing the City, and pursuant to Ordinance No. ____ of the City (the "**Ordinance**") duly enacted and by proceedings duly had by the Mayor and Council.

This bond is transferable by the Registered Owner hereof in person or by such Registered Owner's attorney duly authorized in writing, at the principal office of the Registrar but only in the manner and subject to the limitations and conditions provided in the Ordinance and upon presentation and surrender hereof to the Registrar for cancellation. Upon any such registration of transfer, the City shall execute and the Registrar shall authenticate and deliver in exchange for this bond, a new registered bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same series and maturity and bearing interest at the same rate. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes.

If the date for payment of the principal of or interest on this bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of St. Louis, Missouri 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.

The City has in the Ordinance designated such issue of bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond and the Refunded Bonds did exist, did happen and were done and performed in regular and due form and time as required by law, and that the indebtedness of the City, including the Refunded Bonds and this bond, does not exceed any statutory limitation imposed by law. All special assessments levied upon real estate in the City specially benefited by the improvements financed from the proceeds of the Refunded Bonds are valid liens on the lots and tracts of land upon which they have been levied and shall, when collected, be set aside and constitute a sinking fund for the payment of the principal and interest on said bonds. The City agrees that it will collect said special assessments and in addition thereto, will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, except intangible property, in addition to all other taxes, sufficient in rate and amount to fully pay the principal and interest on said bonds as the same becomes due.

This bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the execution by the Registrar of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, the Mayor and Council have caused this bond to be executed on behalf of the City by the manual or facsimile signatures of its Mayor and City Clerk and have caused the City Seal to be impressed or imprinted hereon, all as of the Date of Issue set forth above.

CITY OF FRIEND, NEBRASKA

ATTEST:

By: _____
(Facsimile Signature)
Mayor

By: _____
(Facsimile Signature)
City Clerk

[S E A L]

**BOND REGISTRAR AND PAYING AGENT'S
CERTIFICATE OF AUTHENTICATION**

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

UMB BANK, N.A., Bond Registrar and Paying
Agent

By: _____
Authorized Officer

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ASSIGNMENT

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

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

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

Dated: _____

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

Signature Guaranteed By:

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

By: _____
Title: _____

Section 6. Each of the Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk. 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 understanding and representation (the “**Representation Letter**”) in the form required by the Depository, for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Bonds. Upon the issuance of the Bonds as “book-entry-only” bonds, the following provisions shall apply:

(a) The City and the 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 the 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 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.

(b) Upon receipt by the Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the City and the Registrar to do so, the City and the Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (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 Registrar in writing, the Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of certificates representing the Bonds. In such event, the City and the Registrar shall issue, transfer or exchange certificates representing the Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(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 Representation Letter.

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

- (i) any successor securities depository or its nominee;
- (ii) any persons, 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 Section 3(d) of this Ordinance, the books and records of the Registrar shall govern and establish the principal amount of such Bond as is then outstanding and all of the Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository resigns and is not replaced, the City shall immediately provide a supply of printed bond certificates for issuance upon the transfers from the Depository and subsequent transfer or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the 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. 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 Registrar for issuance upon transfer), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such Bond. The Bonds shall not be valid and binding on the City until authenticated by the Registrar. The Bonds shall be delivered to the 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 Edward Jones (the “**Underwriter**”), the initial purchaser thereof, upon receipt of the full purchase price of the Bonds as set forth in the Purchase Agreement hereinafter approved. Such initial purchaser shall have the right to direct the registration of the Bonds and the denomination thereof within each maturity, subject to the restrictions of this Ordinance.

Section 7. UMB Bank, N.A., St. Louis, Missouri, is hereby appointed as Bond Registrar and Paying Agent (the “**Registrar**”) for the Bonds. The Registrar shall keep the books for the registration and transfer of Bonds at its corporate trust administration office in St. Louis, Missouri. The Registrar shall serve in such capacities under the terms of an agreement entitled “Paying Agent and Registrar’s Agreement” between the City and the Registrar, the form of which is hereby approved. The Mayor and City Clerk are hereby authorized to execute said agreement in substantially the form presented but with such changes as they shall deem appropriate or necessary. The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. The transfer of any Bond may be registered upon the books kept for the registration and registration of transfer of Bonds upon presentation and surrender thereof to the Registrar together with an assignment duly executed by the registered owner or such registered owner’s attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration of transfer, the City shall execute and the Registrar shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds of any denomination or denominations authorized by this Ordinance of the same series and maturity and in the same aggregate principal amount and bearing interest at the same rate. Bonds may be exchanged at the principal office of the Registrar for a like aggregate principal amount of Bonds and the City shall execute and the Registrar shall authenticate and deliver Bonds which the owner making the exchange is entitled to receive, numbered consecutively beginning after the last number then outstanding and of the same maturity and bearing interest at the same rate as the Bonds surrendered for exchange. The Registrar may impose a charge sufficient to defray all costs and expenses incident to registrations of transfer and exchanges. In each case the Registrar shall require the payment by the owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The Registrar shall not be required to transfer Bonds for a period of 16 days next preceding any interest or principal payment date or to transfer any Bonds for a period of 30 days next preceding any date fixed for redemption. The Registrar shall also be responsible for making the payments of principal and interest as the same fall due upon the Bonds from funds provided by the City for such purpose. Payments of interest due upon the Bonds prior to maturity or redemption shall be made by the Registrar 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 close of business on the fifteenth day of the month immediately preceding the month in which interest on the Bonds is payable, addressed to such owner’s registered address as shown on the books of registration as required to be maintained under this **Section 7**. Payments of principal due at maturity or at any date fixed for redemption prior to maturity, together with any accrued interest then due, shall be made by the Registrar upon presentation and surrender of such Bond at the office of the Registrar. The City and the Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for purposes of making payment thereon and for all other purposes. 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 the Registrar in respect of the liability upon the Bonds or claims for interest to the extent of the sum or sums so paid.

Section 8. After the Bonds are executed by the City they shall be delivered to the Registrar for authentication and registration as to ownership, and in the denominations designated in writing by the initial purchaser thereof hereinafter identified. After execution, authentication and registration of the Bonds, the City Treasurer is authorized and directed to deliver them to the Underwriter upon receipt of the purchase price of the Bonds as set forth in the Purchase Agreement hereinafter approved.

Section 9. The City warrants that the special assessments levied upon the real estate specifically benefited by the improvements financed or refinanced the proceeds of the Refunded Bonds to have been lawfully levied and are valid liens on the respective lots and tracts of land upon which they have been levied and that such assessments and the interest thereon shall, when collected, constitute a sinking fund for the payment of the principal of and interest on the Bonds. The City agrees that it will collect said special assessments and, in addition thereto, the City will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, except intangible property, in addition to all other taxes, which with other funds of the City available therefor, shall be sufficient in rate and amount to fully pay the principal of and interest on the Bonds as the same become due.

Section 10. The City Clerk shall make and certify one or more complete transcripts of the proceedings had and done by the City precedent to the issuance of said Bonds, one of which transcripts shall be delivered to the initial purchaser of the Bonds. After being executed by the Mayor and City Clerk, said Bonds shall be delivered to Underwriter.

Section 11. (a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds and (2) it will not use or permit the use of any proceeds of Bonds or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

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

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

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

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

(1) the aggregate face amount of all tax-exempt obligations (other than private activity bonds which are not "qualified 501(c)(3) bonds") which will be issued by the City (and all subordinate entities thereof) during calendar year 2009 is not reasonably expected to exceed \$30,000,000; and

(2) the City (including all subordinate entities thereof) will not issue an aggregate principal amount of tax-exempt obligations (other than private activity bonds that are not "qualified 501(c)(3) bonds") during calendar year 2009, including the Bonds, in excess of \$30,000,000, without first obtaining an opinion of nationally recognized counsel in the area of municipal finance that the designation of the Bonds as "qualified tax-exempt obligations" will not be adversely affected.

The Mayor is hereby authorized to take such other action as may be necessary to make effective the designation in this **Section 11(e)**.

(f) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to Section 13 of this Ordinance or any other provision of this Ordinance, until the final maturity date of all Bonds outstanding.

Section 12. (a) The Bond Purchase Agreement (the "**Purchase Agreement**") between the City and the Underwriter with respect to the purchase of the Bonds from the City in the form presented to the Mayor and Council be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved, and confirmed. The Mayor is hereby authorized to execute the Purchase Agreement.

(b) Sale of the Bonds to the Underwriter pursuant to the Purchase Agreement is hereby in all respects authorized, adopted, specified, accepted, ratified, approved, and confirmed.

Section 13. The City's obligation under this Ordinance shall be fully discharged and satisfied as to the Bonds authorized and issued hereunder, and said Bonds shall no longer be deemed outstanding hereunder when payment of the principal of such Bonds plus interest thereon to the date of maturity or redemption thereof (a) shall have been made or caused to be made in accordance with the terms thereof; or (b) shall have been provided by depositing with the Registrar or in escrow with a national or state bank having trust powers, in trust solely for such payment (i) sufficient moneys to make such payment or (ii) direct general obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America or obligations of an agency of the United States of America (herein referred to as "**Government Obligations**"), in such amount and maturing as to principal and interest at such times, as will insure the availability of sufficient moneys to make such payment, and such Bonds shall cease to draw interest from the date of their redemption or maturity and, except for the purposes of such payment, shall no longer be entitled to the benefits of this Ordinance; provided that, with respect to any Bonds called or to be called for redemption prior to the stated maturity thereof, notice of redemption shall have been duly given. If moneys shall have been deposited in accordance with the terms hereof with the Registrar as escrow agent in trust for that purpose sufficient to pay the principal of such Bonds, together with all interest due thereon to the due date thereof or to the date fixed for the redemption thereof, as the

case may be, all liability of the City for such payment shall forthwith cease, determine and be completely discharged, and such Bonds shall no longer be considered outstanding.

Section 14. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Council hereby (a) authorizes and directs the Mayor, Treasurer, Clerk, City Attorney and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with bond counsel, the initial purchaser of the bonds and its counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Ordinance and issuance, sale and delivery of the Bonds, including without limitation and whenever appropriate the execution and delivery thereof and of all other related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Mayor the right, power and authority to exercise his own independent judgment and absolute discretion in (i) determining and finalizing the terms, provisions, form and contents of any official statement utilized in offering the Bonds for sale to the public, (ii) determining and finalizing all other terms and provisions to be carried by the Bonds not specifically set forth in this Ordinance, and (iii) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Bonds. The execution and delivery by the Mayor or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Ordinance, shall constitute conclusive evidence of both the City's and their approval of the terms, provisions and contents thereof and all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the City and the authorization, approval and ratification by the City of the documents, instruments, certifications and opinions so executed and the actions so taken.

Section 15. If any one or more of the provisions of this Ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed severable from the remaining provisions of this Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds and the owners of the Bonds shall retain all the rights and benefits accorded to them under this Ordinance and under any applicable provisions of law.

If any provisions of this Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstances, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 16. All ordinances, resolutions or orders, or parts thereof in conflict with the provisions of this Ordinance are to be extent of such conflict hereby repealed.

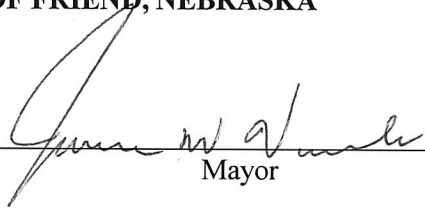
Section 17. This Ordinance shall be in full force and effect from and after its passage and publication in pamphlet form as provided by law

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PASSED AND APPROVED: April 7, 2009.

CITY OF FRIEND, NEBRASKA

ATTEST:

By: 
Mayor


Clerk

