

**CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
JUNE 19, 2007 AGENDA**

Subject:	Type:	Submitted By:
ECONOMIC DEVELOPMENT PROGRAM — BOND ISSUANCE & GRANT AND LOAN FUNDING AND DOCUMENT APPROVAL	◆ RESOLUTION ◆ ORDINANCE RECEIVE/FILE	SHEILA LINDBERG FINANCE DIRECTOR

SYNOPSIS

Bond Counsel has prepared a resolution to provide for the City of La Vista to issue Economic Development Fund bonds in the principal amount of \$21,225,000 for the purpose of funding the City of La Vista Economic Development Program as established by Ordinance.

An ordinance has also been prepared to fund and approve documents for grant and loan to John Q. Hammons under the City of La Vista Economic Development Program.

FISCAL IMPACT

The City will provide a grant of \$3M. It is estimated that the City can recoup this investment in the first three (3) years the hotels & conference center are open through enhanced revenues. The City will provide an \$18M loan which will be repaid by JQH with interest in seven (7) years.

RECOMMENDATION

Approval.

BACKGROUND

On February 20, 2007, by Ordinance No. 1023, the City Council approved the Economic Development program application of John Q. Hammons along with a Development Agreement, Loan Classification, Loan Application and grant of \$3 Million and loan of \$18 Million to construct a full service hotel and conference center facility in Southport West.

A complete copy of all supporting documents is on file at City Hall.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF LA VISTA, NEBRASKA, AUTHORIZING THE ISSUANCE OF ECONOMIC DEVELOPMENT FUND BONDS OF THE CITY OF LA VISTA, NEBRASKA, IN THE PRINCIPAL AMOUNT OF TWENTY-ONE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$21,225,000) FOR THE PURPOSE OF FUNDING THE LA VISTA ECONOMIC DEVELOPMENT PROGRAM AS ESTABLISHED BY ORDINANCE OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE PLEDGING OF SALES TAX COLLECTIONS RECEIVED FOR SAID PROGRAM INTO THE ECONOMIC DEVELOPMENT FUND OF THE CITY OF LA VISTA FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHT OF THE CITY TO MAKE PAYMENT FROM OTHER SOURCES IN THE ECONOMIC DEVELOPMENT FUND; PROVIDING FOR PAYMENT FROM PROPERTY TAXES IN THE EVENT THAT PLEDGED SALES TAXES AND FUNDS FROM OTHER SOURCES ARE INSUFFICIENT; PROVIDING FOR THE HOLDING AND APPLICATION OF PROCEEDS; PROVIDING FOR THE SALE OF THE BONDS; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF SAID BONDS; AND AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER.

BE IT RESOLVED by the Mayor and Council of the City of La Vista, Nebraska, as follows:

Section 1. The Mayor and Council of the City of La Vista, Nebraska, hereby find and determine that (a) pursuant to the provisions of the Local Option Municipal Economic Development Act (Sections 18-2701 to 18-2738, R.R.S. Neb. 1997, as amended, the "Act"), the Mayor and Council have previously passed and approved Ordinance No. 921 (the "Program Ordinance") establishing an economic development program for the City of La Vista (the "Program") and providing funding for such program through the application of funds from the City's 1% sales tax (the "Sales Tax") previously adopted under the Local Option Revenue Act (Sections 77-27,142 to 77-27,148, R.R.S. Neb. 1997, as amended) (the "Special Tax Portion"); (b) the Program was approved by the voters of the City at an election held on September 30, 2003; (c) the Sales Tax has been imposed under the terms of Ordinance No. 363 passed and approved on November 20, 1984 (the "Sales Tax Ordinance") and the levying of such tax was approved by the voters of the City at an election held on November 6, 1984 and is to remain in effect indefinitely; (d) under the terms of the Program the City has received an application from John Q Hammons and related entities (collectively, the "Hammons Interests") for the development of a portion of Southport West by construction of a hotel and conference center complex which is expected to

provide substantial economic development benefits for the City in the form of (i) significant employment opportunities, (ii) a substantial increase in the City's property tax base, (iii) increased governmental revenues from occupation taxes resulting from taxes on hotel and motel occupancy, (iv) increased sales taxes from hotel patrons using both hotel services and nearby retail shopping, (v) increased incentives for other private interests to further develop Southport West and adjacent commercial areas and (vi) hotel and conference space within the City; (e) under the terms of the Program, the Program Administrator, the Application Review Committee of the City Economic Development Program and Strategic Advisory Group (as consultant to the City) have recommended the application submitted by the Hammons Interests and the City has entered into a Master Development Agreement with the Hammons Interests dated May 1, 2007 (the "Master Agreement"); (f) under the terms of the Master Agreement the City has agreed (i) to provide a grant in the amount of \$3,000,000 to assist the Hammons Interests with paying the costs of land acquisition primarily associated with the acquisition of the proposed conference center and related parking (the "EDP Grant") and (ii) to provide a loan in the amount of up to \$18,000,000 to the Hammons Interests to finance a portion of the costs of the proposed conference center (the "EDP Loan"); (g) by the issuance of bonds as provided for in this Resolution, the City will have committed within five full budget years by contract for the spending of more than 50% of the money collected and to be collected from local sources of revenue for the Program and the City will not be required to place the continuation of the Program on a ballot at any election under the terms of Section 18-2718(5) of the Act; (h) under the terms of the Program the City may issue bonds to provide funding for the Program and the Mayor and Council hereby declare it necessary and advisable for the City to issue its economic development fund bonds in the principal amount of Twenty-one Million Two Hundred Twenty-five Thousand Dollars (\$21,225,000) for the purpose of funding the EDP Grant and the EDP Loan; and (i) all conditions, acts and things required by law to exist or to be done precedent to the issuance of such bonds do exist and have been done as required by law.

Section 2. To provide funds for the Program, including the funding of the EDP Grant and the EDP Loan, there shall be and there are hereby ordered issued negotiable bonds of the City of La Vista, Nebraska, to be designated as "Economic Development Fund Bonds, Series 2007" (the "2007 Bonds") in the aggregate principal amount of Twenty-one Million Two Hundred Twenty-five Thousand Dollars (\$21,225,000), with said bonds bearing interest at the rates per annum and to become due on October 15 of the year as indicated below:

<u>Maturing on October 15 of Year</u>	<u>Amount of Principal Maturing</u>	<u>Interest Rate Per Annum</u>
2017	\$5,855,000	7.20%
2023	6,430,000	7.40%
2029	8,940,000	7.60%

The 2007 Bonds maturing as term bonds on October 15, 2017 (the "2017 Term Bonds"), the 2007 Bonds maturing as term bonds on October 15, 2023 (the "2023 Term Bonds") and the 2007 Bonds maturing as term bonds on October 15, 2029 (the "2029 Term Bonds" and together with the 2017 Term Bonds and the 2023 Term Bonds, the "Term Bonds") are subject to mandatory sinking fund redemptions as provided for in Section 5 of this Resolution.

The terms set forth above are intended as preliminary directions relating to the sale and issuance of the 2007 Bonds. In connection with determining the final terms of sale for the 2007 Bonds under Section 8 of this Resolution there shall be executed and delivered on behalf of the City a designation of final terms (the "Designation") subject to the following: (a) such 2007 Bonds may bear interest at any lower interest rate per annum for each maturity from that shown above, (b) the principal maturity amounts may be modified, (c) term maturities and the related mandatory sinking fund redemptions may be modified and (d) the premium payable on any optional redemption may be modified within the limitations permitted under Section 10-126, R.R.S. Neb. 1997, as amended, all as the City Administrator and/or Mayor may establish acting on behalf of the City and as may be agreed to by the initial purchaser designated in Section 8 of this Resolution, provided further that in no event shall (x) the aggregate stated principal amount of the 2007 Bonds exceed \$22,000,000 or (y) the debt service (taking into consideration any and all designated mandatory sinking fund redemptions) due on the 2007 Bonds in any fiscal year exceed \$2,000,000.

The 2007 Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue of the 2007 Bonds shall be the date of delivery thereof. Interest on the 2007 Bonds, at the respective rate for each maturity, shall be payable on

April 15 and October 15 of each year, commencing April 15, 2008 (each an "Interest Payment Date"), and the 2007 Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date, whichever is later. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the fifteenth day (whether or not a business day) immediately preceding the Interest Payment Date (the "Record Date"), subject to the provisions of Section 4 hereof. The 2007 Bonds shall be numbered from 1 upwards in the order of their issuance. No 2007 Bond shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the 2007 Bonds issued shall be as directed by the initial purchaser thereof. Payments of interest due on the 2007 Bonds prior to maturity or earlier redemption shall be made by the Paying Agent and Registrar as designated pursuant to Section 3 hereof (the "Paying Agent and Registrar"), by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each 2007 Bond, as of the Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal due at maturity or at any date fixed for redemption prior to maturity together with any unpaid interest accrued thereon shall be made by the Paying Agent and Registrar to the registered owners upon presentation and surrender of the 2007 Bonds to the Paying Agent and Registrar. The City and the Paying Agent and Registrar may treat the registered owner of any 2007 Bond as the absolute owner of such 2007 Bond for the purpose of making payments thereon and for all other purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary whether such 2007 Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any 2007 Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of

the City and the Paying Agent and Registrar, in respect of the liability upon the 2007 Bonds or claims for interest to the extent of the sum or sums so paid.

Section 3. The City Treasurer is hereby designated to serve as Paying Agent and Registrar for the 2007 Bonds. The Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the 2007 Bonds at the City's Offices in La Vista, Nebraska. The names and registered addresses of the registered owner or owners of the 2007 Bonds shall at all times be recorded in such books. Any 2007 Bond may be transferred pursuant to its provisions at the office of the Paying Agent and Registrar by surrender of such bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent and thereupon the Paying Agent and Registrar on behalf of the City will register such transfer and will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new 2007 Bond or 2007 Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the 2007 Bonds by this Resolution, one 2007 Bond may be transferred for several such 2007 Bonds of the same interest rate and maturity and for a like aggregate principal amount, and several such 2007 Bonds may be transferred for one or several such 2007 Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a 2007 Bond, the surrendered 2007 Bond or 2007 Bonds shall be cancelled and destroyed. All 2007 Bonds issued upon transfer of the 2007 Bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the 2007 Bonds surrendered and shall be entitled to all the benefits and protection of this Resolution to the same extent as the 2007 Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any 2007 Bond during any period from any Record Date until its immediately following

Interest Payment Date or to transfer any 2007 Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

Section 4. In the event that payments of interest due on the 2007 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 2007 Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 5. The 2007 Bonds maturing on or after October 15, 2012, shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary of the date of original issuance of the 2007 Bonds at the following redemption prices for the periods shown plus accrued interest on the principal amount redeemed to the date fixed for redemption:

<u>Period During Which Redeemed</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
Fifth Anniversary through October 15, 2013	102%
October 16, 2013 through October 15, 2014	101.5%
October 16, 2014 through October 15, 2015	101%
October 16, 2015 through October 15, 2016	100.5%
October 16, 2016 and thereafter	100%

provided that such redemption prices may be modified (including to provide for higher redemption prices for any period and for extended periods at which redemption prices exceed 100%) in the Designation as provided for in Section 2 of this Resolution. Such optional redemption shall be made from time to time as shall be directed by the Mayor and Council of the City. The City may select the 2007 Bonds for optional redemption in its sole discretion.

The 2017 Term Bonds, the 2023 Term Bonds and the 2029 Term Bonds shall be redeemed prior to their stated maturity and paid at stated maturity from mandatory sinking fund payments required to be made by the City in accordance with the following schedules:

The 2017 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2010	\$600,000
October 15, 2011	\$630,000
October 15, 2012	\$670,000
October 15, 2013	\$705,000
October 15, 2014	\$745,000
October 15, 2015	\$790,000
October 15, 2016	\$835,000
October 15, 2017	\$880,000 (final maturity)

The 2023 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2018	\$930,000
October 15, 2019	\$980,000
October 15, 2020	\$1,040,000
October 15, 2021	\$1,095,000
October 15, 2022	\$1,160,000
October 15, 2023	\$1,225,000 (final maturity)

The 2029 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2024	\$1,295,000
October 15, 2025	\$1,365,000
October 15, 2026	\$1,445,000
October 15, 2027	\$1,525,000
October 15, 2028	\$1,610,000
October 15, 2029	\$1,700,000 (final maturity)

Such mandatory redemptions shall be at a price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption. The Paying Agent shall select the 2017 Term Bonds, the 2023 Term Bonds and the 2029 Term Bonds for mandatory redemption using any random method of selection determined appropriate by the Paying Agent. On or before the forty-fifth (45th) day prior to any mandatory sinking fund redemption date set forth above, the Paying Agent and Registrar shall proceed to select for redemption, from all the Term Bonds then subject to redemption (as applies for such mandatory redemption date), an aggregate principal amount of such Term Bonds, as the case may be, equal to the amount for such year as set forth in the table above and shall call such Term Bonds, or portions thereof (\$5,000 or any integral multiple thereof) for redemption and give notice of such call. At the option of the City, to be exercised by delivery of

a certificate to the Paying Agent and Registrar on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date, the City may (i) deliver to the Paying Agent and Registrar for cancellation Term Bonds, which are then subject to such redemption or portions thereof (\$5,000 or any integral multiple thereof) in any aggregate principal amount desired by the City, or (ii) specify a principal amount of such Term Bonds, as are then next subject to mandatory sinking fund redemption, or portions thereof (\$5,000 or any integral multiple thereof), which prior to said date have been purchased or redeemed (otherwise than through the operation of mandatory sinking fund redemption) and canceled by the Paying Agent and Registrar at the request of the City and not theretofore applied as a credit against any sinking fund payment. Each Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Paying Agent and Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory sinking fund redemption date. Any excess shall be credited against the next mandatory sinking fund redemption amount (including payments due at final maturity).

2007 Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Any 2007 Bond redeemed in part only shall be surrendered to said Paying Agent and Registrar in exchange for a new 2007 Bond evidencing the unredeemed principal thereof. Notice of redemption of any 2007 Bond called for redemption shall be given, at the direction of the City in the case of optional redemption and without further direction in the case of mandatory sinking fund redemption, by said Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such 2007 Bond at said owner's registered address. Such notice shall designate the 2007 Bond or 2007 Bonds to be redeemed by maturity or otherwise, the date of original issue and the date fixed for redemption and shall state that such 2007 Bond or 2007 Bonds are to be presented for prepayment at the office of said Paying Agent and Registrar. In case of any 2007 Bond partially redeemed, such notice shall specify the portion of the principal amount of such 2007 Bond to be redeemed. No

defect in the mailing of notice for any 2007 Bond shall affect the sufficiency of the proceedings of the City designating the 2007 Bonds called for redemption or the effectiveness of such call for the 2007 Bonds for which notice by mail has been properly given and the City shall have the right to direct further notice of redemption for any such 2007 Bond for which defective notice has been given.

Section 6. If the date for payment of the principal of or interest on the 2007 Bonds shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the City of La Vista, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 7. The 2007 Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF SARPY

CITY OF LA VISTA

ECONOMIC DEVELOPMENT FUND BOND
SERIES 2007

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP NUMBER</u>
_____ %	October 15, _____	July __, 2007	

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of La Vista, in the County of Sarpy, in the State of Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the special sources hereinafter described, to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Interest Payment Date, whichever is later, at the rate per annum specified above, payable semiannually on April 15 and October 15 of each year, commencing April 15, 2008 (each, an "Interest Payment Date"). Such interest shall be computed on the basis of a 360-day year consisting of twelve 30 day months. The principal of this bond together with interest thereon unpaid and accrued at maturity (or earlier redemption) is payable upon presentation and surrender of this bond at the office of the City Treasurer of the City of La Vista, Nebraska, as Paying Agent and Registrar, at such City's offices in La Vista, Nebraska. Interest on this bond due prior to maturity or earlier redemption will be paid on each Interest Payment Date by a check or draft mailed by the Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the fifteenth day immediately preceding the Interest Payment Date, to such owner's address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

This bond is one of an issue of fully registered bonds of the total principal amount of Twenty-one Million Two Hundred Twenty-five Thousand Dollars (\$21,225,000) of even date and like tenor, except as to date of maturity, rate of interest and denomination, which were issued by the City for the purpose of providing funds for the economic development program of the City of La Vista as established pursuant to Ordinance No. 921 of the City and has been duly authorized by

resolution duly adopted (the "Resolution") and by proceedings duly had by the Mayor and Council of the City of La Vista, Nebraska, pursuant to Sections 18-2701 to 18-2738, R.R.S. Neb. 1997, as amended.

The bonds due as term bonds in the year 2017 (the "2017 Term Bonds") are required to be redeemed, in part, prior to their stated maturity, commencing on October 15, 2010, and to be paid at maturity which redemption and payment at maturity shall be in the years and for the principal amounts set forth below:

The 2017 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2010	\$600,000
October 15, 2011	\$630,000
October 15, 2012	\$670,000
October 15, 2013	\$705,000
October 15, 2014	\$745,000
October 15, 2015	\$790,000
October 15, 2016	\$835,000
October 15, 2017	\$880,000 (final maturity)

The bonds due as term bonds in the year 2023 (the "2023 Term Bonds") are required to be redeemed, in part, prior to their stated maturity, commencing on October 15, 2018, and to be paid at maturity which redemptions and payment at maturity shall be in the years and for the principal amounts set forth below:

The 2023 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2018	\$930,000
October 15, 2019	\$980,000
October 15, 2020	\$1,040,000
October 15, 2021	\$1,095,000
October 15, 2022	\$1,160,000
October 15, 2023	\$1,225,000 (final maturity)

The bonds due as term bonds in the year 2029 (the "2029 Term Bonds") are required to be redeemed, in part, prior to their stated maturity, commencing on October 15, 2024, and to be paid at maturity which redemptions and payment at maturity shall be in the years and for the principal amounts set forth below:

The 2029 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2024	\$1,295,000
October 15, 2025	\$1,365,000
October 15, 2026	\$1,445,000
October 15, 2027	\$1,525,000
October 15, 2028	\$1,610,000
October 15, 2029	\$1,700,000 (final maturity)

Such mandatory redemptions for the 2017 Term Bonds, the 2023 Term Bonds and the 2029 Term Bonds shall be at a price equal to 100% of the principal amount redeemed plus interest accrued on the principal amount being redeemed to the date fixed for redemption. The Paying Agent and Registrar shall select the 2017 Term Bonds, the 2023 Term Bonds and the 2029 Term Bonds for mandatory redemption using any random method of selection deemed appropriate by the Paying Agent and Registrar, subject to the terms of the Resolution.

Any or all of the bonds of said issue maturing on or after October 15, 2012, are subject to redemption at the option of the City, in whole or in part, at any time on or after the fifth anniversary of the date of original issue at the following redemption prices for the periods shown plus accrued interest on the principal amount redeemed to the date fixed for redemption:

<u>Period During Which Redeemed</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
Fifth Anniversary through October 15, 2013	102%
October 16, 2013 through October 15, 2014	101.5%
October 16, 2014 through October 15, 2015	101%
October 16, 2015 through October 15, 2016	100.5%
October 16, 2016 and thereafter	100%

Notice of redemption shall be given by mail to the registered owner of any bond called for redemption in the manner specified in the Resolution authorizing said issue of bonds. Individual bonds may be redeemed in part but only in the amount of \$5,000 or integral multiples thereof.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond or bonds of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the Resolution, subject to the limitations therein prescribed. The City, the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all other purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the day for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of La Vista, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Under the Resolution, the City has pledged all revenues of the City received for its Economic Development Fund from a designated portion of that tax upon sales within the City of La Vista, Nebraska, provided for pursuant to Ordinance No. 363 of the City of La Vista, passed and approved, after the approving vote of a majority of the electors of said City voting at an election held on November 6, 1984, in accordance with the provisions of Sections 77-27,142 to 77-27,148, R.R.S. Neb. 2003, as amended. The City has further agreed that in each fiscal year funds from such sales tax or other sources as deposited to such fund, subject to a limitation of \$2,000,000 per fiscal year, shall be applied to pay principal and interest on the bonds of this issue as the same fall

due. The bonds of this issue are limited obligations of the City payable from amounts in the City's Economic Development Fund as so pledged and not from any other fund or source and are not general obligations of the City of La Vista, Nebraska.

The Resolution sets forth the covenants and obligations of the City with respect to its Economic Development Fund and certain revenues therein and the application of such revenues which are by the terms of the Resolution to be disbursed to make payments of principal and interest on the bonds of this issue. The City also reserves the right to provide for payments of the bonds of this issue from other available revenues in its Economic Development Fund and to issue bonds junior in lien to the bonds of this issue, the principal and interest of which are payable from such revenues on a subordinate basis as described in the Resolution. The Resolution also designates the terms and conditions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and all covenants, agreements and obligations of the City under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if monies or certain specified securities shall have been deposited with a trustee bank. The Resolution constitutes a contract with the holders of the bonds and cannot be modified except as provided in the Resolution.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond did exist, did happen and were done and performed in regular and due form and time as provided by law.

This bond shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar.

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

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

IN WITNESS WHEREOF, the Mayor and Council of the City of La Vista, Nebraska, have caused this bond to be executed on behalf of the City with the facsimile signatures of the Mayor and City Clerk of the City, all as of the Date of Original Issue shown above.

CITY OF LA VISTA, NEBRASKA

(facsimile signature)

Mayor

ATTEST:

(facsimile signature)

City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by Resolution passed and approved by the Mayor and Council of the City of La Vista, Nebraska, as described in said bond.

City Treasurer of the City of La Vista, Nebraska,
Paying Agent and Registrar

Authorized Signature

(FORM OF ASSIGNMENT)

For value received _____ hereby sells, assigns, and transfers unto _____ the within bond and hereby irrevocably constitutes and appoints _____, Attorney, to transfer the same on the books of registration in the office of the within mentioned Paying Agent and Registrar with full power of substitution in the premises.

Date: _____

Registered Owner(s)

Signature Guaranteed

By _____

Authorized Officer

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

Section 8. Each of the 2007 Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City. The 2007 Bonds shall be issued initially as "book-entry only" bonds under the services of The Depository Trust Company (the "Depository"), with one typewritten bond per maturity being issued to the Depository. In such connection said officers of the City are authorized to execute and deliver a Letter of Representations (the "Letter of Representations") in the form required by the Depository (which may be in the form of a blanket letter previously executed and delivered by the City), for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the 2007 Bonds. Upon issuance of the 2007 Bonds as "book-entry-only" bonds, the following provisions shall apply:

(a) The City and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds 2007 Bonds as securities depository (each, a "Bond Participant") or to any person who is an actual purchaser of a 2007 Bond from a Bond Participant while the 2007 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 2007 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 2007 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 2007 Bonds. The Paying Agent and Registrar shall make payments with respect to the 2007 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 2007 Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange 2007 Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so. The

Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the 2007 Bonds or (ii) to make available 2007 Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such 2007 Bonds shall designate.

(c) If the City determines that it is desirable that certificates representing the 2007 Bonds be delivered to the ultimate Beneficial Owners of the 2007 Bonds and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the 2007 Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the 2007 Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any 2007 Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such 2007 Bond and all notices with respect to such 2007 Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the 2007 Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the 2007 Bonds may be delivered in physical form to the following:

- (i) any successor securities depository or its nominee;
- (ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section.

(f) In the event of any partial redemption of a 2007 Bond unless and until such partially redeemed 2007 Bond has been replaced in accordance with the provisions of this Resolution, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such 2007 Bond as is then outstanding and all of the 2007 Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository resigns and is not replaced or upon termination by the City of book-entry-only form, the City shall immediately provide a supply of bond certificates for issuance upon subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement bond certificates upon transfer or partial redemption, the City agrees to

order printed an additional supply of bond certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any 2007 Bond shall cease to be such officer before the delivery of such 2007 Bond (including any bond certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption) such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such 2007 Bond. The 2007 Bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The 2007 Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the 2007 Bonds, they shall be delivered to the City's Treasurer, acting on behalf of the City, who is authorized to deliver them to D.A. Davidson & Co. as initial purchaser thereof, upon receipt of the purchase price of 99.25% (which amount may be modified in the Designation to include original issue discount and/or original issue premium if determined appropriate for any maturity in connection with the determination of final interest rates and maturity schedule under the terms of Section 2 of this Resolution) of the principal amount thereof plus accrued interest on the stated principal amount of the 2007 Bonds to date of payment for the 2007 Bonds. Said initial purchasers shall have the right to direct the registration of the 2007 Bonds and the denominations thereof within each maturity, subject to the restrictions of this Resolution. Such purchaser and its agents, representatives and counsel (including the City's bond counsel) are hereby authorized to take such actions on behalf of the City as are necessary to effectuate the closing of the issuance and sale of the 2007 Bonds, including, without limitation, authorizing the release of the 2007 Bonds by the Depository at closing. The City Clerk shall make and certify a transcript of the proceedings of the Mayor and Council with respect to the 2007 Bonds which shall be delivered to said purchaser.

Section 9. Pursuant to the terms of the Program (as approved by the voters of the City and as set forth in Ordinance No. 921), the City hereby agrees to appropriate and deposit into the Economic Development Fund in each budget/fiscal year (the period commencing October 1 of each year and ending September 30 of the following year) commencing with the City's budget/fiscal year beginning October 1, 2007, so long as the 2007 Bonds remain outstanding and until and including the budget/fiscal year ending September 30, 2029, an amount from collections received with respect to the Special Tax Portion or other sources sufficient to pay the principal and interest on the 2007 Bonds as the same fall due, subject to the limitation set forth in Ordinance No. 921 that such deposited amount shall not exceed \$2,000,000 in any such budget/fiscal year. The City hereby covenants and agrees that there shall be set up within the Economic Development Fund a separate special account in the Economic Development Fund designated as the "Economic Development Fund Bond Payment Account" (the "Bond Payment Account") which shall constitute a separate and special account held by the City Treasurer of the City of La Vista for the benefit of the registered owners of the 2007 Bonds. In each budget/fiscal year, the City further hereby covenants and agrees that it shall deposit to the Bond Payment Account from amounts attributable to the Special Tax Portion an amount sufficient to pay principal of and interest on the 2007 Bonds as the same fall due, after taking into consideration any other amounts available for such purposes in the Bond Payment Account. The City reserves the right to make deposit to the Bond Payment Account in any budget/fiscal year from any other amounts in the Economic Development Fund to satisfy its obligation under the terms of this Resolution to make deposit of amounts from the Special Tax Portion. Receipts from the Special Tax Portion required to be deposited to the Bond Payment Account and any such other amounts deposited to the Bond Payment Account are hereby pledged for the payment of the 2007 Bonds as the same fall due. The pledge and hypothecation provided for the 2007 Bonds in this Resolution is intended to and shall provide for a first and prior pledge or lien upon and security interest on

amounts held in the Bond Payment Account superior to any pledge, lien or security interest made or given with respect to any other indebtedness of the City and is intended as an exercise of the powers of the City provided for in Sections 18-2701 to 18-2738, R.R.S. Neb. 1997, as now or hereafter amended, with respect to such deposited amounts. In the event of default of any of the provisions of the 2007 Bonds, the bondholders (or any receiver appointed for their protection) shall have the right at any time while such default continues to apply or require the application of receipts from the Special Tax Portion to the indebtedness evidenced by the 2007 Bonds, equally and ratably, subject to the limitation set forth in Ordinance No. 921. For purposes of holding, allocating and applying the receipts from the Economic Development Fund, the City hereby agrees to establish and maintain under this Resolution the Bond Payment Account in accordance with the following terms and conditions:

BOND PAYMENT ACCOUNT - In each budget/fiscal year, as and when received, revenues from the Special Tax Portion or allocated from other available funds in the Economic Development Fund shall be deposited to the Bond Payment Account until such account has credited thereto an amount equal to the amount of principal and interest falling due on the 2007 Bonds in such budget/fiscal year. The City Treasurer is hereby authorized and directed, without further authorization, to withdraw monies credited to the Bond Payment Account in an amount sufficient to pay, when due, the principal of and interest on the 2007 Bonds (including amounts necessary for any mandatory sinking fund redemptions as set forth in Section 5 of this Resolution) and to transfer such amounts to the Paying Agent and Registrar for the 2007 Bonds on or before each principal and interest payment date (including any mandatory sinking fund redemption date). Amounts required to make payments on the 2007 Bonds falling due on October 15, 2029 shall be deposited to the Bond Payment Account on or before September 30, 2029.

The provisions of this Section 9 shall require the City to maintain a set of books and records in accordance with such accounting methods and procedures as are generally applicable to municipal funds and accounts, which books and records shall show credits to and expenditures from the separate account required by this Section. Monies credited to the account described in this Section 9 shall be deposited or invested separate and apart from other City funds. The City shall not be required to establish separate bank or investment accounts within its separate and

segregated Economic Development Fund, for the account described in this Section 9. In any fiscal year collections from Special Tax Portion appropriated to or budgeted for the Economic Development Fund, after satisfying the requirements for the Bond Payment Account may be applied to any other purposes of the Program determined appropriate by the Mayor and Council. The City hereby acknowledges and agrees (a) that the provisions of the Program and Ordinance No. 921 both provide for the levying of taxes on all the taxable property in the City of La Vista to provide funding for the Program; (b) that the Program as presented to the voters of the City indicated that property taxes as authorized under the terms of the Program were not expected to be required to be applied to the funding of the Program; (c) that if, for any reason, including but not limited to changes in law or changes in economic conditions, receipts for the Special Tax Portion or other sources are not sufficient to make the deposits to the Bond Payment Account and payments on the 2007 Bonds as provided for in this Section 9, the City shall cause to be levied and collected annually a tax on all the taxable property in the City sufficient in rate or amount (within the limitation to \$2,000,000 per budget/fiscal year as set forth in the Program) to pay the principal of and interest on the 2007 Bonds as the same fall due, after application of all other available resources.

Section 10. Until the 2007 Bonds have been paid in full, the City agrees that it will not incur any additional indebtedness or issue any bonds or notes payable from the Economic Development Fund unless such indebtedness, bonds or notes are expressly made subordinate to the 2007 Bonds, with the payments for such bonds or notes to be made from any monies available in each budget/fiscal year after the Bond Payment Account has been fully funded for such budget/fiscal year. Refunding Bonds to refund the 2007 Bonds may be issued so long as none of the 2007 Bonds shall remain outstanding after the issuance of such refunding bonds.

Section 11. So long as any of the 2007 Bonds remain outstanding, the City agrees that it shall not amend the terms of the Program or Ordinance No. 921 or Ordinance No. 363 in any manner to reduce the rate of tax provided for therein or reduce the anticipated revenues from such tax available for deposit to the Economic Development Fund.

Section 12. The City's obligations under this Resolution and the liens, pledges, covenants and agreements of the City herein made or provided for, shall be fully discharged and satisfied as to the 2007 Bonds issued pursuant to this Resolution and any such bonds shall no longer be deemed outstanding hereunder if such bonds shall have been purchased and cancelled by the City, or when payment of the principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made or caused to be made in accordance with the terms thereof, or (b) shall have been provided for by depositing with a national or state bank having trust powers or trust company, in trust solely for such payment, (i) sufficient money to make such payment and/or (ii) Deposit Securities in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will ensure the availability of sufficient money to make such payment; provided, however, that, with respect to any 2007 Bond to be paid prior to maturity, the City shall have duly given notice of redemption of such bond as provided by law or made irrevocable provisions for the giving of such notice. Any such money so deposited with a bank or trust company may be invested and reinvested in Deposit Securities and all interest and income from such Deposit Securities in the hands of such bank or trust company, in excess of the amount required to pay principal of and interest on the bonds for which such monies were deposited, shall be paid over to the City as and when collected. The term "Deposit Securities" as used in this Section shall mean direct obligations of or obligations the principal and interest which are unconditionally guaranteed by the United States of America, including obligations issued in book-entry form.

Section 13. The terms and provisions of this Resolution do and shall constitute a contract between the City and the registered owner or owners of the 2007 Bonds and no changes, variations or alterations of any kind, except for changes necessary to cure any ambiguity, formal defect or omission, shall be made to this Resolution without the written consent of the registered owners of two-thirds (2/3rds) in principal amount of the 2007 Bonds then outstanding, provided, however, that neither the principal and interest to be paid upon any 2007 Bond nor the maturity date of any 2007 Bond shall be changed without the written consent of the registered owners of all such bonds then outstanding. Any registered owner of a 2007 Bond may by mandamus or other appropriate action or proceedings at law or in equity in any court of competent jurisdiction enforce and compel performance of this Resolution and every provision and covenant hereof, including without limiting the generality of the foregoing, the enforcement of the performance of all duties required of the City by this Resolution and the applicable laws of the State of Nebraska, including in such duties the collecting of revenues pursuant to the provisions of the Program and Ordinance No. 921 and the segregation of such revenues in the Bond Payment Account of the City's Economic Development Fund for the 2007 Bonds as described in Section 9 of this Resolution. Any and all actions brought by any registered owner or owners of the 2007 Bonds shall be maintained for the equal and ratable benefit of all registered owners of the 2007 Bonds then outstanding and no registered owners of any of the 2007 Bonds shall have any right in any manner whatsoever by any action or proceedings to affect, disturb or prejudice the pledge created by this Resolution.

Section 14. In accordance with the requirements of Rule 15c2-12 (as now existing or subsequently amended, the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the City hereby agrees that it will provide the following continuing disclosure information:

(a) to each nationally recognized municipal securities information repository (a "NRMSIR") and to the initial purchaser of the Bonds, the City shall provide annual financial and operating information generally consistent with the information set forth under the heading "SELECTED FINANCIAL AND OPERATING INFORMATION" in Appendix A to the Official Statement for the 2007 Bonds and its audited financial statements; such information is expected to be available not later than seven months after the end of each fiscal year for the City; audited financial information shall be provided for the regular City funds, proprietary funds and pension trust funds in conformity with generally accepted accounting principles;

(b) in a timely manner to each NRMSIR (as and to the extent required by the Rule) or to the Municipal Securities Rule Making Board ("MSRB") (as and to the extent required by the Rule), notice of the occurrence of any of the following events with respect to the 2007 Bonds, if in the judgment of the City, such event is material:

- (1) principal and interest payment delinquencies,
- (2) non-payment related defaults,
- (3) unscheduled draws on debt service reserves reflecting financial difficulties,
- (4) unscheduled draws on credit enhancements reflecting financial difficulties,
- (5) substitution of credit or liquidity providers, or their failure to perform,
- (6) adverse tax opinions or events affecting the tax-exempt status of the 2007 Bonds (interest on the 2007 Bonds is not tax-exempt),
- (7) modifications to rights of the registered owners of the 2007 Bonds,
- (8) bond calls for the 2007 Bonds,
- (9) defeasances for the 2007 Bonds,
- (10) release, substitution, or sale of property securing repayment of the 2007 Bonds, and
- (11) rating changes, if any.

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

(c) in a timely manner to each NRMSIR (as and to the extent required by the Rule) or to the MSRB (as and to the extent required by the Rule) notice of any failure on the part of the City to provide required annual financial information not later than seven months from the close of the City's fiscal year.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City, consistent with the Rule. The City hereby agrees that such covenants may be enforced by any registered owner or Beneficial Owner of the Bonds, provided that any such right to enforcement shall be limited to specific enforcement of the continuing disclosure provisions of this Resolution and any failure shall not constitute an event of default under this Resolution or the 2007 Bonds. The continuing disclosure obligations of the City shall cease when none of the 2007 Bonds remain outstanding.

Section 15. The proceeds of the 2007 Bonds shall be deposited with the City Treasurer and shall be held and applied in accordance with the terms of the Program Ordinance and the Master Agreement. The Mayor and Council may designate any depository bank or banks and may contract for disbursing agent services as may be determined appropriate by subsequent resolution. Investment earnings related to the proceeds of the 2007 Bonds shall be transferred to the Economic Development Fund and shall be deposited to the Bond Payment Account within such fund as established by this Resolution.

Section 16. The Mayor and City Clerk and City Treasurer of the City are hereby authorized to do all things and execute all documents as may by them be deemed necessary and proper to complete the issuance and sale of the 2007 Bonds contemplated by this Resolution. The Preliminary Official Statement is hereby approved and such officers are further authorized to approve a final Official Statement on behalf of the City.

Section 17. The net principal proceeds of the 2007 Bonds, after payment of issuance expenses, shall be held in a separate account in the Economic Development Fund of the City of La Vista and shall be applied to make the EDP Grant and the EDP Loan in accordance with the terms of the Master Redevelopment Agreement.

Section 18. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 19. This Resolution shall be in force and take effect from and after its adoption as provided by law.

PASSED AND APPROVED THIS 19TH DAY OF JUNE, 2007.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk

PRELIMINARY OFFICIAL STATEMENT DATED JUNE __, 2007

NEW ISSUE--BOOK-ENTRY ONLY

RATING: _____

In the opinion of Bond Counsel, under existing laws, regulations and judicial decisions, interest on the Series 2007 Bonds IS INCLUDABLE in gross income for federal income taxes and for purposes of Nebraska state income taxation (see, "TAXABLE STATUS OF INTEREST").

\$21,225,000

**CITY OF LA VISTA, NEBRASKA
ECONOMIC DEVELOPMENT FUND BONDS, SERIES 2007**

Dated: Date of Delivery

Due: October 15, as shown below

The Economic Development Fund Bonds, Series 2007 (the "Series 2007 Bonds") are issuable as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2007 Bonds. Purchases of the Series 2007 Bonds will be made in book-entry only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Series 2007 Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2007 Bonds. Interest is payable semiannually on April 15 and October 15 of each year, commencing April 15, 2008. So long as DTC or its nominee is the registered owner of the Series 2007 Bonds, payments of the principal or redemption price of and interest on the Series 2007 Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "THE SERIES 2007 BONDS - Global Book-Entry Bonds." The City Treasurer of the City of La Vista, Nebraska, will act as Paying Agent and Registrar for the Series 2007 Bonds. For terms relating to payments made to DTC or its nominee or in the event that the use of book-entry form is discontinued, see "THE SERIES 2007 BONDS."

MATURITY SCHEDULE

\$5,855,000 of ____ % Term Bonds Due October 15, 2017, Price ____ %
\$6,430,000 of ____ % Term Bonds Due October 15, 2023, Price ____ %
\$8,940,000 of ____ % Term Bonds Due October 15, 2029, Price ____ %

The Series 2007 Bonds are subject to optional redemption prior to maturity as more fully described herein. The proceeds of the Series 2007 Bonds will be used (1) to make a loan in the amount of up to \$18,000,000 (the "Loan") to John Q. Hammons and certain entities affiliated with John Q. Hammons (as more particularly described in this Official Statement, the "Hammons Interests") to finance a portion of the costs of constructing a conference center to be located on a site adjacent to two hotels being constructed by the Hammons Interests and (2) to make a grant in the amount of \$3,000,000 to the Hammons Interests to pay or reimburse the costs of land acquisition primarily associated with the conference center and related parking improvements.

Principal and interest on the Series 2007 Bonds are payable from amounts from local tax sources (principally sales taxes, with ad valorem taxes available only if needed) appropriated and allocated by the City to its Economic Development Fund on an annual basis in an amount not to exceed \$2,000,000 in each year. The City may in its discretion from year to year apply to the payment of the Series 2007 Bonds other amounts deposited to the City's Economic Development Fund, including amounts to be paid to the City on the Loan. The Amounts payable to the City on the Loan have not been pledged for the payment of the Series 2007 Bonds. This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

The Series 2007 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Baird Holm LLP, Omaha, Nebraska, as the City's Bond Counsel, and certain other conditions. It is expected that the Series 2007 Bonds will be available for delivery through The Depository Trust Company in New York, New York, on or about July __, 2007.



**D.A.
Davidson
& Co.** member
SIPC

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Preliminary Draft, Subject to Revision – 6/11/2007

No dealer, broker, salesman or other person has been authorized by the City of La Vista or the Underwriter to give any information or to make any representations with respect to the Series 2007 Bonds other than the information and representations contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2007 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2007 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2007 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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FORWARD-LOOKING STATEMENTS

This Official Statement contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS CHANGE OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Preliminary Draft, Subject to Revision – 6/11/2007

**OFFICIAL STATEMENT
RELATING TO
\$21,225,000
CITY OF LA VISTA, NEBRASKA
ECONOMIC DEVELOPMENT FUND BONDS, SERIES 2007**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices, is to set forth information concerning the City of La Vista, Nebraska, (“La Vista” or the “City”), and the City’s \$21,225,000 of Economic Development Fund Bonds, Series 2007 (the “Series 2007 Bonds”) offered hereby.

Sources of Certain Information

There follow in this Official Statement brief descriptions of the Series 2007 Bonds and the City. All descriptions of documents herein are only summaries and are qualified in their entirety by reference to each such document. During the offering period, copies of such documents may be obtained from the City or from D.A. Davidson & Co. (the “Underwriter”). Information in this Official Statement concerning the City has been furnished by the City or obtained from other sources believed to be reliable.

AUTHORITY

The Series 2007 Bonds are being issued pursuant to the Constitution and laws of the State of Nebraska, specifically Sections 18-2701 to 18-2738, R.R.S. Neb. 1997, as amended, (the “Act”) and Resolution No. _____ of the City passed and approved on June 19, 2007 (the “Resolution”).

PURPOSE

The proceeds of the Series 2007 Bonds will be applied to (1) to make a loan in the amount of up to \$18,000,000 (the “Loan”) to John Q. Hammons and certain entities affiliated with John Q. Hammons (as more particularly described in this Official Statement, the “Hammons Interests”) to finance a portion of the costs of constructing a conference center to be located on a site adjacent to two hotels being constructed by the Hammons Interests, (2) to make a grant in the amount of \$3,000,000 to the Hammons Interests to pay or reimburse the costs of land acquisition primarily associated with the conference center and related parking improvements and (3) to pay issuance expenses.

SECURITY

Under the Act the City has created an Economic Development Fund. The Series 2007 Bonds are payable from amounts which the City has agreed to deposit to the Economic Development Fund. In accordance with the terms of the Act and the terms of the Economic Development Program adopted by the City (the “Program”), the City has agreed to deposit to deposit amounts derived from the City’s one percent (1.0 %) sales tax sufficient to pay principal and interest on the Series 2007 Bonds as the same fall due. The City has reserved the right to make payments on the Series 2007 Bonds from other monies in its Economic Development Fund, including payments attributable to the Loan in its discretion. Under the terms of the Program only \$2,000,000 from local tax sources may be deposited to the Economic Development Fund in any fiscal year. In the event that receipts from the 1% sales tax and other sources prove insufficient, the City has further agreed to apply amounts from local property taxes. The need for any such application is not currently expected by the City. The Series 2007 Bonds are not general obligations of the City and are payable from the City’s taxing power only to the extent provided for under the terms of the Program.

THE SERIES 2007 BONDS

The Series 2007 Bonds will be issued in the aggregate principal amount of \$21,225,000, will be dated the date of their delivery, bear interest (computed on the basis of a year of 360 days consisting of twelve thirty-day months) at specified rates, payable semiannually on April 15 and October 15 of each year, commencing April 15, 2008 (collectively, the “Interest Payment Dates”), and mature on the dates, all as set forth on the cover page of this Official Statement. The Series 2007 Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof. Initially, the Series 2007 Bonds will be issued using the services of The Depository Trust Company (“DTC”) and will be registered in the name of Cede & Co. and will be made available to beneficial owners in book-entry only form, as described below.

General Information

The principal of and interest on the Series 2007 Bonds due at maturity or upon redemption prior to maturity are payable at the office of the City Treasurer of the City of La Vista, Nebraska (the “Paying Agent” or the “Registrar”) or of any successor paying agent and registrar appointed by the City, as provided in the Resolution, upon presentation and surrender thereof. Interest on the Series 2007 Bonds due prior to maturity or earlier date of redemption will be paid to the registered owners thereof as of the close of business on the fifteenth day immediately preceding each Interest Payment Date (the “Record Date”) and will be paid by check or draft drawn on the Registrar and mailed on each Interest Payment Date to the registered owners thereof at the addresses shown on the registration books maintained by the Registrar notwithstanding the cancellation of any such Series 2007 Bond upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date. The principal of and interest on the Series 2007 Bonds will be paid in lawful money of the United States of America. The foregoing procedures and methods for payment will apply in the event that provisions for global book-entry-only bonds as described below cease to be in effect and will apply to the holding and transfer of Series 2007 Bonds by DTC subject to certain modifications provided for in a Letter of Representations between the City, the Registrar and DTC.

Global Book-Entry Bonds

The Series 2007 Bonds will be available to the ultimate purchasers in global book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Series 2007 Bonds will not receive certificates representing their interests in the Series 2007 Bonds purchased, except as described below.

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the Series 2007 Bonds, payment of interest and other payments on the Series 2007 Bonds to Participants (as hereinafter defined) or Beneficial Owners (as hereinafter defined) of the Series 2007 Bonds, confirmation and transfer of beneficial ownership interests in the Series 2007 Bonds and other related transactions by and between DTC, Participants and Beneficial Owners of the Series 2007 Bonds, is based solely on information furnished by DTC to the City for inclusion in this Official Statement. Accordingly, the City makes no representations concerning these matters, and the Beneficial Owners of the Series 2007 Bonds should not rely on the following information with respect to such matters, but should instead confirm the same with the Participants from whom they purchased the Series 2007 Bonds.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2007 Bonds. The Series 2007 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2007 Bond certificate will be issued for each separate maturity of the Series 2007 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participant's accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Securities Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtcc.org.

Purchases of the Series 2007 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2007 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2007 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2007 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2007 Bonds, except in the event that use of the book-entry system for the Series 2007 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2007 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2007 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2007 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2007 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2007 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents relating to the Series 2007 Bonds. For example, Beneficial Owners of Series 2007 Bonds may wish to ascertain that the nominee holding the Series 2007 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2007 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2007 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City (or the Registrar) as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2007 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Series 2007 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar (from funds provided by the City), disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2007 Bonds at any time by giving reasonable notice to the City and the Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2007 Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2007 Bonds will be printed and delivered.

The information under this subcaption concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The City and the Registrar will not have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Direct Participant or any Indirect Participant; (ii) the payment by DTC or any Direct Participant or Indirect Participant of any amount with respect to the principal or redemption price of or interest on the Series 2007 Bonds; (iii) any notice which is permitted or required to be given to bondholders under the Resolution; (iv) the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the Series 2007 Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

The information included under this subcaption, other than in this paragraph, the preceding paragraph hereof and the first two full paragraphs under this subcaption, has been provided by DTC. No representation is made by the City or the Registrar as to the accuracy or adequacy of such information provided by DTC or as to the absence of material adverse changes in such information subsequent to the date hereof. The Beneficial Owners of the Series 2007 Bonds will rely on DTC Participants or Indirect Participants for timely payments and other notices and for otherwise making available to the Beneficial Owners the rights of a bondholder. No assurances can be given, in the event of the bankruptcy or insolvency of DTC or the Direct Participant or Indirect Participant through which a Beneficial Owner holds beneficial interest in the Series 2007 Bonds, that payment will be made by DTC, the Direct Participant or the Indirect Participant on a timely basis.

Notice to Bondholders

Notice of any proposed modification or amendment of the Resolution by means of an amending resolution that is to be effective with the consent of the registered owners of the Series 2007 Bonds as well as all notices of redemption will be mailed to DTC, as the registered owner of the Series 2007 Bonds then outstanding.

No assurance can be given by the City or the Registrar that DTC will distribute to the Participants, or that the Participants will distribute to the Beneficial Owners, (i) payment of debt service on the Series 2007 Bonds paid to DTC, or its nominee, as the registered owner, or (ii) any redemption or other notices, or that DTC or the Participants will serve and act on a timely basis or in the manner described in this Official Statement.

Optional Redemption

The Series 2007 Bonds maturing on and after October 15, 2012, are subject to redemption at the option of the City prior to maturity at any time on or after the fifth anniversary of the date of original issue for the Series 2007 Bonds, in whole or in part, at the following redemption prices for the periods shown plus accrued interest on the principal amount redeemed to the date fixed for redemption:

Period During Which Redeemed
(both dates inclusive)

Redemption Price

Fifth Anniversary through October 15, 2013
October 16, 2013 through October 15, 2014
October 16, 2014 through October 15, 2015
October 16, 2015 through October 15, 2016
October 16 2016 and thereafter

Such optional redemption shall be made from time to time as shall be directed by the Mayor and Council of the City. The City may select the 2007 Bonds for optional redemption in its sole discretion, including particular maturities as it deems appropriate.

Mandatory Redemption

The Series 2007 Bonds maturing on October 15, 2017 (the “2017 Term Bonds”) on October 15, 2023 (the “2023 Term Bonds”) and on October 15, 2029 (the “2029 Term Bonds”) and collectively with the 2017 Term Bonds and the 2023 Term Bonds, the “Term Bonds”) shall be redeemed prior to their stated maturity and paid at stated maturity from mandatory sinking fund payments required to be made by the City in accordance with the following schedule:

The 2017 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2010	\$600,000
October 15, 2011	630,000
October 15, 2012	670,000
October 15, 2013	705,000
October 15, 2014	745,000
October 15, 2015	790,000
October 15, 2016	835,000
October 15, 2017	880,000

The 2023 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2018	\$930,000
October 15, 2019	980,000
October 15, 2020	1,040,000
October 15, 2021	1,095,000
October 15, 2022	1,160,000
October 15, 2023	1,225,000

The 2029 Term Bonds

<u>Redemption Date</u>	<u>Amount Required to be Redeemed</u>
October 15, 2024	\$1,295,000
October 15, 2025	1,365,000
October 15, 2026	1,445,000
October 15, 2027	1,525,000
October 15, 2028	1,610,000
October 15, 2029	1,700,000

Such mandatory redemptions shall be at a price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption. The Paying Agent shall select the Series 2007 Bonds for mandatory redemption using any random method of selection determined appropriate by the Paying Agent. At the option of the City, to be exercised by delivery of a certificate to the Paying Agent and Registrar on or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date, the City may (i) deliver to the Paying Agent and Registrar for cancellation Term Bonds, which are then subject to such redemption or portions thereof (\$5,000 or any integral multiple thereof) in any aggregate principal amount desired by the City, or (ii) specify a principal amount of such Term Bonds, as are then next subject to mandatory sinking fund redemption, or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been purchased or redeemed (otherwise than through the operation of mandatory sinking fund redemption) and canceled by the Paying Agent and Registrar at the request of the City and not theretofore applied as a credit against any sinking fund payment. Each Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Paying Agent and Registrar at 100% of the principal amount thereof against the obligation of the City on such mandatory sinking fund redemption date.

Redemption--Series 2007 Bonds Held by DTC

If the Series 2007 Bonds are being held by DTC under the book-entry system and less than all of such Series 2007 Bonds within a maturity are being redeemed, DTC's current practice is to determine by lot the amount of the interest of each Participant in such maturity to be called for redemption, and each Participant is to then select by lot the ownership interest in such maturity to be redeemed. See "THE SERIES 2007 BONDS - Global Book-Entry Bonds" herein.

Notice of Redemption; Effect of Redemption

Notice of call for redemption, identifying the Series 2007 Bonds or portions thereof to be redeemed shall be given by the Registrar by mail, sent to the registered owners of the Series 2007 Bonds to be redeemed (initially, Cede & Co.) at their registered addresses as shown on the registration books maintained by the Registrar, first class, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption. Failure to give notice to any registered owner or any defect in the notice shall not affect the validity of the proceedings calling the Series 2007 Bonds or the redemption of any Series 2007 Bonds for which proper notice has been given. The City shall have the right to direct further notice of redemption for any Series 2007 Bond for which defective notice has been given.

Transfer of Series 2007 Bonds

The Series 2007 Bonds are transferable upon presentation for cancellation to the Registrar at its office in La Vista, Nebraska. To be transferred, any Series 2007 Bonds must be accompanied by a written instrument of transfer in form satisfactory to the Registrar and must be accompanied by such signature guaranties and other evidence as the Registrar may require. Upon surrender of any Series 2007 Bond in proper form, the Registrar will deliver at its office or send by registered mail to the transferee owner or owners at such transferee owner’s or owners’ risk and expense, a new Series 2007 Bond or Series 2007 Bonds of the same maturity, interest rate and aggregate principal amount registered in the name of the transferee owner or owners. To the extent of the denominations permitted by the Resolution, one Series 2007 Bond may be transferred for several Series 2007 Bonds of a like maturity, interest rate and aggregate principal amount and several Series 2007 Bonds may be transferred for one or several Series 2007 Bonds, respectively, of the same maturity, interest rate and aggregate principal amount. Transfer of interests by Beneficial Owners, so long as there is a securities depository serving will be governed by the procedures described under “THE SERIES 2007 BONDS - Global Book-Entry Bonds” herein.

SOURCES AND USES OF FUNDS

<u>Sources of Funds</u>	
Principal Amount of Bonds	\$
Net Premium (Discount)	
Total	
 <u>Uses of Funds</u>	
Project Costs (Loan and Grant)	\$
Issuance Costs (including Underwriter’s Discount)	
Additional Proceeds	
Total	

DEBT SERVICE ON THE SERIES 2007 BONDS

The following table shows the debt service on the Series 2007 Bonds. It is based upon the maturity schedule shown on the cover page of this Official Statement.

<u>Fiscal Year Ending September 30</u>	<u>Maturities for Series 2007 Bonds*</u>	<u>Interest Due on Series 2007 Bonds</u>	<u>Total Debt Service for Series 2007 Bonds</u>
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
TOTALS			

* Includes mandatory redemption amounts.

The following schedule sets forth the debt service requirements for City's outstanding lease-purchase obligations and its outstanding bonded indebtedness, together with the debt service requirements for 1 for the Series 2007 Bonds:

Fiscal Year Ending <u>September 30</u>	Debt Service on Outstanding <u>Obligations</u>	Debt Service on Series 2007 <u>Bonds</u>	Total Debt Service for <u>Leases and Bonds</u>
2008	\$2,761,939.75		
2009	2,909,531.00		
2010	2,908,976.50		
2011	2,907,835.26		
2012	2,912,053.76		
2013	2,905,503.76		
2014	2,698,176.00		
2015	2,591,992.00		
2016	2,614,000.50		
2017	2,350,410.50		
2018	2,331,760.50		
2019	2,328,985.00		
2020	2,307,160.00		
2021	2,135,128.75		
2022	2,122,268.75		
2023	1,668,190.50		
2024	1,375,587.50		
2025	1,372,415.00		
2026	736,526.25		
2027	737,492.50		
2028			
2029			
2030			
TOTALS	<u>\$48,856,714.78</u>		

Under Nebraska law, there is no general limitation on general obligation or revenue indebtedness.

THE CITY

The City of La Vista, Nebraska (the "City") is a city of the first class of the State of Nebraska. The population of the City, according to the 2000 Census, is 11,699 (2004 Census Estimate 14,685). The City is located in the metropolitan area of the City of Omaha, just south of the Douglas County-Sarpy County line on State Highway No. 85. The City limits border on the north with Ralston and Omaha and on the south with the City of Papillion. The east boundary is 69th Street (66th Street at certain places) with Interstate 80 as the current west boundary line. The City is governed by a Mayor and a Council consisting of eight members. More detailed information concerning the City and its operations and the Program is provided in Appendix A to this Official Statement.

BONDHOLDERS' RISKS

The payment of the Series 2007 Bonds is subject to certain risks. Each prospective investor in the Series 2007 Bonds is encouraged to read this Official Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on the

Series 2007 Bonds and which could also affect the market price of the Series 2007 Bonds to an extent that cannot be determined.

1. [Series 2007 Bonds Not Rated]. The Series 2007 Bonds have not been rated or reviewed by any rating agency and it is not expected that any rating will be applied for. The absence of a rating may limit the market for reselling the Series 2007 Bonds because certain institutional and other investors limit their purchases to securities which have received a rating.]

2. Limitation of Rights Upon Insolvency. The United States Bankruptcy Code enables debtors, including cities, which are insolvent to obtain relief through petition and plan which may result in the modification or delay of payments to creditors, including bondholders. In the event of any insolvency upon the part of the City, the holders of the Series 2007 Bonds would be treated as general creditors of the City along with other unsecured claimants. The extent to which the exception from limitations upon overall tax rates provided for in existing legislation, including the Tax Limitations and the Budget Limitations (see “NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION”), might entitle bondholders to be treated as a separate class or otherwise given priority over other unsecured claimants is a matter that would be subject to future determinations of Nebraska state and federal courts interpreting and applying both state law and the United States Bankruptcy Code. Procedures under the Bankruptcy Code or other insolvency laws could result in delays in payment and modifications of payment rights. The State of Nebraska has authorized its political subdivisions to seek relief under the United States Bankruptcy Code by statute.

3. Nebraska Developments Related to Budgets and Taxation. The Nebraska Legislature has recently taken actions designed to limit increases in spending and to reduce the reliance of local governmental units on property taxation. For a discussion of such changes, see “NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION”. The City’s local option sales tax which represents the primary anticipated source for payment of the Series 2007 Bonds is limited to 1% upon taxable sales and uses. The Nebraska Legislature has from time to time expanded and narrowed the types of sales and uses subject to this tax. Under LB 367, recently enacted by the Nebraska Legislature, sales and use taxes on construction services and wind energy are to be eliminated beginning on October 1, 2007.

4. Opportunities for Growth and Related Indebtedness. The City and Sarpy County are in a period of relatively rapid growth. See “Appendix A—Future Borrowing Plans” for information concerning annexations, anticipated commercial developments and related increased indebtedness.

5. Risks Related to Sales Taxes and Other Program Receipts. Sales tax receipts fluctuate from year to year depending upon consumer behavior. Sales tax receipts can also fluctuate depending upon the decisions of large commercial retailers as to the location and closing of their stores. Sales tax receipts are also subject to variation because of (a) higher utilization of the internet for purchases, (b) changes in travel and tourism related to fuel costs, (c) decisions of the Nebraska Legislature concerning the kinds of transactions to which the sales tax is made applicable (historically and currently not applicable to food purchases for consumption off premises) and (d) general economic conditions.

6. Risks Related to the Program. The City has undertaken a major effort to encourage the development of the area immediately east of Interstate 80 and served by the Harrison Street exit. This area is expected to provide significant increased tax revenues from greater property valuations, increased sales taxes and from an occupation tax on hotels. The hotel business and the business of retailing are both subject to economic risks related to the general state of the economy and to fuel costs for motor vehicles. The City’s Economic Development Fund is expected to receive significant annual revenues from the Hammons Interests related to the Loan. Such payments have not been pledged for the payment of the Series 2007 Bonds and are subject to being applied to other economic development purposes so long as the Loan remains outstanding. All

of the principal on the Loan falls due in 2014. The City's Economic Development Fund can be expected to be subject to the financial condition of this single developer so long as the Loan remains outstanding.

NEBRASKA DEVELOPMENTS RELATED TO BUDGETS AND TAXATION

The Nebraska Legislature has endeavored to reduce the level of property taxation and political subdivision expenditures in the State. The Legislature has, for such purposes, enacted legislation to provide for budget limitations and legislation requiring reductions in the rate of taxation for general property taxes. Budget limitations relating to cities, villages, counties and other political subdivisions (Sections 13-518 to 13-522, R.R.S. Neb. 1997, as amended, and related sections, the "Budget Limitations") limit the growth in amounts which may be budgeted with respect to certain restricted funds. Restricted funds include (a) property taxes, (b) payments in lieu of property taxes, (c) local option sales taxes, (d) motor vehicle taxes, (e) state aid, (f) transfers of surpluses from user and other fees if the transfer funds a service or function not directly related to the fee or charge and (g) unexpended funds from the prior year budgeted for capital expenditures which are not expected to be spent for capital improvements. The limitation imposed does not apply to (a) restricted funds budgeted for capital improvements, (b) restricted funds expended from a qualified sinking fund for acquisition or replacement of tangible personal property, (c) restricted funds pledged to retire bonded indebtedness or used to pay other financial instruments that are approved and agreed to before July 1, 1999 (d) restricted funds budgeted in support of a service which is the subject of an interlocal cooperation agreement, (e) restricted funds budgeted for repairs to infrastructure in the case of a declared disaster emergency and (f) restricted funds budgeted to pay for certain judgments. The Budget Limitations currently provide for a base limitation of 2.5% upon increases. Such base limitation is subject to review by the Nebraska Legislature from year to year. The base limitation may be exceeded by an additional 1% upon an affirmative vote of at least 75% of the governing body. These limitations are to be enforced through the office of the Auditor of Public Accounts of the State of Nebraska and state aid may be withheld from governmental units which fail to comply. The Budget limitations thus do not apply to amounts required to pay debt service on the Series 2007 Bonds.

Tax levy limitations (Section 77-3442, R.R.S. Neb. 2003, as amended, and related sections, the "Levy Limitations") provide for overall limitations on the property tax levies of political subdivisions, including cities. The Levy Limitations provide for an express exclusion from the limitations for property tax levies for bonded indebtedness.

Under the Levy Limitations the rates for levying property taxes have been reduced for each type of governmental unit in the State of Nebraska. The rate for cities is set at 45¢ per \$100 of taxable valuation with an additional 5¢ available for payments under interlocal cooperation agreements. LB 367 recently enacted by the Nebraska Legislature has established a Property Tax Credit Cash Fund into which \$105,000,000 is to be deposited for tax year 2007 and \$115,000,000 is to be deposited for tax year 2008. Amounts deposited are to be distributed to the various counties in proportion to the taxable valuations of the various counties and applied within each county as a credit against each property taxpayer's tax bill for the respective years in an amount based upon proportional valuations within each county.

The future methods for providing for financing cities, schools and other local units may be altered depending upon future actions to be taken by the Nebraska Legislature, further decisions of the Nebraska Supreme Court and federal courts and future initiative petitions proposed by voters.

SUMMARY OF PROVISIONS OF RESOLUTION

Certain provisions of the Resolution are summarized elsewhere. Summaries of the provisions of the Resolution as contained in this Official Statement are to be considered as summaries only and are subject reference to the Resolution itself. Copies of the Resolution are available through the office of the City Clerk of

the City and D.A. Davidson & Co, at its office at 10350 Regency Circle, Suite 500, Omaha, Nebraska 68114. In addition to the provisions summarized elsewhere, the Resolution provides for the following::

Bond Payment Account. For purposes of holding, allocating and applying the receipts from the Economic Development Fund, the City agrees to establish and maintain under the Resolution a Bond Payment Account in accordance with the following terms and conditions: BOND PAYMENT ACCOUNT - In each budget/fiscal year, as and when received, revenues from the limited sales taxes (the "Sales Tax Portion") or allocated from other available funds in the Economic Development Fund shall be deposited to the Bond Payment Account until such account has credited thereto an amount equal to the amount of principal and interest falling due on the 2007 Bonds in such budget/fiscal year. The City Treasurer is authorized and directed to withdraw monies credited to the Bond Payment Account in an amount sufficient to pay, when due, the principal of and interest on the 2007 Bonds (including amounts necessary for any mandatory sinking fund redemptions as set forth in Section 5 of this Resolution) and to transfer such amounts to the Paying Agent and Registrar for the 2007 Bonds on or before each principal and interest payment date (including any mandatory sinking fund redemption date).

Property Tax Support. The City acknowledges and agrees (a) that the provisions of the Program provide for the levying of taxes on all the taxable property in the City of La Vista to provide funding for the Program; (b) that the Program as presented to the voters of the City indicated that property taxes as authorized under the terms of the Program were not expected to be required to be applied to the funding of the Program; (c) that if, for any reason, including but not limited to changes in law or changes in economic conditions, receipts for the Special Tax Portion are not sufficient to make the deposits to the Bond Payment Account and payments on the 2007 Bonds as provided for in the Resolution, the City shall cause to be levied and collected annually a tax on all the taxable property in the City sufficient in rate or amount (within the limitation to \$2,000,000 per budget/fiscal year as set forth in the Program) to pay the principal of and interest on the Series 2007 Bonds as the same fall due, after application of all other available resources.

Application of Proceeds. The net principal proceeds of the Series 2007 Bonds are to be held in a separate account in the Economic Development Fund of the City of La Vista and shall be applied to make the grant and the Loan to the Hammons Interests in accordance with the terms of the Master Development Agreement. Such agreement calls for the proceeds of the Loan to be applied to the construction and other related costs for the conference center which forms a part of the project being undertaken by the Hammons Interests. The grant, under the terms of such agreement is to be applied to certain land acquisition costs.

Additional Indebtedness. Until the Series 2007 Bonds have been paid in full, the City agrees that it will not incur any additional indebtedness or issue any bonds or notes payable from the Economic Development Fund unless such indebtedness, bonds or notes are expressly made subordinate to the Series 2007 Bonds, with the payments for such bonds or notes to be made from any monies available in each budget/fiscal year after the Bond Payment Account has been fully funded for such budget/fiscal year. Refunding Bonds to refund the 2007 Bonds may be issued so long as none of the 2007 Bonds shall remain outstanding after the issuance of such refunding bonds.

Amendments/Remedies. The terms and provisions of this Resolution are stated to constitute a contract between the City and the registered owner or owners of the Series 2007 Bonds and no changes, variations or alterations of any kind, except for changes necessary to cure any ambiguity, formal defect or omission, shall be made to this Resolution without the written

consent of the registered owners of two-thirds (2/3rds) in principal amount of the Series 2007 Bonds then outstanding, provided, however, that neither the principal and interest to be paid upon any Series 2007 Bond nor the maturity date of any Series 2007 Bond shall be changed without the written consent of the registered owners of all such bonds then outstanding. The City agrees that any registered owner of a Series 2007 Bond may by mandamus or other appropriate action or proceedings at law or in equity in any court of competent jurisdiction enforce and compel performance of the Resolution, including without limiting the generality of the foregoing, the enforcement of the performance of all duties required of the City by the Resolution and the applicable laws of the State of Nebraska, including in such duties the collecting of revenues pursuant to the provisions of the Program and Ordinance No. 921 and the segregation of such revenues in the Bond Payment Account of the City's Economic Development Fund for the Series 2007 Bonds as described in the Resolution. Any and all actions brought by any registered owner or owners of the Series 2007 Bonds shall be maintained for the equal and ratable benefit of all registered owners of the Series 2007 Bonds then outstanding and no registered owners of any of the Series 2007 Bonds shall have any right in any manner whatsoever by any action or proceedings to affect, disturb or prejudice the pledge created by the Resolution.

Defeasance. The Resolution provides that its provisions may be discharged with respect to the Series 2007 Bonds by deposit with a national or state bank having trust powers of monies or United States government securities payable at such times and bearing interest sufficient in amount to fully provide for the payment of such bonds.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City has agreed in the Resolution that it will provide continuing disclosure information as described in Appendix C to this Official Statement.

UNDERWRITING

The Underwriter has agreed, subject to certain customary conditions to closing, to purchase the Series 2007 Bonds from the City for \$ _____, which amount takes into consideration the Underwriter's discount in the amount of \$ _____ and net original issue premium (discount) in the amount of \$ _____. After the Series 2007 Bonds are released for sale, the price and other terms may be varied from time to time by the Underwriter and such Series 2007 Bonds may be offered and sold to certain dealers (including dealers who may sell Series 2007 Bonds into investment accounts) at prices lower than the initial public offering price set forth on the cover page hereof. The Underwriter is committed to take and pay for all of the Series 2007 Bonds if any of the Series 2007 Bonds of such issue are taken.

While the Underwriter expects, insofar as possible, to maintain a secondary market for the Series 2007 Bonds, no assurance can be given concerning the future maintenance of such a market by the Underwriter or others, and prospective purchasers of the Series 2007 Bonds should therefore be prepared to hold their Series 2007 Bonds to their maturity.

LITIGATION

No litigation is pending or, to the knowledge of the City, threatened in any court to restrain or enjoin the issuance or delivery of the Series 2007 Bonds, or attacking in a material way the City's ability to appropriate and deposit sales tax receipts or other amounts to pay principal and interest on the Series 2007 Bonds or in any way contesting or affecting the validity of the Series 2007 Bonds or the Resolution or contesting the power or authority of the City to adopt the Resolution.

TAX EXEMPTION

Under the Internal Revenue Code of 1986, as amended (the "Code") interest on the Series 2007 Bonds **will be includable in gross income** for purposes of determining federal income taxes and Nebraska state income taxes.

APPROVAL OF LEGAL PROCEEDINGS

All of the legal proceedings in connection with the authorization and issuance of the Series 2007 Bonds are subject to the approval of Baird Holm LLP, Omaha, Nebraska, Bond Counsel for the City.

MISCELLANEOUS

The information contained in this Official Statement has been compiled or prepared from information obtained from the City and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

CITY OF LA VISTA, NEBRASKA

By:

Mayor

APPENDIX A

THE CITY OF LA VISTA, NEBRASKA

The City

Located immediately southwest of Omaha, Nebraska, the City of La Vista is the youngest city in Sarpy County, Nebraska. La Vista got its start in 1960 when 335 homes were built with a scenic view of the Big Papio Creek Basin. La Vista was named for its Spanish translation – The View.

Today, La Vista has grown to an estimated population of 15,692 with a diversity of family homes, apartment complexes, parks and retail/commercial business. The center for local government is the La Vista City Hall and Community Center which was constructed in 1994 at a cost of \$4 million. The City's Public Works Department is located west of the City in La Vista's growth area. A new police station has been constructed located at 96th and Granville Parkway. In 2006 the City provided for the construction of off-street parking facilities at a cost in excess of \$7.3 million for the Southport shopping area. Several commercial and/or industrial developments are located in the western part of the City.

The City of La Vista Facilities Corporation (the "Corporation") was formed in 1991 for the purpose of providing for, erecting, owning, leasing, furnishing and managing buildings, land and grounds for the use or benefit of the City. In 1997, the City entered into a joint project with Metropolitan Community College ("MCC") and the Corporation on behalf of the City issued bonds to finance a portion of the La Vista Library and MCC's Sarpy Center, which houses La Vista's new public library as well as MCC's classrooms and computer labs. In 2002 the Corporation issued \$4,070,000 of bonds to assist the City with the construction and acquisition of the new police facility. In 2005 the Corporation issued \$5,900,000 of bonds to assist the City with the construction of a second fire station.

City Government

La Vista has a Mayor-Council form of government. The Mayor is elected at-large to a four-year term. Eight City council members are elected from four wards to staggered four-year terms. The Mayor, with confirmation of the City Council, appoints a professional City Administrator to manage the day to day operations of the City.

Public Safety

A survey of La Vista residents recently ranked the quality of fire & rescue protection among the top five services in the City. In a typical year, members of the La Vista Volunteer Fire Department spend over 3,000 hours training, 4,500 on fire/rescue calls, 400 hours on equipment maintenance and 300 plus hours attending community services events. The Fire Department has a fleet of fire protection vehicles which provides the City with the up to date fire fighting technology. Additions to this fleet will be necessary upon completion of the Project, with possible borrowing by issuance of limited tax bonds to pay the costs.

The La Vista Police Department received a favorable evaluation in a recent survey. The professionalism and behavior of La Vista's police officers was ranked in the top five for quality of services. The only law enforcement agency in Nebraska to be accredited by both the Commission on Accreditation for Law Enforcement Agencies (CALEA) and the Police Chief's Association of Nebraska (PCAN) – the La Vista Police Department has embraced the community policing philosophy and partnered with residents to offer programs such as DARE (Drug Abuse Resistance Education), GREAT (Gang Resistance Education and Training) and Safety City (a safety program designed for pre-school children). La Vista was the first

community in Nebraska to implement the Crime-Free Multi-Housing program which strives to keep apartment complexes crime-free and drug-free through a series of tenant and landlord education programs.

Educational Opportunities

La Vista is part of the Papillion-La Vista Public School System. In January 1996, Money Magazine did a story entitled *Where Your Housing Dollars Buy Super Public Schools*. Listed in the top 100 communities in the United States where families can afford to live was the Papillion-La Vista School District. Median home value, enrollment, SAT/ACT scores, and the percentage of students going on to college or technical schools were evaluated. La Vista's Public Library is also an integral part of the City's commitment to the education of all residents. The Public Library, constructed in 1997, is noted for its excellent pre-school storytime programs.

The Papillion-La Vista School District (Sarpy County School District 0027) has a current 2006-07 enrollment of 8,774 students. There are two high schools, two junior high schools and twelve elementary schools. On November 7, 2006, the voters of the School District approved a bond proposition for \$39,995,000 in bonds to provide for further construction of schools to serve the School District's growing population, of which \$19,450,000 have been issued to date.

Recreational Opportunities

An abundance of recreational activities are available in La Vista from softball to swimming. The City is proud of its many parks and recreational facilities. Topping the list is the Community Center. Open daily, the Center offers a gym, weight room, game room, racquetball, senior shuttle bus and programs and a variety of community meetings, craft classes and educational programs for children. La Vista is home to a number of sports clubs which provide organized recreational programs for youth. The sport complex has 5 baseball/softball fields and twelve soccer fields. The La Vista Municipal Pool is open in the summer for recreation as well as learn-to-swim classes. The City owns La Vista Falls, a nine-hole executive golf course, open to the public. The Corporation has also assisted the City with financing for this course.

Municipal Utilities and Services

Utility service in the City is provided by a mix of public and private facilities. The Metropolitan Utilities District provides water and sewer service. Electric service is provided by Omaha Public Power District. Natural gas is furnished by Aquila and supplied by Internorth. Telephone service to the area is provided by Qwest Telephone Company and by cellular providers.

The commitment of the Public Works Department staff strives to ensure that La Vista has high quality public infrastructure. Public Works crews are responsible for maintaining 147 lane-miles of city streets, 151 acres of city park land and approximately 58 miles of sewer lines. The Public Works Department also has a program in sewer maintenance and the recent acquisition of a special video camera allows the operator to view the sewer lines to pinpoint trouble spots for homeowners.

Medical and Health Facilities

The City is served by several doctors and dentists. Additionally, all medical facilities in the Omaha Metropolitan Statistical Area ("OMSA") are readily available to the residents along with the Midland Community Hospital in Papillion which is three miles south of the City.

Employees

In 2006, the City employed 99 full-time staff and 68 part-time staff. Except for the police department and public works department, the City's employees are not represented by a union, or other bargaining agent, nor is such representation anticipated. Relations with employees are considered excellent with little turnover.

Employee Pension Plans

Civilian Employee Pension Plan. The City provides pension benefits for its full-time civilian employees through a single employer defined contribution plan. Employees are required to participate from the date of employment. The plan requires that both the employee and the City contribute an amount equal to 6% of the employee's base salary per pay period. The City's contributions for each employee, including interest, are fully vested after 7 years of continuous service. Any forfeitures which arise as a result of a participant's cessation of participation are utilized by the City to reduce future contributions. The contribution to the civilian employee plan was \$267,606 for the year ended September 30, 2006, and consisted of \$133,170 from the City and \$134,436 from covered employees.

Deferred Compensation Plan. The City also offers deferred compensation plans created in accordance with Section 457 of the Internal Revenue Code. The plan permits employees to defer a portion of their salary until termination, retirement, death or unforeseeable emergency.

Firefighter Pension Plan. The City recently adopted a single employer firefighter pension plan. The plan is required by state statute to cover all paid firefighters of the City. The City hired a fire chief in 2007, who is the only paid firefighter of the City. The remainder of the fire department is comprised of volunteer firefighters. There is currently no plan to hire any additional paid firefighters. The firefighter plan is a defined contribution plan. Each year, the City and each participating firefighter must contribute to the plan. The City's contribution is 13% of salary and the firefighter's contribution is 6.5% of salary. Generally, participant benefits under the plan are equal to amounts contributed to the plan and allocated to participant accounts, as adjusted by investment earnings and losses. However, paid firefighters are entitled to a minimum benefit of 50% of pay in the event of death or disability in the line of duty. The City must contribute additional amounts as needed if the accumulated balance of a firefighter's account is not sufficient to provide the minimum benefit. The plan has a graded vesting schedule, with full vesting after completing seven years of service.

Police Pension Plan. The City's single employer police pension plan covers all uniformed employees of the La Vista Police Department. The plan was converted, effective January 1, 1984, from a defined benefit plan to a defined contribution plan. Benefit provisions, as established by ordinance, stipulate that participant benefits be equal to amounts contributed to the plan, plus investment earnings; however, the benefit for participants employed prior to January 1, 1984 and any uniformed officer disabled or killed in the line of duty shall not be less than 50% of the participant's regular pay, as defined. This benefit shall not be less than 40% of regular pay, as defined, in the event the participant elects early retirement. Employees become fully vested in their benefits after ten years of service.

City ordinance requires that both the employee and City contribute an amount equal to 6% of the employee's base salary per pay period. Additional contributions may be made by the City as required to fund the benefits payable under the plan, as described above. The contribution to the police plan was \$193,178 for the year ended September 30, 2006, and consisted of \$97,544 from the City and \$95,634 from covered employees.

Financial and Banking Institutions

There are four banks which provide banking services in the City.

Population

Sarpy County exhibited a dramatic 19.5% increase in population between 1990 and 2000 and continues as the fastest growing county in Nebraska. This strong growth in population is expected to continue. A 19.8% increase is projected from 2000 to 2010, and an 19.7% increase is expected between 2010 and 2020. The following table sets forth information concerning population growth in the City of La Vista, as well as Sarpy County, since 1970:

<u>Year</u>	<u>City Population</u>	<u>Increase</u>	<u>County Population</u>	<u>Increase</u>
2000	11,699	18.9%	122,595	19.5%
1990	9,840	2.6%	102,583	19.3%
1980	9,588	97.4%	86,015	29.9%
1970	4,858	N/A	66,200	N/A

Source: Greater Omaha Chamber of Commerce and US Census Bureau

Age distribution in the year 2000 was:

<u>Age Group</u>	<u>Sarpy County</u>	<u>OMSA</u>
0-17	40,606	195,279
18-24	17,666	70,591
25-44	32,029	223,082
45-64	24,171	151,731
Over 65	8,123	76,315
Median Age	31.5 Years	33.7 Years

Housing and Income

In Sarpy County, only 6.8% of the housing stock was built before 1950. In 2000 there were a total of 44,981 housing units, with a 66.8% owner occupancy rate; and the median home value in Sarpy County was \$112,110.

According to the most recent census information available (for 2000), the median household income in the OMSA was \$44,981 and in Sarpy County was \$53,804. Per capita income according to the Census (for 1999 as reported in the 2000 Census report) was \$24,417 in Sarpy County with only 4.2% of the population below poverty level.

Commerce, Industry and Employment

Shopping centers within the City offer area residents retail shopping convenience – usually within a short drive – including a supermarket, discount stores, retail shops, financial institutions, medical facilities, restaurants and service businesses. Business and light industrial parks are expanding westward into the City's designated area for expansion. This economic development has been fueled by the strategic location of Interstate 80, the major east/west corridor in Nebraska and Iowa, and a transportation system insuring easy access to Omaha, Offutt and Eppley Airfield. The City is working to revitalize shopping areas along its 84th Street commercial strip.

Several potential developments are currently in the planning or negotiation stages with developers and enterprises, which are anticipated to be located in newly annexed areas.

Employers

The twenty largest employers located in Sarpy County are indicated in the following table:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Employees</u>
Offutt Air Force Base	Military	9,537
PayPal, Inc.	Service	2,000
Werner Enterprises	Trucking	1,720
Bellevue Public Schools	Education	1,300
Papillion-La Vista Schools	Education	1,287
Ameritrade Corp. Southroads Call Center	Financial	1,050
Northrop Grumman/Info Technology	Service	600
Bellevue University	Education	570
Alegent Health Midlands Hospital	Health Care	560
Sarpy County Government	Government	550
InfoUSA Compilation Center	Service	480
Walmart Super Center	Retail	460
HP Computers	Mfg./Service	400
ADT Corp	Service	335
Professional Veterinary Products	Distribution	325
Gretna Public Schools	Education	320
Coreslab Structures, Inc. (former Wilson Concrete)	Manufacturing	285
Streck Laboratories, Inc.	Manufacturing	280
CSG Systems	Service	262
Super Target Store	Retail	260

Source: Sarpy County Department of Labor Planning & Development

Unemployment

Unemployment statistics for Sarpy County and the State of Nebraska appears below:

<u>Year</u>	<u>Sarpy County</u>	<u>State</u>
2006	2.8%	3.2%
2005	3.3%	3.8%
2004	3.3%	3.9%
2003	3.2%	4.0%
2002	3.2%	3.7%
2001	2.6%	3.1%
2000	2.3%	2.7%

Source: Nebraska Department of Labor

Building Permits

The following table indicates the number of building permits and total valuation of the permits issued within the City over a five-year period, either for new construction or for major renovation.

Number of Permits Issued:

<u>Year</u>	<u>Commercial</u>	<u>Residential</u>	<u>Remodel</u>	<u>Total</u>
2006	17	153	152	322
2005	21	187	147	395
2004	14	204	143	361
2003	9	207	165	381
2002	11	182	166	359
2001	17	115	154	286

Valuation of Permits Issued:

<u>Year</u>	<u>Commercial</u>	<u>Residential</u>	<u>Remodel</u>	<u>Total</u>
2006	\$53,268,311	\$38,585,015	\$5,743,761	\$97,597,087
2005	14,270,804	46,032,562	4,113,934	64,477,300
2004	27,728,339	47,711,310	2,747,358	78,187,007
2003	4,871,850	48,883,195	1,787,383	55,542,428
2002	13,363,263	34,391,496	4,356,772	52,111,531
2001	23,560,741	32,342,766	3,418,364	59,321,872

Accounting, Budgeting and Auditing Procedures

The Mayor and City Council have directed the City Administrator to start building up the City's reserves (to the extent permitted under applicable statutes), as a part of the standard budgeting procedures. The City Administrator projects what revenues will be for the upcoming budget year and calculates what percentage of the revenues the City Departments will expend in order to maintain the reserve that the Mayor and Council have requested.

The Mayor and City Council review the proposed budget during budget workshops which are open to the public. A public hearing on the budget is then conducted at a City Council meeting to obtain comments from the citizens. Prior to September 20, the City Council adopts the ensuing fiscal year's budget through the passage of an ordinance adopting the budget.

The accounts of all governmental fund types are reported on the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual. Property, sales and use taxes are considered "measurable and available" when in the hands of intermediary collecting governments. "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. Property taxes collected after 60 days of year end are not considered material and are not accrued. The City considers sales and use taxes as available when in the hands of the State of Nebraska. These taxes are normally collected by the City within 30 days of year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which is recognized when due.

Proprietary and Fiduciary Fund Types are reported on the accrual basis of accounting, whereby revenues are recognized when earned and expenses when incurred.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted accounting standards. The annual audits for the last two fiscal years have been performed by Orizon CPAs LLC, Omaha, Nebraska. A copy of the annual audit for the fiscal year ended September 30, 2006, is included in this Official Statement as Appendix B. A survey of significant accounting policies of the City is contained in the Notes accompanying the financial statements in Appendix B.

PROPERTY TAX INFORMATION CONCERNING THE CITY

Property Valuations

Tax requests for all political subdivisions in Sarpy County are certified annually by the County Board of Equalization on or before October 31. Property taxes are due and become an enforceable lien on property on December 31. The first half of property taxes becomes delinquent on April 1 and the second half becomes delinquent on August 1 following the levy date.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

History of Property Valuations

The total valuation of all taxable property situated in the City, according to assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Tax Valuation</u>	<u>Percentage Change</u>
2006	\$651,690,883	17.69%
2005	553,757,119	8.18%
2004	511,881,414	6.00%
2003	482,934,886	6.09%
2002	455,212,777	7.45%
2001	423,659,368	9.70%
2000	386,190,032	14.96%
1999	335,928,777	21.09%
1998	277,417,910	1.83%
1997*	272,418,533	-1.40%
1996	276,294,714	N/A

* Motor vehicle property was removed from reported total taxable valuation starting in 1997.

Tax Collection Procedure

Property taxes are levied and collected for the City by the County. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including the amount to be requested to be raised from property taxes. The budget must also include proposed expenditures and must state the amount required for the payment of principal and interest on the City's debt for the ensuing budget year.

The County Clerk receives the county tax book from the County Assessor, which sets forth the taxable valuations as assessed for real and personal property. The County Clerk enters the tax rates determined by the County Board based upon the certified requests by the local taxing bodies in the tax books and levies such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by

October 31 to the County Treasurer, who is charged with collecting the taxes as shown. The County Treasurer extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid, one-half on April 1 and one-half on August 1 of each year. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction after appropriate procedures are followed. The County Treasurer is required to make disbursements of collected taxes to the City each month.

Tax Collection Record

The following tables set forth tax collection information for the City:

<u>Year</u>	<u>Tax Levy</u>	<u>Property Tax Levied</u>	<u>Property Tax Collected</u>	<u>Total Percentage</u>
2006	\$0.493500	\$2,732,791	\$2,863,751	104.8%*
2005	0.493500	2,526,135	2,437,685	96.5%
2004	0.473500	2,383,284	2,283,425	95.8%
2003	0.450000	2,048,458	1,993,425	97.3%
2002	0.450000	1,906,467	1,837,010	96.4%
2001	0.450000	1,748,272	1,749,798	98.1%
2000	0.450000	1,511,679	1,448,032	95.8%

* Collections in part from annexed territory

Major Property Taxpayers

The following table sets forth the twenty largest taxpayers in Sarpy County for fiscal year 2006:

<u>Business Name</u>	<u>2006 Taxes</u>	<u>Nature of Business</u>
Werner Leasing, Inc./Werner Express	\$900,379.00	Lease/Trucking Company
Wells Exchange-Maass Rd/Samson Way	657,872.44	Business Services
Offutt AFB America	623,993.68	Base Housing
Shopko Properties/SPE Real Estate	587,647.68	Distribution
Toys NE QRS 15-74 Inc.	538,483.76	Real Estate Investment
Paypal, Inc.	537,239.40	Commercial Business
Harrison Hills Apartments	447,500.24	Apartments
Nebco Inc/Intermodal	393,689.94	Commercial Business
GPI at Bellevue Overlook	382,767.40	Apartments
Rock Creek Apartments GP	361,257.38	Apartments
Pointe Partnership	360,022.50	Apartments
Brentwood Crossing Associates III	357,674.02	Retail Business
Nebraska Machinery Co	328,662.36	Commercial Business
Twin Creek LP	319,792.94	Real Estate Investment
Walmart Real Estate/Stores	303,225.66	Retail Business
Tregaron Oaks Apartments LP	300,859.02	Apartments
Rogers Development Inc	296,106.14	Land Development
Claas Omaha LLC	295,124.42	Manufacturing
Haley Fontenelle Hills	283,652.10	Apartments
Great Western Bank	277,175.70	Banking

Source: Sarpy County Treasurer's Office.

Sales Tax Receipts

Net taxable sales (excluding motor vehicles) within the County increased from \$840,660,751 in calendar 2005 to \$885,489,436 in calendar 2006, representing a 5.3% growth rate over the prior year. The City currently imposes an overall sales tax of 1.5%. Of this amount .5% is an additional tax imposed under separate ordinance for paying costs of street and road improvements. The following table sets forth the City's sales tax receipts from the State attributable to collections for the fiscal years 2000 through 2006 (ending September 30 of the year shown):

<u>Fiscal Year</u>	<u>1% Sales Tax</u>	<u>Additional .5% Sales Tax</u>	<u>Total</u>
2006	\$1,675,495	837,742	\$2,513,243
2005	1,641,810	820,905	2,462,715
2004	1,576,359	788,179	2,364,538
2003	1,470,172	735,086	2,205,258
2002	1,535,419	767,709	2,303,128
2001	1,504,287	752,143	2,256,430
2000	1,409,836	680,479	2,090,315

Source: Nebraska Department of Revenue Research Department

In each of fiscal 2005 and fiscal 2006, the City has transferred \$192,000 to the Economic Development Fund and such fund has a current available balance of approximately \$480,000. The Wal-Mart store in the City closed in late 2006 and a new store was opened in the neighboring city of Papillion, Nebraska. The City estimates losses to sales tax revenues ranging from \$480,000 to \$600,000 per year. The City expects replacement of all the lost revenues through sales tax collections from a new Cabella's store and hotel which opened in late 2006 and mid 2007, respectively, as well as the anticipated opening of two more hotels and a conference center and the development of other commercial retail facilities located in the City. The City anticipates collection of an occupation tax of 5% on hotel occupancies. After completion of the construction of the hotel projects by the Hammons Interest, there will be approximately 598 hotel room units available for occupancy. The additional .5% sales tax is committed to paying the costs of street and road improvement costs. It terminates in 2010 but is expected to be renewed, subject to voter approval.

Keno Revenues

The following table shows the City's share of keno lottery revenues for the fiscal years ending September 30, 2000 through 2006:

<u>Year</u>	<u>Revenues</u>
2006	\$1,194,224
2005	1,032,254
2004	1,099,344
2003	1,032,333
2002	1,156,335
2001	1,098,946
2000	981,030

Source: City of La Vista

As the table indicates, keno revenues fluctuate from year to year. Recent increases have occurred despite the presence of three casino facilities located in Council Bluffs, Iowa. The City has utilized revenues from keno as a significant source for payment of its lease-purchase obligations. The City's contract with its current keno operator ends in September of 2008. The City is not certain concerning the terms available under a future contract and estimates that revenues available to the City could fall to a level of approximately \$750,000 per year based upon terms of operation contracts of other municipalities.

CITY DEBT STRUCTURE

Financial Overview

The following table summarizes certain financial information concerning the City. This information should be reviewed in conjunction with the information contained in this section and, in particular, with the subsection entitled "Financial Information Concerning the City" and the financial statement information of the City in Appendix B hereto.

2006 Taxable Valuation *	\$651,690,883
Outstanding General Obligation and Lease-Backed Bonds (including this issue)**	\$56,330,000
Population (2004 Census Estimate)	15,692
Per Capita Net General Obligation Debt	\$3,590
Ratio of Net General Obligation Debt to Taxable Valuation	8.64%
Net Direct and Overlapping and Underlying G.O. Debt ***	\$69,479,840
Ratio of Net Direct and Overlapping and Underlying G.O. Debt to Taxable Valuation	10.66%

* Shows 2006 real and personal property valuations including valuation attributable to recent annexations.

** For further details see "Summary of City's Bonded Indebtedness" on page A-11.

*** For further details see "Estimated Overlapping and Underlying Indebtedness" on page A-12.

There are two other sanitary and improvement districts which may be considered for annexation in the near future. Both districts are primarily residential with some commercial property. The aggregate estimated debt for both districts is \$6,750,000 and the aggregate taxable valuation is \$164,025,853. The City's decision concerning whether and when to annex these districts will depend upon information provided in connection with statutory procedures which require, among other things, formulation of a plan and conduct of a public hearing.

Summary of City's Bonded Indebtedness*

The following table sets forth as of the date of this Official Statement all of the outstanding bond and lease-purchase indebtedness of the City, prior to issuance of the Building Bonds.

<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Outstanding</u>
Golf Course Lease-Purchase	1993	\$840,000
G.O. Various Purpose	2001	1,920,000
Police Facility Lease-Purchase	2002	3,500,000
Street Improvement Bonds	2002	1,610,000
Library Bonds (2003 Bonds)	2003	1,335,000
G.O. Various Purpose Bonds	2003	3,300,000
Refunding V. P. Bonds	2003	2,905,000
Refunding Various Purpose Bonds	2004	1,855,000
Fire Station Bonds (2005)	2005	5,900,000
Refunding Bonds (2005)	2005	4,000,000
Off-Street Parking (2006)	2006	7,940,000
Economic Development Fund Bonds (2007 – this issue)	2007	<u>21,225,000</u>
Total:		<u>\$56,330,000</u>

* Does not include outstanding warrant indebtedness of the City (see “**Future Bonded Indebtedness**” below).

Lease Obligations

The City has various lease purchase agreements in effect with the Corporation for the acquisition of facilities including the City's golf course, library and police station. The library lease and the police station leases are non cancellable (for non-appropriation) by their respective terms. Although the golf course lease agreement contains cancellation clause (for non-appropriation), the City does not foresee exercising its option to cancel. The leases are accounted for as non cancellable capital leases and have been included in general obligation debt shown immediately above.

The existing lease agreements provide for interest at various tax-exempt rates. The annual (as to fiscal years) lease payments range from a maximum of \$979,132.50 to a minimum of \$311,625.00. Each of these obligations are shown in the listing set forth above.

Defaults on City Indebtedness

The City has never defaulted on the payment of any of its debt obligations.

Future Bonded Indebtedness

The City expects to issue approximately \$300,000 of warrants in late 2007 to pay costs relating to existing contractual obligations of District 218 and District 253 and expects to issue further refunding bonds as it determines appropriate to refinance the outstanding warrant debt attributable to such districts (currently approximately \$5,000,000).

The City expects to incur additional general obligation debt or limited tax debt in connection with future street and other local improvements. Equipment for the 2005 fire station project is expected to be financed by the City's public safety department tax anticipation bonds, payable from a special tax levy in and amount not to exceed 5¢ on each \$100 of taxable valuation. Such debt is expected in the approximate amount of \$1,500,000.

Estimated Overlapping and Underlying Indebtedness

The following table sets forth overlapping indebtedness of political subdivisions with boundaries overlapping the City and the percent attributable (on the basis of taxable valuations established in 2005 and applicable for taxes due December 31, 2005, excluding state assessed railroad and utility property) to the City. Political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

<u>Political Subdivision</u>	<u>Total Taxable Valuation</u>	<u>Total Debt</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Sarpy County	\$9,053,018,751	\$4,985,000	6.12%	\$305,082
School District 0027	3,149,728,290	74,800,000	17.58%	13,149,840

Not included in the information provided above is information with respect to Educational Service Unit No. 3 and Metropolitan Community College each of which have indebtedness outstanding in relatively small amounts against very large tax bases.

The Program

The City's economic development program was approved by the voters of the City at an election held on September 30, 2003. The application of the Hammons Interests represents the only application which has been reviewed and approved to date. The Program by its terms expires in 2029. The Program provides for the making of grants and loans to qualified businesses, including tourism related activities. The Mayor and Council, after review assisted by City staff and outside consultants, determined to approve the application of the Hammons Interests, which calls for the erection of two hotels and a conference center at the intersection of Interstate 80 and Giles Road. The site for these two hotels is near the site of Cabela's new retail facility. The City expects to receive several tax related advantages from this development, including increased sales and property taxes. In addition, the City expects to have receipts from an occupation tax upon the providing of hotel accommodations. An additional hotel not constructed by the Hammons Interests is also located near the same interchange, opening in 2007.

The Master Development Agreement between the City and the Hammons Interests (the "Master Agreement") calls for the construction of 2 hotels with approximately 475 rooms and a conference center. The City is to make an outright grant in the amount of \$3,000,000 for land acquisition costs. The City is to make the Loan to the Hammons Interests in the amount of \$18,000,000 for paying the costs of the conference center. The principal of the Loan is required to be repaid in a single balloon principal payment due on July 31, 2014. Interest on the loan is to be paid quarterly on amounts disbursed and outstanding. Interest on the loan is to be at a rate comparable to the rate on the Series 2007 Bonds. In each budget/fiscal year, the City will retain discretion with respect to the application of receipts attributable to the Loan in its Economic Development Fund. The Loan is expected to be secured by a deed of trust in favor of the City encumbering the conference center only. Neither the Loan nor any documents evidencing or securing the Loan will be pledged for the security of the Series 2007 Bonds. The City expects to obtain certain limited use rights with respect to the conference center under the terms of the Master Agreement. **The Hammons Interests are all privately held and have undertaken to provide only limited publicly available financial information.**

SELECTED FINANCIAL AND OPERATING INFORMATION

Total Taxable Valuation (2006)	\$651,690,883
Total General Obligation Debt Outstanding*	35,105,000
Total Lease-Purchase Obligation Principal	11,575,000
Population (2004 Census Estimate)	15,692
Total Budgeted Revenue 2005-06*	\$11,685,869
Total Revenue Received 2005-06*	\$12,095,797
Total Building Permits (2005)	322
Total Sales Tax Collection (FY 2005-06)**	\$2,321,243
Total Keno Revenues for FY 2005-06	\$1,194,224

* Includes golf course lease related debt.

** Includes general fund, debt service fund and capital projects fund.

The foregoing table shows information to be reported as a part of the City's continuing disclosure obligation with respect to the Series 2007 Bonds. It is as of September 30, 2006 and does not reflect indebtedness incurred after September 30, 2006 and does not include the Series 2007 Bonds.

APPENDIX B
FINANCIAL STATEMENTS FOR CITY OF LA VISTA
FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2005

APPENDIX C
CONTINUING DISCLOSURE UNDERTAKING

APPENDIX C

CONTINUING DISCLOSURE UNDERTAKING

The Resolution includes the following provision relating to continuing disclosure under Rule 15c2-12:

In accordance with the requirements of Rule 15c2-12 (as now existing or subsequently amended, the “Rule”) promulgated by the Securities and Exchange Commission (the “Commission”), the City hereby agrees that it will provide the following continuing disclosure information:

(a) to each nationally recognized municipal securities information repository (a “NRMSIR”) and to the initial purchaser of the Series 2007 Bonds, the City shall provide annual financial and operating information generally consistent with the information set forth under the heading “SELECTED FINANCIAL AND OPERATING INFORMATION” in Appendix A to the Official Statement for the Series 2007 Bonds and its audited financial statements; such information is expected to be available not later than seven months after the end of each fiscal year for the City; audited financial information shall be provided for the regular City funds, proprietary funds and pension trust funds in conformity with generally accepted accounting principles;

(b) in a timely manner to each NRMSIR (as and to the extent required by the Rule) or to the Municipal Securities Rule Making Board (“MSRB”) (as and to the extent required by the Rule), notice of the occurrence of any of the following events with respect to the Series 2007 Bonds, if in the judgment of the City, such event is material:

- (1) principal and interest payment delinquencies with respect to the Series 2007 Bonds,
- (2) non-payment related defaults with respect to the Series 2007 Bonds,
- (3) unscheduled draws on debt service reserves reflecting financial difficulties (there are no debt service reserves established for the Series 2007 Bonds),
- (4) unscheduled draws on credit enhancements reflecting financial difficulties (not applicable to the Series 2007 Bonds),
- (5) substitution of credit or liquidity providers, or their failure to perform (not applicable to the Series 2007 Bonds),
- (6) adverse tax opinions or events affecting the tax-exempt status of the Series 2007 Bonds,
- (7) modifications to rights of the registered owners of the Series 2007 Bonds,
- (8) bond calls with respect to the Series 2007 Bonds,
- (9) defeasances with respect to the Series 2007 Bonds,

(10) release, substitution, or sale of property securing repayment of the Series 2007 Bonds, and

(11) rating changes, if any.

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

(c) in a timely manner to each NRMSIR (as and to the extent required by the Rule) or to the MSRB (as and to the extent required by the Rule) notice of any failure on the part of the City to provide required annual financial information not later than seven months from the close of the City's fiscal year.

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City, consistent with the Rule. The City hereby agrees that such covenants may be enforced by any registered owner or Beneficial Owner of the Series 2007 Bonds, provided that any such right to enforcement shall be limited to specific enforcement of the continuing disclosure provisions of the Resolution and any failure shall not constitute an event of default under the Resolution or the Series 2007 Bonds. The continuing disclosure obligations of the City shall cease when none of the Series 2007 Bonds remain outstanding.

Preliminary Draft, Subject to Revision – 6/11/2007

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DOCS/793917.4

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL, LA VISTA, NEBRASKA, TO FUND AND APPROVE DOCUMENTS FOR GRANT AND LOAN TO JOHN Q. HAMMONS UNDER THE CITY OF LA VISTA ECONOMIC DEVELOPMENT PROGRAM; TO MAKE CERTAIN FINDINGS, TO PROVIDE FOR SERVICING, ADMINISTRATION AND REPORTING OF SAID LOAN; TO SPECIFY CERTAIN CONDITIONS AND AUTHORIZE FURTHER ACTIONS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, SARPY COUNTY, NEBRASKA:

SECTION 1. Findings. The Mayor and City Council find, determine and approve the following:

1. The Legislature enacted the Local Option Municipal Economic Development Act ("Act"), Neb. Rev. Stat. Sections 18-2701 to 18-2738, in 1991, allowing municipalities including cities of the first class in Nebraska to establish economic development programs and use local sources of revenue for financial assistance to qualifying businesses upon voter approval.
2. Section 18-2738 of the Act provides that the powers conferred by the Act shall be in addition and supplemental to the powers conferred by any other law and shall be independent of and in addition to any other provisions of the law of Nebraska.
3. Section 18-2738 of the Act further provides that the Act and all grants of power, authority, rights, or discretion to the City under the Act shall be liberally construed, and all incidental powers necessary to carry the Act into effect are expressly granted to and conferred upon the City.
4. In 2003, the Mayor and City Council proposed establishing an economic development program and use of local sources of revenue for financial assistance to qualifying businesses. The voters of La Vista approved the proposed economic development program by a majority affirmative vote of registered voters voting at a special election held September 30, 2003.
5. In accordance with said voter approval, the Mayor and City Council subsequently established the economic development program as codified in La Vista Municipal Code Sections 117.01 et seq. ("La Vista Economic Development Program").
6. Section 117.14 of the La Vista Economic Development Program provides broad authority for the City to provide financial assistance to qualifying businesses, including direct loans and grants to qualifying businesses. "Qualifying businesses" includes limited liability companies and sole proprietorships that derive their principal source of income from tourism-related activities.
7. The Mayor and City Council in Ordinance No. 1022 established a Loan Fund under the La Vista Economic Development Program for such loans as the Mayor and City Council may from time to time approve. The Loan Fund is governed by Loan Fund Terms and Conditions approved by the Mayor and City Council.
8. National hotel developer, owner and operator, John Q. Hammons, submitted an application and request for funding under the La Vista Economic Development Program for a hotel and conference center development project in the Southport West area of the City, dated November 22, 2006 ("John Q. Hammons Application"). The project consisted of a full service Embassy Suites Hotel having 257 guest suites, Marriott Courtyard Hotel having 221 guest rooms, and adjacent conference center having no less than 40,000 square feet of net rentable ballroom and meeting space. The John Q. Hammons Application asked the City for financial assistance for the development in the form of a \$3 million grant for land acquisition costs primarily associated with the conference center and parking ("Grant") and loan up to the lesser of \$18 million or 80% of the costs of construction of the conference center and parking, excluding land costs ("Loan"). Total costs of constructing the conference center and parking, including land costs, were estimated to be \$24 million. Total estimated cost of the hotel and conference center project was \$110 million.

9. Upon review and favorable recommendations of the Program Administrator and Application Review Committee of the La Vista Economic Development Program and consultants of the City, and finding that all applicable requirements of the La Vista Economic Development Program and Loan Fund had been satisfied, the City Council in Ordinance No. 1023 approved the John Q. Hammons Application, Grant, Loan and related matters, subject to certain conditions, including availability of bond proceeds to fund the Grant and Loan and execution of a Master Development Agreement for the project and certain loan, security and other documents, instruments and agreements. The Master Development Agreement was executed and an original dated May 1, 2007 is on file with the City Clerk.
10. The Master Development Agreement allows John Q. Hammons to elect to carry out any of his obligations thereunder, with the exception of required guaranties, through any of several limited liability companies included as parties to the Master Development Agreement ("Companies"), so long as the performance of the Companies is guaranteed by John Q. Hammons, in his individual capacity and in his capacity as Trustee of the Revocable Trust of John Q. Hammons, dated December 28, 1989, as amended and restated, and by John Q. Hammons' wife, Juanita K. Hammons. All of the Companies are wholly owned and managed by John Q. Hammons either individually or in his capacity as Trustee of the Revocable Trust of John Q. Hammons, dated December 28, 1989, as amended and restated.
11. John Q. Hammons has elected to carry out obligations under the Master Development Agreement using three of the Companies. Specifically, JQH-La Vista III Development, LLC, JQH-La Vista CY Development, LLC and JQH-La Vista Conference Center Development, LLC will build, own and operate the Embassy Suites Hotel, Marriott Courtyard Hotel and Conference Center, respectively.
12. The Mayor and City Council have approved bonds for purposes of funding the Loan and Grant ("La Vista Economic Development Program Bond Issue"). Closing on the bond issue is scheduled for July 30, 2007. Closing of the Loan and Grant is scheduled for August 1, 2007, subject to satisfaction of all conditions set forth in the Master Development Agreement, below or elsewhere ("Closing").
13. The following documents for the Loan and Grant are presented at this meeting and incorporated into this Ordinance by this reference:

Construction Loan Agreement; Deed of Trust, Assignment of Rents and Security Agreement; Completion Guaranty (Juanita K. Hammons); Completion Guaranty (John Q. Hammons, Settlor and Trustee of the Revocable Trust of John Q. Hammons, dated December 28, 1989, as amended and restated); Completion Guaranty (John Q. Hammons); Unconditional Guaranty of Payment and Performance (Juanita K. Hammons); Unconditional Guaranty of Payment and Performance (John Q. Hammons, Settlor and Trustee of the Revocable Trust of John Q. Hammons, dated December 28, 1989, as amended and restated); Unconditional Guaranty of Payment and Performance (John Q. Hammons); Request for Notice; Notice of Commencement by the Contracting Owner; Borrower's Certificate, Acceptance and Estoppel Affidavit; Assignment of Leases and Rents; Security Agreement; Promissory Note (Construction); Notice Pursuant to Neb. Rev. Stat. § 45-1,113; Common Wall Agreement; and Grant Receipt ("Loan and Grant Documents").
14. The City desires to approve said Loan and Grant Documents, authorize the Mayor and City Clerk to execute and deliver said documents at Closing, provide for servicing, administration and reporting of the Loan, and authorize further action, subject to the conditions set forth below.

SECTION 2. Approval. Subject to all conditions specified in this Section and in Section 3 below, the Mayor and City Council hereby approve the following:

1. The Loan and Grant Documents and all terms thereof, including Loan disbursements, interest rate, interest and principal payment schedule, and all other matters and transactions described or provided therein are hereby approved in their entirety, subject to any modifications as the Program Administrator of the La Vista Economic Development Program ("Program Administrator") determines necessary or appropriate in consultation with the City Attorney. The Mayor and City Clerk are authorized to execute and deliver the Loan and Grant Documents at Closing upon performance of all applicable conditions of Closing to their satisfaction.

2. The Loan and Grant shall be funded with proceeds of the La Vista Economic Development Program Bond Issue and such other amounts as may be deposited under the La Vista Economic Development Program from time to time in accordance with applicable law.
3. All amounts at any time received by the City by reason of the La Vista Economic Development Program, including funds related to the Grant and Loan, shall be deposited in a separate economic development fund pursuant to Neb. Rev. Stat. Section 18-2718 ("Economic Development Fund") and held and administered in accordance with the La Vista Economic Development Program, the Act and any other applicable law. The Finance Director (who also is the City Treasurer) shall invest any money in the Economic Development Fund in accordance with Neb. Rev. Stat. Section 77-2341.
4. The Finance Director shall have primary responsibility for servicing the Loan. She shall establish an account under the Economic Development Fund for the Loan at the Bank of Nebraska that is separate from any other loan under the Loan Fund. Bond proceeds and other amounts for funding the Loan, and interest and principal payments on the Loan, shall be received, held and disbursed in, by and from the account.
5. Disbursements of the Loan shall be made upon presentation and approval of properly completed and filed progress payment requests and other documentation in accordance with the Loan Documents. Progress payments shall be subject to approval of the Mayor and City Council upon review and verification of amounts requested and completion of the work to the satisfaction of the Finance Director, City Engineer and/or such other parties designated by the Program Administrator.
6. The Finance Director or her designee shall provide the Mayor and City Council on a monthly basis with an account of the status of the Loan, receipts of principal and interest and investment income, and current investments of unexpended funds.
7. Records kept on the Loan and reports made to the Mayor and City Council shall include the following information:
 - (i) The name of the borrower,
 - (ii) The purpose of the loan,
 - (iii) The date the loan was made,
 - (iv) The amount of the loan,
 - (v) The basic terms of the loan, including interest rate, maturity date and frequency of payments, and
 - (vi) The payments made to date and the current balance due.
8. Loan servicing functions may be delegated by contract to any appropriate business or financial institution upon approval of the Mayor and City Council.
9. The Finance Director shall monitor the status of the Loan and, subject to any necessary approval of the Mayor and Council, take appropriate action in accordance with the Loan Documents, Master Development Agreement, Loan Fund Terms and Conditions and La Vista Economic Development Program and other applicable law in the event of a delinquency or default on the Loan.

SECTION 3. Conditions. Actions, approvals and performance of the City under this Ordinance shall be subject to continuing satisfaction of the following conditions, in addition to any other conditions set forth elsewhere in this Ordinance, the Loan and Grant Documents, Master Development Agreement, Loan Fund or any other agreement, instrument, law, rule, requirement or regulation:

1. Updated loan commitment or other documentation issued within 30 days of Closing for the portion of the hotel and conference center project John Q. Hammons shall finance through a third party lender, satisfactory to the Program Administrator;
2. Approval, closing, issuance and availability of proceeds (without legal contest) of City bond financing to provide the Loan and Grant.
3. Performance of any unresolved conditions of Ordinance No. 1023 and all conditions and requirements of the Grant, Loan and Master Development Agreement, Loan Fund, La Vista Economic Development Program and other applicable laws, rules, regulations, agreements and instruments to the satisfaction of the Program Administrator.

4. The amount to be expended by the City each year under the La Vista Economic Development Program shall be fixed at the time of making the annual budget required by law and shall be included in the City's budget.
5. Annual appropriations required for the Grant and Loan and compliance, performance and satisfaction of all applicable requirements, agreements, conditions, laws, rules and regulations, as enacted, executed, applicable or amended from time to time, including but not limited to, the Master Development Agreement, Loan Fund, La Vista Economic Development Program, the Act and applicable levy, budget and appropriation requirements.
6. Such further information, assurances, certifications, requirements, guarantees, security, documents or instruments as the Program Administrator from time to time determines necessary or appropriate;

SECTION 4. Authorization of Further Actions. The Mayor, City Clerk and City Treasurer are hereby authorized to take such further actions, including, but not limited to, preparation, execution and delivery of further documents and instruments, as determined in consultation with the City Attorney to be necessary or appropriate to carry out the actions approved in this Ordinance, to proceed with Closing and/or to provide, document, service or administer the Grant or Loan.

SECTION 5. Severability Clause. If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this ordinance. The Mayor and City Council of the City of La Vista hereby declare that it would have passed this ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

SECTION 6. Effective Date. This ordinance shall be in full force and effect from and after passage, approval and publication as provided by law.

PASSED AND APPROVED THIS ____ DAY OF _____ 2007.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, CMC
City Clerk