

**CITY OF PAPILLION
MAYOR AND CITY COUNCIL REPORT
APRIL 6, 2021**

| Subject: | Type: | Submitted By: |
|--|--|----------------------------------|
| Approving the issuance of Highway Allocation Refunding Bonds, Series 2021 with principal not to exceed \$2,000,000 | Introduction of Ordinance with request to waive 2nd & 3rd readings | Nancy Hypse, Finance Director |

SYNOPSIS

Ordinance 1930 will allow for the issuance of \$2,000,000 in highway allocation refunding bonds to be issued by the City for the purpose of refinancing Highway Allocation Fund Pledge Bonds, Series 2015 City of Papillion.

FISCAL IMPACT

This refunding will not extend the final maturity of the bonds and provides a projected net present value savings of approximately \$190,000. The impact to the current year's budget will be neutral, with the new bond proceeds paying for the additional principal being called as well as additional interest and issuance costs. However, the proceeds and expenditures will need to be added through a budget amendment.

RECOMMENDATION

I am requesting the waiving of the three readings and approval of the ordinance.

BACKGROUND

City staff and Bruce Lefler from Piper Sandler continue to review the City's and MFC's outstanding bonds for options to reduce the debt service requirements of the various bond issues.

Items included

1. Ordinance 1930
2. General Obligation Refunding Summary

ORDINANCE NO. 1930

AN ORDINANCE AUTHORIZING THE ISSUANCE OF HIGHWAY ALLOCATION REFUNDING BONDS, SERIES 2021 OF THE CITY OF PAPIILLION, NEBRASKA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED TWO MILLION DOLLARS (\$2,000,000) FOR THE PURPOSE OF PROVIDING FOR THE PAYMENT AND REDEMPTION OF ALL OR A PORTION OF \$1,955,000 OUTSTANDING HIGHWAY ALLOCATION FUND PLEDGE BONDS, SERIES 2015; PRESCRIBING CERTAIN TERMS AND AUTHORIZING THE DETERMINATION OF CERTAIN TERMS OF THE BONDS; DIRECTION APPLICATION OF THE PROCEEDS OF SAID BONDS; PRESCRIBING THE FORM OF SAID BONDS; PLEDGING FUNDS TO BE RECEIVED BY THE CITY FROM THE STATE OF NEBRASKA HIGHWAY ALLOCATION FUND FOR THE PAYMENT OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES TO PAY THE INTEREST ON AND PRINCIPAL OF SUCH BONDS IF NECESSARY; PROVIDING FOR THE SALE OF THE BONDS; PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM; AND RELATED MATTERS

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

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

(a) The City has previously issued and there are now outstanding and unpaid Highway Allocation Fund Pledge Bonds, Series 2015, in the principal amount of \$1,955,000, dated December 22, 2015 (the “**Outstanding Bonds**”), and bearing interest and maturing as follows:

| <u>Amount</u> | <u>Maturity (December 15)</u> | <u>Interest Rate</u> |
|---------------|-----------------------------------|----------------------|
| \$110,000 | 2021 | 1.500% |
| 110,000 | 2022 | 1.650 |
| 115,000 | 2023 | 1.800 |
| 115,000 | 2024 | 1.950 |
| 120,000 | 2025 | 2.200 |
| 120,000 | 2026 | 2.200 |
| 125,000 | 2027 | 2.300 |
| 390,000 | 2030 | 3.250 |
| 750,000 | 2035 | 3.250 |

such bonds being part of an issue of \$2,385,000 principal amount of Highway Allocation Fund Pledge Bonds, Series 2015 issued pursuant to Ordinance No. 1728 duly passed by the Council and approved by the Mayor on November 3, 2015, bonds being redeemable at the option of the City at any time on or after December 22, 2020, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

(b) All of 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 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 Bonds, as determined by the Mayor in accordance with the provisions of this Ordinance, (such portion of the Outstanding Bonds called for redemption are herein referred to as 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) The City has authorized calling the Refunded Bonds for payment and redemption in accordance with law and the ordinance authorizing the Refunded Bonds, on a date to be determined as provided for herein (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 Redemption Date, and that the City has no other funds accumulated for the payment thereof.

(g) The City’s receipts from the Nebraska Highway Allocation Fund for the audited fiscal year ended September 30, 2020 totaled \$2,169,539 and the City’s receipts from the Nebraska Highway Allocation Fund for the audited fiscal year ending September 30, 2021 are expected to total \$2,162,119; that in addition to the Outstanding Bonds, the City has bonds issued and outstanding pursuant to Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended (or any predecessor statute thereto) (the “**Prior Bonds**”); that based upon the City’s current receipts from the Nebraska Highway Allocation Fund, the City anticipates that future receipts will be sufficient to pay debt service on the Prior Bonds and the Bonds as and when the same fall due.

(h) All conditions, acts and things required by law to exist or to be done precedent to the issuance of Highway Allocation Refunding Bonds, Series 2021 (the “**Bonds**”) in the principal amount of not to exceed \$2,000,000 pursuant to Sections 66-4,101, and 10-142, Reissue Revised Statutes of Nebraska, as amended, do exist and have been done as required by law.

Section 2. (a) To provide funds for the purpose of refinancing the Refunded Bonds, all as set out in **Section 1** hereof, there shall be and there are hereby ordered issued the Bonds, in one or more series, in the aggregate stated principal amount of not to exceed \$2,000,000. The Bonds or any portion thereof are hereby authorized to be sold pursuant to a negotiated sale with Piper Sandler & Co., as initial purchaser (the “**Underwriter**”). In connection with such sale, the Mayor, City Administrator, City Finance Director or City Clerk (each, an “**Authorized Officer**”) are hereby authorized to specify, determine, designate, establish and appoint, as the case may be, in one or more written designations which may be included in a bond purchase agreement (each, a “**Designation**”), (i) the aggregate purchase price of the Bonds (including any original issue discount or premium) and the underwriting discount which shall not exceed 0.75% of the aggregate stated principal amount thereof, (ii) the form and contents of any bond purchase agreement in connection with such sale, (iii) the title (including series designation), dated date, aggregate principal amount (including the aggregate principal amounts of serial Bonds and term Bonds, if any), which aggregate stated principal amount shall not exceed \$2,000,000, and the final maturity date, which shall not be later than December 15, 2035, (iv)

the principal amounts maturing in each year, (v) the rate or rates of interest to be borne by each principal maturity of the Bonds, provided that present value savings results from refunding the Refunded Bonds, (vi) the principal payment dates and interest payment dates, (vii) whether the Bonds will be subject to redemption prior to their stated maturity, and if subject to such optional redemption, the provisions governing such redemption, including a redemption price not to exceed 104% of the principal amount then being redeemed plus accrued interest to the date of redemption, (viii) the amount and due date of each sinking fund installment for any of the Bonds issued as term Bonds, (ix) the designation of the Bond Registrar and Paying Agent (defined herein) and the form and content of any agreement between the City and such entity and (x) all other terms and provisions of the Bonds not otherwise specified or fixed by this Ordinance.

(b) The Authorized Officers, or each individually, are hereby authorized to call any or all of the Refunded Bonds for redemption on such date he or she determines appropriate, which date shall be the Redemption Date hereunder. The Authorized Officers, or each individually, are hereby authorized to designate, approve, execute and deliver, as the case may be (i) the form, content, terms and provisions of any published and/or mailed notice of redemption with respect to the payment and redemption of the Refunded Bonds, (ii) an Escrow Agent, (iii) the form, content, terms and provisions of an Escrow Agreement with the Escrow Agent for the purpose of providing for the deposit in trust with the Escrow Agent a portion of the net proceeds of the Bonds, the investment of such net proceeds pending their application, the application of such proceeds and any investment income to the payment of all of the principal of and interest on the Refunded Bonds maturing on or before the Redemption Date and the application of the balance of such proceeds and any investment income thereof to the redemption and retirement of the Refunded Bonds on the Redemption Date.

Section 3. Interest on the Bonds at the respective rates for each maturity is payable semiannually on dates to be determined in the Designation (each of such 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 preceding such Interest Payment Date (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 where the office of the Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 4. Bonds shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor and 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 SARPY
CITY OF PAPIILLION
HIGHWAY ALLOCATION REFUNDING BOND, SERIES 2021**

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Date of Issue</u> | <u>CUSIP Number</u> |
|----------------------|----------------------|----------------------|---------------------|
| | _____, 20__ | _____, 2021 | |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The **CITY OF PAPIILLION, 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 _____ and _____ of each year, beginning _____, 20__ (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, _____ (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 preceding an Interest Payment Date (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 _____, 20__, 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 _____, 20__ 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 \$1,955,000 in principal amount of the City's outstanding Highway Allocation Fund Pledge Bonds, Series 2015, date of original issue – December 22, 2015, all pursuant to Sections 66-4,101 and 10-142, Reissue Revised Statutes of Nebraska, as amended. 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 where the office of the Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

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. For the prompt

payment of the principal and interest on this bond and the other bonds of the same issue, the City has pledged funds received and to be received from the Highway Allocation Fund of the State of Nebraska with receipts from such fund to be allocated by the City to payment of principal and interest as the same fall due. In addition, the City hereby covenants and agrees that it shall levy ad valorem taxes upon all the taxable property in the City at such rate or rates, within applicable statutory and constitutional limitations, as will provide funds which together with receipts from the Highway Allocation Fund, as pledged to the payment of such principal and interest and any other money made available and used for such purpose, will be sufficient to make payment of the principal of and interest on this Bond and the other Bonds of the same issue as the same fall 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 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 PAPILLION, NEBRASKA

ATTEST:

By: _____
(Facsimile Signature)
Mayor

By: _____
(Facsimile Signature)
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.

_____, Bond
Registrar and Paying Agent

By: _____

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 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 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 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. The Treasurer of the City of Papillion, Nebraska, is hereby designated to serve as Paying Agent and Registrar for the Bonds, provided that the City reserves the right to designate a bank or trust

company to serve in such capacity and upon such agreed terms as may be determined by an Authorized Officer. The Registrar shall keep the books for the registration and transfer of Bonds at its office. If the Registrar is a bank or trust company, 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 shall be approved by an Authorized Officer. The Mayor and Clerk are hereby authorized to execute said agreement. 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 City and the 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 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. The net sale proceeds of the Bonds, along with any necessary funds of the City on hand, shall be applied to pay costs of the redemption of the Refunded Bonds on the Redemption Date. Accrued interest received from the sale of the Bonds, if any, shall be applied to pay interest first falling due on the Bonds. Expenses of issuance of the Bonds may be paid from the proceeds of the Bonds.

Section 9. 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 described herein.

Section 10. For the prompt payment of the Bonds and the Prior Bonds, both principal and interest as the same fall due, the City hereby pledges all receipts now or hereafter received by the City from the State of

Nebraska Highway Allocation Fund (the “**Fund**”), as described and referred to in Section 66-4,101, Reissue Revised Statutes of Nebraska, as amended. The pledge provided for in this section for the Bonds and the Prior Bonds provides, however, that such pledge shall not prevent the City from otherwise applying receipts from the Fund in any year so long as sufficient receipts from the Fund have been set aside for the payment of principal and interest falling due in such year on the Bonds or the Prior Bonds. In addition, the City further reserves the right to issue additional highway allocation fund pledge bonds payable on a parity with the Bonds and the Prior Bonds and equally and ratably secured by a pledge of receipts from the Fund. The City hereby further agrees that it shall levy ad valorem taxes upon all the taxable property in the City at such rate or rates within any applicable statutory and constitutional limitations as will provide funds which, together with receipts from the Fund, as pledged to the payment of the Bonds and the Prior Bonds, and any other monies made available and used for such purpose, will be sufficient to pay the principal of and interest on the Bonds and the Prior Bonds as the same fall due (including mandatory sinking fund redemptions).

Section 11. The 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, a copy of which transcript shall be delivered to the initial purchaser of the Bonds. After being executed by the Mayor and Clerk, said Bonds shall be delivered to the Underwriter.

Section 12. The City hereby covenants and agrees that it will make no use of the proceeds of the Bonds which would cause the Bonds to be arbitrage bonds within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the “**Code**”) and further covenants to comply with said Sections 103(b)(2) and 148 and all applicable regulations thereunder throughout the term of said issue, including all requirements with respect to payment and reporting of rebates, if applicable. The City hereby covenants to take all action necessary to preserve the tax-exempt status of the interest on the Bonds for federal income tax purposes under the Code with respect to taxpayers generally. The City further agrees that it will not take any actions which would cause the Bonds to constitute “private activity bonds” within the meaning of Section 141 of the Code. The City hereby authorizes an Authorized Officer to designate the Bonds as the City’s “qualified tax-exempt obligations” pursuant to Section 265(b)(3)(B)(i)(III) of the Code and, if so designated further authorizes an Authorized Officer to covenant and warrant on behalf of the City that the City does not reasonably expect to issue bonds or other obligations aggregating in principal amount more than \$10,000,000 during the calendar year or years in which the Bonds are issued (taking into consideration the exception for current refunding issues). The Authorized Officers, or each individually, are hereby authorized to make, or cause to be made, any and all certifications deemed necessary in connection with the designation of the Bonds as “qualified tax-exempt obligations”, including “deemed designating” the Bonds.

Section 13. The Authorized Officers of the City (or any one of them) are hereby authorized to execute a bond purchase agreement (the “**Purchase Agreement**”) for the sale of the Bonds to the Underwriter, in a form approved by such Authorized Officer(s). 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 14. The City hereby (1) authorizes and directs that an Authorized Officer execute and deliver, as of date of issue of the Bonds, a Continuing Disclosure Undertaking (the “**Undertaking**”) in such form as shall be satisfactory to bond counsel for the City, and (2) covenants and agrees that it will comply with and carry out all of the provisions of the Undertaking. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Undertaking shall not be considered an event of default hereunder; however, any Participating Underwriter (as such term is defined in the Undertaking) or any Beneficial Owner or any other owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section. For purposes of this section, “**Beneficial Owner**” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons

holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

Section 15. The Authorized Officers or any one or more of them is authorized to approve, deem final and deliver a Preliminary Official Statement and a final Official Statement for and on behalf of the City, all in accordance with the requirements of Reg. Sec. 240.15c2-12 of the Securities and Exchange Commission.

Section 16. 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 17. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Council hereby (a) authorizes and directs the Authorized Officers, the City Clerk, the 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 18. 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. 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 19. All documents, agreements, certificates, and instruments related to the Bonds shall be valid, binding, and enforceable against the City when executed and delivered by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by electronic signatures laws, including any relevant provisions of the Uniform Commercial Code, in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each document, agreement, certificate, and instrument related to the Bonds may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same document, agreement, certificate, or instrument, as applicable.

Section 20. This Ordinance shall be in full force and effect from and after its passage and publication in pamphlet form as provided by law.

PASSED AND APPROVED: April __, 2021.

CITY OF PAPILLION, NEBRASKA

ATTEST:

By: _____
Mayor

By: _____
Clerk

[S E A L]

City of Papillion

Highway Allocation Refunding Bonds

Series 2020 | Refunding Series 2013-2014-2015-2016

Sources & Uses

Dated 06/03/2021 | Delivered 06/03/2021

Sources Of Funds

| | |
|---|----------------|
| Par Amount of Bonds | \$1,870,000.00 |
| Reoffering Premium | 68,027.30 |
| Transfers from Prior Issue Debt Service Funds | 67,909.37 |

Total Sources **\$2,005,936.67**

Uses Of Funds

| | |
|---------------------------------------|--------------|
| Deposit to Current Refunding Fund | 1,979,725.17 |
| Total Underwriter's Discount (0.750%) | 14,025.00 |
| Costs of Issuance | 11,946.41 |
| Rounding Amount | 240.09 |

Total Uses **\$2,005,936.67**

City of Papillion

Highway Allocation Refunding Bonds

Series 2020 | Refunding Series 2013-2014-2015-2016

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|--------------|-----------------------|----------|---------------------|-----------------------|--------------|
| 06/03/2021 | - | - | - | - | - |
| 06/15/2021 | - | - | 1,246.67 | 1,246.67 | - |
| 12/15/2021 | 75,000.00 | 2.000% | 18,700.00 | 93,700.00 | 94,946.67 |
| 06/15/2022 | - | - | 17,950.00 | 17,950.00 | - |
| 12/15/2022 | 110,000.00 | 2.000% | 17,950.00 | 127,950.00 | 145,900.00 |
| 06/15/2023 | - | - | 16,850.00 | 16,850.00 | - |
| 12/15/2023 | 115,000.00 | 2.000% | 16,850.00 | 131,850.00 | 148,700.00 |
| 06/15/2024 | - | - | 15,700.00 | 15,700.00 | - |
| 12/15/2024 | 115,000.00 | 2.000% | 15,700.00 | 130,700.00 | 146,400.00 |
| 06/15/2025 | - | - | 14,550.00 | 14,550.00 | - |
| 12/15/2025 | 120,000.00 | 2.000% | 14,550.00 | 134,550.00 | 149,100.00 |
| 06/15/2026 | - | - | 13,350.00 | 13,350.00 | - |
| 12/15/2026 | 120,000.00 | 2.000% | 13,350.00 | 133,350.00 | 146,700.00 |
| 06/15/2027 | - | - | 12,150.00 | 12,150.00 | - |
| 12/15/2027 | 125,000.00 | 2.000% | 12,150.00 | 137,150.00 | 149,300.00 |
| 06/15/2028 | - | - | 10,900.00 | 10,900.00 | - |
| 12/15/2028 | 125,000.00 | 2.000% | 10,900.00 | 135,900.00 | 146,800.00 |
| 06/15/2029 | - | - | 9,650.00 | 9,650.00 | - |
| 12/15/2029 | 130,000.00 | 2.000% | 9,650.00 | 139,650.00 | 149,300.00 |
| 06/15/2030 | - | - | 8,350.00 | 8,350.00 | - |
| 12/15/2030 | 135,000.00 | 2.000% | 8,350.00 | 143,350.00 | 151,700.00 |
| 06/15/2031 | - | - | 7,000.00 | 7,000.00 | - |
| 12/15/2031 | 135,000.00 | 2.000% | 7,000.00 | 142,000.00 | 149,000.00 |
| 06/15/2032 | - | - | 5,650.00 | 5,650.00 | - |
| 12/15/2032 | 140,000.00 | 2.000% | 5,650.00 | 145,650.00 | 151,300.00 |
| 06/15/2033 | - | - | 4,250.00 | 4,250.00 | - |
| 12/15/2033 | 140,000.00 | 2.000% | 4,250.00 | 144,250.00 | 148,500.00 |
| 06/15/2034 | - | - | 2,850.00 | 2,850.00 | - |
| 12/15/2034 | 140,000.00 | 2.000% | 2,850.00 | 142,850.00 | 145,700.00 |
| 06/15/2035 | - | - | 1,450.00 | 1,450.00 | - |
| 12/15/2035 | 145,000.00 | 2.000% | 1,450.00 | 146,450.00 | 147,900.00 |
| Total | \$1,870,000.00 | - | \$301,246.67 | \$2,171,246.67 | - |

Yield Statistics

| | |
|-----------------------------------|-------------|
| Bond Year Dollars | \$15,062.33 |
| Average Life | 8.055 Years |
| Average Coupon | 2.0000000% |
| Net Interest Cost (NIC) | 1.6414746% |
| True Interest Cost (TIC) | 1.6098224% |
| Bond Yield for Arbitrage Purposes | 1.1329687% |
| All Inclusive Cost (AIC) | 1.6948179% |

IRS Form 8038

| | |
|---------------------------|-------------|
| Net Interest Cost | 1.4990551% |
| Weighted Average Maturity | 8.028 Years |

City of Papillion

Highway Allocation Refunding Bonds

Series 2020 | Refunding Series 2013-2014-2015-2016

Gross Debt Service Comparison

| Date | Principal | Coupon | Interest | New D/S | Old D/S | Savings |
|--------------|-----------------------|----------|---------------------|-----------------------|-----------------------|---------------------|
| 12/15/2021 | 75,000.00 | 2.000% | 19,946.67 | 94,706.58 | 95,073.13 | 366.55 |
| 12/15/2022 | 110,000.00 | 2.000% | 35,900.00 | 145,900.00 | 161,332.50 | 15,432.50 |
| 12/15/2023 | 115,000.00 | 2.000% | 33,700.00 | 148,700.00 | 164,517.50 | 15,817.50 |
| 12/15/2024 | 115,000.00 | 2.000% | 31,400.00 | 146,400.00 | 162,447.50 | 16,047.50 |
| 12/15/2025 | 120,000.00 | 2.000% | 29,100.00 | 149,100.00 | 165,205.00 | 16,105.00 |
| 12/15/2026 | 120,000.00 | 2.000% | 26,700.00 | 146,700.00 | 162,565.00 | 15,865.00 |
| 12/15/2027 | 125,000.00 | 2.000% | 24,300.00 | 149,300.00 | 164,925.00 | 15,625.00 |
| 12/15/2028 | 125,000.00 | 2.000% | 21,800.00 | 146,800.00 | 162,050.00 | 15,250.00 |
| 12/15/2029 | 130,000.00 | 2.000% | 19,300.00 | 149,300.00 | 162,987.50 | 13,687.50 |
| 12/15/2030 | 135,000.00 | 2.000% | 16,700.00 | 151,700.00 | 163,762.50 | 12,062.50 |
| 12/15/2031 | 135,000.00 | 2.000% | 14,000.00 | 149,000.00 | 164,375.00 | 15,375.00 |
| 12/15/2032 | 140,000.00 | 2.000% | 11,300.00 | 151,300.00 | 164,825.00 | 13,525.00 |
| 12/15/2033 | 140,000.00 | 2.000% | 8,500.00 | 148,500.00 | 165,112.50 | 16,612.50 |
| 12/15/2034 | 140,000.00 | 2.000% | 5,700.00 | 145,700.00 | 165,237.50 | 19,537.50 |
| 12/15/2035 | 145,000.00 | 2.000% | 2,900.00 | 147,900.00 | 165,200.00 | 17,300.00 |
| Total | \$1,870,000.00 | - | \$301,246.67 | \$2,171,006.58 | \$2,389,615.63 | \$218,609.05 |

PV Analysis Summary (Gross to Gross)

| | |
|--|---------------------|
| Gross PV Debt Service Savings | 259,037.08 |
| Transfers from Prior Issue Debt Service Fund | (67,909.37) |
| Contingency or Rounding Amount | 240.09 |
| Net Present Value Benefit | \$191,367.80 |
| Net PV Benefit / \$1,955,000 Refunded Principal | 9.789% |
| Net PV Benefit / \$1,870,000 Refunding Principal | 10.234% |

Refunding Bond Information

| | |
|-------------------------|-----------|
| Refunding Dated Date | 6/03/2021 |
| Refunding Delivery Date | 6/03/2021 |

City of Papillion

Highway Allocation Bonds

Series 2015

Debt Service To Maturity And To Call

| Date | Refunded Bonds | Refunded Interest | D/S To Call | Principal | Coupon | Interest | Refunded D/S | Fiscal Total |
|--------------|-----------------------|--------------------|-----------------------|-----------------------|----------|---------------------|-----------------------|--------------|
| 06/03/2021 | 1,955,000.00 | 24,725.17 | 1,979,725.17 | - | - | - | - | - |
| 06/15/2021 | - | - | - | - | - | 26,491.25 | 26,491.25 | - |
| 12/15/2021 | - | - | - | 110,000.00 | 1.500% | 26,491.25 | 136,491.25 | 162,982.50 |
| 06/15/2022 | - | - | - | - | - | 25,666.25 | 25,666.25 | - |
| 12/15/2022 | - | - | - | 110,000.00 | 1.650% | 25,666.25 | 135,666.25 | 161,332.50 |
| 06/15/2023 | - | - | - | - | - | 24,758.75 | 24,758.75 | - |
| 12/15/2023 | - | - | - | 115,000.00 | 1.800% | 24,758.75 | 139,758.75 | 164,517.50 |
| 06/15/2024 | - | - | - | - | - | 23,723.75 | 23,723.75 | - |
| 12/15/2024 | - | - | - | 115,000.00 | 1.950% | 23,723.75 | 138,723.75 | 162,447.50 |
| 06/15/2025 | - | - | - | - | - | 22,602.50 | 22,602.50 | - |
| 12/15/2025 | - | - | - | 120,000.00 | 2.200% | 22,602.50 | 142,602.50 | 165,205.00 |
| 06/15/2026 | - | - | - | - | - | 21,282.50 | 21,282.50 | - |
| 12/15/2026 | - | - | - | 120,000.00 | 2.200% | 21,282.50 | 141,282.50 | 162,565.00 |
| 06/15/2027 | - | - | - | - | - | 19,962.50 | 19,962.50 | - |
| 12/15/2027 | - | - | - | 125,000.00 | 2.300% | 19,962.50 | 144,962.50 | 164,925.00 |
| 06/15/2028 | - | - | - | - | - | 18,525.00 | 18,525.00 | - |
| 12/15/2028 | - | - | - | 125,000.00 | 3.250% | 18,525.00 | 143,525.00 | 162,050.00 |
| 06/15/2029 | - | - | - | - | - | 16,493.75 | 16,493.75 | - |
| 12/15/2029 | - | - | - | 130,000.00 | 3.250% | 16,493.75 | 146,493.75 | 162,987.50 |
| 06/15/2030 | - | - | - | - | - | 14,381.25 | 14,381.25 | - |
| 12/15/2030 | - | - | - | 135,000.00 | 3.250% | 14,381.25 | 149,381.25 | 163,762.50 |
| 06/15/2031 | - | - | - | - | - | 12,187.50 | 12,187.50 | - |
| 12/15/2031 | - | - | - | 140,000.00 | 3.250% | 12,187.50 | 152,187.50 | 164,375.00 |
| 06/15/2032 | - | - | - | - | - | 9,912.50 | 9,912.50 | - |
| 12/15/2032 | - | - | - | 145,000.00 | 3.250% | 9,912.50 | 154,912.50 | 164,825.00 |
| 06/15/2033 | - | - | - | - | - | 7,556.25 | 7,556.25 | - |
| 12/15/2033 | - | - | - | 150,000.00 | 3.250% | 7,556.25 | 157,556.25 | 165,112.50 |
| 06/15/2034 | - | - | - | - | - | 5,118.75 | 5,118.75 | - |
| 12/15/2034 | - | - | - | 155,000.00 | 3.250% | 5,118.75 | 160,118.75 | 165,237.50 |
| 06/15/2035 | - | - | - | - | - | 2,600.00 | 2,600.00 | - |
| 12/15/2035 | - | - | - | 160,000.00 | 3.250% | 2,600.00 | 162,600.00 | 165,200.00 |
| Total | \$1,955,000.00 | \$24,725.17 | \$1,979,725.17 | \$1,955,000.00 | - | \$502,525.00 | \$2,457,525.00 | - |

Yield Statistics

| | |
|---|-------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 6/03/2021 |
| Average Life | 8.050 Years |
| Average Coupon | 3.0360271% |
| Weighted Average Maturity (Par Basis) | 8.050 Years |
| Weighted Average Maturity (Original Price Basis) | 8.050 Years |

Refunding Bond Information

| | |
|-------------------------|-----------|
| Refunding Dated Date | 6/03/2021 |
| Refunding Delivery Date | 6/03/2021 |