



Lincoln Electric System

### ***LES RESOLUTION 2024-7***

WHEREAS, Ordinance No. 17879 ("General Ordinance") was adopted on July 23, 2001 by the Lincoln City Council (the "City Council") and approved by the Mayor of the City of Lincoln (the "City") on July 26, 2001, authorizing and providing for the issuance of revenue bonds to be issued for and on behalf of Lincoln Electric System ("LES") after the adoption and approval of the General Ordinance;

WHEREAS, the Board has determined it is and it will be necessary, desirable, advisable and in the best interest of LES and its customers to issue electric system revenue bonds from time-to-time to reimburse itself for prior expenditures for certain additions, extensions, improvements and betterments and to finance additions, extensions, improvements and betterments to the electric system (the "System") and to refinance previously incurred indebtedness;

WHEREAS, the Twelfth Series Ordinance, to be adopted under the General Ordinance (the "Twelfth Series Ordinance"), which is attached hereto in substantially the form that will be submitted to the City Council for approval, authorizes the issuance of LES Revenue and Refunding Bonds (the "LES Bonds") of the City for such purposes in an amount not to exceed \$300,000,000 during the period ending on December 31, 2026 (such \$300,000,000 being inclusive of any remaining issuance authority under the Eleventh Series Ordinance adopted by the City Council on December 5, 2022);

WHEREAS, the Board now wishes to express its support for and recommend passage of the Twelfth Series Ordinance to provide the Board flexibility to better manage the financial affairs of LES; and

WHEREAS, it is necessary, desirable and advisable that the LES CEO, LES staff, LES financial advisor, LES legal and bond counsel, and all other officers, employees and agents of LES be authorized to evaluate and proceed towards the issuance of LES Bonds of the City pursuant to the Twelfth Series Ordinance subject to the specific authorization of the issuance of such LES Bonds by the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board recommends passage and adoption of the Twelfth Series Ordinance by the City.

BE IT FURTHER RESOLVED, that the LES CEO and LES staff are hereby authorized and directed to take any and all action, including, but not limited to, the execution of all papers, certificates, receipts and documents as they, or any of them, may deem necessary or desirable to evaluate financing opportunities and to provide for the issuance, sale and delivery of the LES Bonds in accordance with the terms and conditions of this Resolution

and the Twelfth Series Ordinance, subject to obtaining specific approval of the Board prior and as a condition to the issuance of LES Bonds.

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Chair

Adopted: October 18, 2024

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**THE CITY OF LINCOLN, NEBRASKA**

**ORDINANCE NO. \_\_\_\_\_**  
**(passed \_\_\_\_\_, 2024)**

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**CONSTITUTING THE  
TWELFTH SERIES ORDINANCE  
ADOPTED UNDER  
ORDINANCE NO. 17879**

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Authorizing Not To Exceed

**\$300,000,000**  
**LINCOLN ELECTRIC SYSTEM  
REVENUE AND REFUNDING BONDS**

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THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. \_\_\_\_\_

**TWELFTH SERIES ORDINANCE ADOPTED UNDER AND PURSUANT TO ORDINANCE NO. 17879 PASSED JULY 23, 2001; AUTHORIZING THE ISSUANCE OF LINCOLN ELECTRIC SYSTEM REVENUE AND REFUNDING BONDS OF THE CITY OF LINCOLN, NEBRASKA IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000; FIXING IN PART AND PROVIDING FOR THE FIXING IN PART OF THE DETAILS OF SUCH BONDS; PROVIDING FOR THE SALE OF SUCH BONDS AND THE APPLICATION OF THE PROCEEDS OF SUCH SALE; TAKING OTHER ACTION IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LINCOLN, NEBRASKA:**

**ARTICLE I**

**DEFINITIONS AND STATUTORY AUTHORITY**

**Section 1.01. Series Ordinance.** This Twelfth Series Ordinance is supplemental to, and is adopted in accordance with Article II, Article III and Article VIII of Ordinance No. 17879 passed by the Council on July 23, 2001, and approved by the Mayor on July 26, 2001 (the “General Ordinance”).

**Section 1.02. Definitions.** (a) All terms which are defined in Section 1.01 of the General Ordinance shall have the same meanings, respectively, in this Twelfth Series Ordinance as such terms are given in Section 1.01 of the General Ordinance except as such terms may be otherwise defined herein.

(b) In this Twelfth Series Ordinance:

“*2013 Bonds*” means the City’s Lincoln Electric System Revenue and Refunding Bonds, Series 2013.

“*2015 Bonds*” means the City’s Lincoln Electric System Revenue and Refunding Bonds, Series 2015A.

“*2016 Bonds*” means the City’s Lincoln Electric System Revenue Refunding Bonds, Series 2016.

“*2018 Bonds*” means the City’s Lincoln Electric System Revenue Bonds, Series 2018.

“*2020A Bonds*” means the City’s Lincoln Electric System Revenue Bonds, Series 2020A.

“*2020B Bonds*” means the City’s Lincoln Electric System Revenue Refunding Bonds, Taxable Series 2020B.

“*2025 Bonds*” means any of the City’s Lincoln Electric System Revenue and Refunding Bonds authorized by Article III of this Twelfth Series Ordinance.

“*CEO*” means the general manager or other chief executive officer appointed by the Board pursuant to the provisions of Section 4.24.060 of the Municipal Code of the City.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

“*Continuing Disclosure Undertaking*” means each Continuing Disclosure Undertaking executed by the Board and dated the date of issuance and delivery of a Series of 2025 Bonds, as originally executed and as each may be amended from time to time in accordance with the terms thereof.

“*CP Notes*” means all or any part of the City’s Electric System Revenue Commercial Paper Notes issued and outstanding from time to time pursuant to the Note Ordinance.

“*Credit Facility Obligations*” means all or any part of the City’s Electric System Revenue Notes issued and outstanding under the Credit Facility Ordinance.

“*Credit Facility Ordinance*” means Ordinance No. 20123 of the City, pursuant to which any Credit Facility Obligations have been issued.

“*2025 Debt Service Reserve Fund*” shall mean the 2025 Debt Service Reserve Fund established pursuant to Section 3.11 of this Twelfth Series Ordinance, in which there shall be established an account for each Series of 2025 Bonds issued pursuant to this Twelfth Series Ordinance.

“*Escrow Agent*” means the financial institution selected by the CEO to act as Escrow Agent under an Escrow Agreement in accordance with the provisions of Section 4.02 hereof.

“*Escrow Agreement*” means each Escrow Agreement dated the date determined by the CEO in accordance with the provisions of Section 4.02 between the City and the Escrow Agent providing for the deposit, investment and application of a portion of the proceeds of a Series of the 2025 Bonds.

“*Note Ordinance*” means Ordinance No. 18584 of the City, pursuant to which the CP Notes and the Short-Term Notes have been issued.

“*Operation and Maintenance Expenses*” means all of the costs and expenses for operation, maintenance, and ordinary repairs, renewals and replacements of the Electric System, including all costs of purchasing, producing and delivering electric power and energy from the Electric System and reserves for items of Operation and Maintenance Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, costs of purchased power, fuel costs, costs of transmission service, generating capacity reserve service, regulation, or other interchange and coordination services, rents, administrative and general expenses, engineering expenses, legal, accounting and financial advisory expenses, payments to pension, retirement, health and hospitalization funds, taxes and other governmental charges, insurance and surety bond premiums including obligations to a stock, mutual or reciprocal insurance company or exchange, and any other current expenses or obligations required to be paid by the City under the provisions of this Ordinance or by law or regulation, all to the extent properly allocable to the Electric System, and any fees and expenses incurred in the administration of the Bonds, Parity Obligations and Subordinated Indebtedness. Operation and Maintenance Expenses shall include obligations of the City for a defined purchase price, lease obligations and Derivative

Payments to the extent the same are treated as operation and maintenance expenses pursuant to generally accepted accounting principles for electric utilities. Operation and Maintenance Expenses shall not include any allowance for depreciation.

“*2012 Ordinance*” means, collectively, Ordinance Nos. 17879 and 19683 of the City, pursuant to which the 2013 Bonds have been issued.

“*2015 Ordinance*” means, collectively, Ordinance Nos. 17879 and 20154 of the City, pursuant to which the 2015 Bonds and 2016 Bonds have been issued.

“*2018 Ordinance*” means, collectively, Ordinance Nos. 17879 and 20583 of the City, pursuant to which the 2018 Bonds have been issued.

“*2019 Ordinance*” means, collectively, Ordinance Nos. 17879 and 20847 of the City, pursuant to which the 2020A Bonds and 2020B Bonds have been issued.

“*Participating Underwriter*” shall have the meaning ascribed thereto in the Continuing Disclosure Undertaking.

“*Paying Agent*” means the financial institution selected by the CEO to act as Paying Agent with respect to a Series of 2025 Bonds in accordance with the provisions of Section 4.01(a) hereof.

“*Prior Bonds*” means, any of the 2013 Bonds, the 2015 Bonds, the 2016 Bonds, the 2018 Bonds, the 2020A Bonds, the 2020B Bonds or any other bonds issued and outstanding pursuant to the Prior Bond Ordinances.

“*Prior Bond Ordinances*” means, the 2012 Ordinance, the 2015 Ordinance, the 2018 Ordinance, and the 2019 Ordinance pursuant to which the Prior Bonds have been issued.

“*2025 Project*” means capital improvements to the Electric System financed with the proceeds of the 2025 Bonds, as determined by the Board.

“*Redemption Date*” means, with respect to any Bonds, the date on which such Refunded Bonds are redeemed or prepaid.

“*Refunded Bonds*” means those Prior Bonds, if any, which the CEO has determined shall be refunded with proceeds of a Series of 2025 Bonds.

“*Refunded Credit Facility Obligations*” means any Credit Facility Obligations or Subordinate Credit Facility Obligations refunded with proceeds of a Series of 2025 Bonds.

“*Refunded Notes*” means those outstanding CP Notes or Short-Term Notes, if any, which the CEO has determined shall be paid at the maturity thereof pursuant to Section 4.02.

“*Registrar*” means the financial institution selected by the CEO to act as Registrar with respect to a Series of 2025 Bonds in accordance with the provisions of Section 4.01(a) hereof.

“*Reserve Requirement*” means, with respect to any Series of 2025 Bonds, the amount determined by the CEO in accordance with the provisions of Section 4.01(a); provided, however, that such amount shall not exceed the least of (1) 10% of the stated principal amount of such Series of 2025 Bonds, (2) the maximum annual principal and interest requirements on such Series of 2025

Bonds, or (3) 125% of the average annual principal and interest requirements on such Series of 2025 Bonds. If the aggregate initial offering price of a Series of 2025 Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in lieu of the stated principal amount.

“*Securities Depository*” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“*Short-Term Notes*” means all or any part of the City’s Electric System Revenue Short-Term Notes issued and outstanding from time to time pursuant to the Note Ordinance.

“*Subordinate Credit Facility Obligations*” means all or any part of the City’s Electric System Subordinate Credit Facility Revenue Notes issued and outstanding under the Subordinate Credit Facility Ordinance.

“*Subordinate Credit Facility Ordinance*” means Ordinance No. 21477 of the City, pursuant to which any Subordinate Credit Facility Obligations have been issued.

“*Tax Certificate*” means each Federal Tax Certificate dated the date of issuance of a Series of 2025 Bonds, as amended from time to time in accordance with its terms.

**Section 1.03. Authority for this Twelfth Series Ordinance.** This Twelfth Series Ordinance is adopted pursuant to the provisions of the Act and in accordance with Article II, Article III and Article VIII of the General Ordinance.

## ARTICLE II

### FINDINGS AND DETERMINATIONS

**Section 2.01. Improvements to Electric System.** In order to meet the demands on the Electric System, it has been, and is now, necessary, desirable, advisable and in the best interest of the City, the Board and the Electric System that certain acquisitions, constructions, reconstructions, additions, improvements, extensions, equipping and furnishings be made with respect to the Electric System, constituting the 2025 Project. In order to provide funds to pay the Costs of the Electric System incident to the 2025 Project, it is necessary, desirable, advisable and in the best interest of the City, the Board and the Electric System that electric system revenue bonds of the City now be issued and sold as provided herein.

#### **Section 2.02. Refunding of Prior Bonds, CP Notes and Credit Facility Obligations.**

(a) To provide funds to finance or refinance the costs of certain capital improvements of the Electric System, the Council has heretofore authorized the issuance of the Prior Bonds pursuant to the Prior Bond Ordinances.

(b) Interest rates have declined or may in the future decline since the issuance, sale and delivery of the Prior Bonds so that substantial overall savings on Debt Service will be made through the refunding of such Prior Bonds, from time to time. To the extent proceeds of a Series of 2025 Bonds are used to provide for the payment and redemption of any Prior Bonds, it is necessary, desirable, advisable and in the best interest of the City and the Board to deposit funds with an Escrow Agent pursuant to an Escrow Agreement with respect to such Prior Bonds which, together with investment earnings thereon, will be sufficient to provide for the payment of the

principal of and interest on such Prior Bonds through and including the respective Redemption Dates and to redeem such Prior Bonds on the respective Redemption Dates.

(c) The City has heretofore authorized issuance of its CP Notes and Short-Term Notes from time to time in the aggregate principal amount of not to exceed \$150,000,000 for the purpose of financing and refinancing capital improvements to the Electric System or providing short-term working capital in accordance with the Constitution and laws of Nebraska as may be determined by the Board to be in the best interests of the Electric System and it is necessary, desirable, advisable and in the best interest of the City and the Board that such portion of such CP Notes and Short-Term Notes as shall be determined by the CEO in accordance with the provisions of Section 4.02 hereof be financed on a long-term basis by the City by the issuance of obligations of the City under the General Ordinance.

(d) The City has heretofore authorized the issuance of Credit Facility Obligations from time to time in the aggregate principal amount of not to exceed \$50,000,000 for the purpose of financing and refinancing capital improvements to the Electric System or providing short-term working capital in accordance with the Constitution and laws of Nebraska as may be determined by the Board to be in the best interests of the Electric System and it is necessary, desirable, advisable and in the best interest of the City and the Board that such portion of such Credit Facility Obligations as shall be determined by the CEO in accordance with the provisions of Section 4.02 hereof be financed on a long-term basis by the City by the issuance of obligations of the City under the General Ordinance.

(e) The City has heretofore authorized the issuance of Subordinate Credit Facility Obligations from time to time in the aggregate principal amount of not to exceed \$50,000,000 for the purpose of financing and refinancing capital improvements to the Electric System or providing short-term working capital in accordance with the Constitution and laws of Nebraska as may be determined by the Board to be in the best interests of the Electric System and it is necessary, desirable, advisable and in the best interest of the City and the Board that such portion of such Subordinate Credit Facility Obligations as shall be determined by the CEO in accordance with the provisions of Section 4.02 hereof be financed on a long-term basis by the City by the issuance of obligations of the City under the General Ordinance.

(f) For such purposes, it is necessary, desirable, advisable and in the best interests of the City and the Board that electric system revenue bonds be issued and sold pursuant to the General Ordinance from time to time in one or more Series as herein provided.

**Section 2.03. Issuance of Bonds to Pay Refunded Notes, Refunded Bonds, Refunded Credit Facility Obligations and Costs of the 2025 Project.** The General Ordinance serves as the basic bond ordinance for the issuance of revenue bonds and other obligations for the Electric System of the City. It is necessary, desirable and advisable that the City now issue bonds from time to time in one or more Series under and pursuant to the General Ordinance, as supplemented by this Twelfth Series Ordinance, to provide for the payment of (a) the Refunded Notes at the maturity thereof, (b) the principal of and interest on the Refunded Bonds through and including their respective Redemption Dates and to redeem on such respective Redemption Dates, the Refunded Bonds, (c) the costs of the 2025 Project, and (d) the costs of issuing the 2025 Bonds.



## ARTICLE III

### AUTHORIZATION OF 2025 BONDS

**Section 3.01. Principal Amount, Designation and Series.** Pursuant to the provisions of the General Ordinance, the 2025 Bonds, entitled to the benefit, protection and security of the Ordinance, are hereby authorized from time to time in one or more Series in an aggregate principal amount of not to exceed \$300,000,000 as determined by the CEO pursuant to the provisions of Section 4.01(a). The 2025 Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series in such manner as shall be determined by the CEO in accordance with the provisions of this Twelfth Series Ordinance. This authorization shall commence upon the passage of this Twelfth Series Ordinance (supplanting any remaining authorization pursuant to Ordinance No. 21382) and continue through December 31, 2026.

**Section 3.02. Purpose.** The 2025 Bonds are issued for the purpose of (a) paying the Costs of the 2025 Project and such other improvements as are specified in Section 2.01, (b) paying the principal of and interest on the Refunded Notes at the maturity thereof, (c) prepaying or paying at maturity principal of and interest on the Refunded Credit Facility Obligations, (d) providing funds which, with the investment earnings thereon, will be sufficient to pay the principal of and interest on the Refunded Bonds through and including their respective Redemption Dates and to redeem the Refunded Bonds on their respective Redemption Dates, (e) funding a debt service reserve for each Series of 2025 Bonds, and (f) paying certain costs of issuance of each Series of 2025 Bonds.

**Section 3.03. Maturities and Interest.** Each Series of 2025 Bonds shall mature on the dates and in the principal amounts, and shall bear interest, payable on such dates and at such rates per annum as shall be determined by the CEO pursuant to the provisions of Section 4.01(a). The CEO shall also establish a record date for the purpose of determining the Owners of each Series of 2025 Bonds to which payments of interest on the 2025 Bonds should be made. Each Series of 2025 Bonds shall bear interest from their dated date as determined by the CEO pursuant to the provisions of Section 4.01(a) hereof, or, if one or more payments of interest on the 2025 Bonds has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has then been paid or duly provided for. A Series of 2025 Bonds may be issued on either a taxable or a tax-exempt basis as determined by the CEO pursuant to the provisions of Section 4.01(a).

**Section 3.04. Minimum Denomination, Dates, Numbers and Letters.** The 2025 Bonds shall be issued as Book-Entry Bonds in such denominations and shall be dated as shall be determined by the CEO pursuant to the provisions of Section 4.01(a). Unless the CEO shall otherwise direct, each Series of 2025 Bonds shall be numbered from R-1 upward.

**Section 3.05. Place of Payment and Paying Agent.** Except as shall be provided with respect to Book-Entry Bonds, the principal and Redemption Price of the 2025 Bonds shall be payable at the office of the Paying Agent. Except as provided with respect to Book-Entry Bonds, the interest on the 2025 Bonds shall be payable by check or draft mailed to the persons entitled thereto at the addresses of such persons shown on the registration books of the City kept for that purpose at the designated office of the Registrar.

**Section 3.06. Book Entry Bonds; Securities Depository.**

(a) The 2025 Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the 2025 Bonds, except in the event the Paying Agent issues replacement bonds as provided in Section 3.06(b). It is anticipated that during the term of the 2025 Bonds, the Securities Depository will make book entry transfers among its Participants and receive and transmit payment

of principal of, premium, if any, and interest on, the 2025 Bonds to the Participants until and unless the Paying Agent authenticates and delivers replacement bonds to the beneficial owners as described in Section 3.06(b).

(b) (1) If the Board determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (C) that the continuation of a book entry system to the exclusion of any 2025 Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the 2025 Bonds, or (2) if the Paying Agent receives written notice from Participants having interests in not less than 50% of the 2025 Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book entry system to the exclusion of any 2025 Bonds being issued to any Owner other than Cede & Co. is no longer in the best interests of the beneficial owners of the 2025 Bonds, then the Paying Agent shall notify the Owners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Paying Agent shall register in the name of and authenticate and deliver replacement bonds to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under clause (1)(A) or (1)(B) of this Section 3.06(b), the Board, with the consent of the Paying Agent, may select a successor securities depository in accordance with Section 3.06(c) hereof to effect book entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one 2025 Bond. Upon the issuance of replacement bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Paying Agent, to the extent applicable with respect to such replacement bonds. If the Securities Depository resigns and the Board, the Paying Agent or Owners are unable to locate a qualified successor of the Securities Depository in accordance with Section 3.06(c), then the Paying Agent shall authenticate and cause delivery of replacement bonds to Owners, as provided herein. The Paying Agent may rely on information from the Securities Depository and its Participants as to the names of the beneficial owners of the 2025 Bonds. The cost of printing replacement bonds shall be paid for by the Board.

(c) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Board may appoint a successor Securities Depository provided the Paying Agent receives written evidence satisfactory to the Paying Agent with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Paying Agent upon its receipt of a 2025 Bond or 2025 Bonds for cancellation shall cause the delivery of 2025 Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

**Section 3.07. Redemption Prices and Terms.** Each Series of 2025 Bonds shall be subject to redemption prior to their respective stated maturities at the option of the City on and after such date or dates as shall be determined by the CEO in accordance with the provisions hereof, in whole or in part at any time in such principal amounts and from such maturity or maturities as may be selected by the City in its sole discretion (and in the event that less than all of the 2025 Bonds of any maturity are called for redemption, the particular 2025 Bonds of such maturity to be redeemed shall be selected by lot) at such redemption

prices as shall be determined by the CEO in accordance with the provisions hereof together with the interest accrued to the date of redemption.

Any 2025 Bonds that are issued as Term Bonds shall also be subject to mandatory redemption by the City, in part, by lot, prior to maturity only on an interest payment date and upon payment of the principal amount thereof from Sinking Fund Installments at 100% of the principal amount thereof, together with accrued interest thereon to the date of redemption, which Sinking Fund Installments shall be sufficient to redeem on such dates in such years and in such principal amounts as shall be determined by the CEO in accordance with the provisions hereof.

The Sinking Fund Installments shall be applied in the manner and according to the procedure set forth in Section 5.05(b) of the General Ordinance to the redemption and retirement of any 2025 Bonds issued as Term Bonds.

**Section 3.08. Application of Proceeds of 2025 Bonds.** In accordance with Article II and Article III of the General Ordinance, the proceeds, including accrued interest, of the 2025 Bonds, together with other legally available funds of the Board, shall be received by the Board and applied simultaneously with the delivery of the 2025 Bonds as follows:

(a) There shall be deposited in the Bond Fund the amount representing accrued interest on each Series of 2025 Bonds, for application toward the payment of interest due on such Series of 2025 Bonds on the first interest payment date thereof;

(b) There shall be deposited in the appropriate account in the 2025 Debt Service Reserve Fund established by Section 3.11 hereof, the amount required so that the balance in such account in the 2025 Debt Service Reserve Fund shall equal the Reserve Requirement for the Series of 2025 Bonds for which such account was established calculated immediately after the authentication and delivery of such Series of 2025 Bonds;

(c) There shall be paid to the Escrow Agent with respect to such Series of 2025 Bonds such amount from the proceeds of such Series of the 2025 Bonds as shall be necessary (1) to provide for the refunding (through redemption or otherwise) of the Refunded Bonds to be held and invested in as provided in such Escrow Agreement and used and applied on the respective Redemption Dates as shall be determined by the CEO in accordance with the provisions of Section 4.02 to refund (through redemption or otherwise) the Refunded Bonds and (2) to provide for the payment of the principal of and interest on the Refunded Notes at the maturity thereof to be held and invested in obligations specified in Section 10.03 of the Note Ordinance and used and applied on the maturity dates of the Refunded Notes for such purpose;

(d) There shall be paid to the holder of any Refunded Credit Facility Obligation the amount of the proceeds of such Series of 2025 Bonds as determined by the CEO in accordance with the provisions of Section 4.02 to refinance such Refunded Credit Facility Obligations; and

(e) The balance of the proceeds of each Series of 2025 Bonds which remains after the disbursements from such proceeds required by Section 3.08(a), (b), (c) and (d) shall have been made shall be deposited into the Construction Fund created with the Board in Section 5.02(c) of the General Ordinance to pay the Costs of the 2025 Project and other improvements specified in Section 2.01 hereof and the costs of issuance of such Series of 2025 Bonds.

**Section 3.09. Tax Covenants.**

(a) The City covenants and agrees that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on each Series of 2025 Bonds issued on a federally tax-exempt basis and (2) it will not use or permit the use of any proceeds of any Series of 2025 Bonds or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on any 2025 Bonds issued on a federally tax-exempt basis. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on each Series of 2025 Bonds issued on a federally tax-exempt basis will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that (1) it will comply with all requirements of Section 148 of the Code to the extent applicable to each Series of 2025 Bonds, (2) it will use the proceeds of each Series of 2025 Bonds as soon as practicable and with all reasonable dispatch for the purposes for which such Series of 2025 Bonds are issued, and (3) it will not invest or directly or indirectly use or permit the use of any proceeds of any Series of 2025 Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause any Series of 2025 Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(c) The City covenants and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to each Series of 2025 Bonds from time to time. This covenant shall survive payment in full or defeasance of each Series of 2025 Bonds. The City specifically covenants to pay or cause to be paid to the United States of America, the required amounts of rebatable arbitrage at the times and in the amounts as determined by the Tax Certificate. Notwithstanding anything to the contrary contained herein, the Tax Certificate may be amended or replaced if, in the opinion of counsel nationally recognized on the subject of municipal bonds, such amendment or replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on each Series of 2025 Bonds, if any.

(d) The City covenants and agrees that it will not use any portion of the proceeds of any Series of 2025 Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any 2025 Bond issued on a federally tax-exempt basis to be a “private activity bond.”

(e) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of each Series of 2025 Bonds pursuant to Article X of the General Ordinance or any other provision of the Ordinance, until the final maturity date of all 2025 Bonds Outstanding.

**Section 3.10. Form of 2025 Bonds and Registrar’s Certificate of Authentication.** The form of the 2025 Bonds and the Registrar’s certificate of authentication shall be in substantially the following form, with such variations, omissions and insertions as are required or permitted by the Ordinance:

**[FORM OF 2025 BONDS]**

**AS PROVIDED IN THE ORDINANCE REFERRED TO HEREIN, UNTIL THE  
TERMINATION OF THE SYSTEM OF BOOK-ENTRY TRANSFERS THROUGH**

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

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

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STATE OF NEBRASKA  
COUNTY OF LANCASTER  
THE CITY OF LINCOLN  
LINCOLN ELECTRIC SYSTEM REVENUE [AND REFUNDING] BOND  
SERIES \_\_\_\_\_

Maturity Date	Interest Rate	Bond Date	CUSIP No.
_____, 20__	_____%	_____, ____	_____

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**DOLLARS**

THE CITY OF LINCOLN, NEBRASKA (the "City"), a city of the primary class and a political subdivision and body politic and corporate of the State of Nebraska, organized and existing under and by virtue of the laws of the State of Nebraska, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner (stated above) or registered assigns, on the Maturity Date (stated above) but solely from the funds pledged therefor, upon presentation and surrender of this Bond at the office of [PAYING AGENT NAME], [PAYING AGENT CITY, STATE] (such entity and any successors thereto being referred to herein as the "Paying Agent"), the Principal Amount (stated above) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay, but solely from the funds pledged therefor, interest on such Principal Amount in like coin or currency from \_\_\_\_\_, \_\_\_\_\_, or, if one or more payments of interest has or have theretofore been made or duly provided for, from the most recent interest payment date to which interest has been paid or duly provided for, payable on March 1 and September 1 of each year commencing

\_\_\_\_\_, 1, 20\_\_\_, at a rate per annum equal to the Interest Rate (stated above), until the City's obligation with respect to the payment of such Principal Amount shall be discharged. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Bond Ordinance hereinafter referred to, be paid to the person in whose name this Bond is registered at the close of business on the regular record date for such interest, which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date, such payment to be made by check or draft of the Paying Agent hereinafter referred to and mailed to such person at the address shown on the registration books of the City kept for that purpose at the office of [REGISTRAR NAME], Bond Registrar. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the person in whose name this Bond is registered on the regular record date, and shall be paid, in the manner described above, to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to registered owners of Bonds of the series of which this Bond is one not less than 10 days prior to such special record date. However, so long as this Bond and the series of which it is one are held in book entry form pursuant to the Bond Ordinance, the provisions of the Bonds, Ordinance governing such book entry form shall govern repayment of the principal or redemption price and interest on such Bonds.

This Bond is one of a duly authorized series of Bonds of the City designated as its "Lincoln Electric System Revenue [and Refunding] Bonds, Series 20\_\_\_" (the "20\_\_\_ Bonds"), in the aggregate principal amount of \$[AMOUNT] issued under and pursuant to and in full compliance with the Constitution and laws of the State of Nebraska, including the Charter of the City, and Ordinance No. 17879 and all other ordinances amendatory of or supplemental to Ordinance No. 17879, including particularly Ordinance No. \_\_\_\_\_ (Ordinance No. 17879 and all other ordinances amendatory of and supplemental to Ordinance No. 17879, including Ordinance No. \_\_\_\_\_, being herein referred to collectively as the "Bond Ordinance"), duly adopted under such Constitution and laws, including the Charter, by the Council of the City. Copies of such ordinances are on file in the office of the Clerk of the City. As provided in the Bond Ordinance, bonds, notes or other evidences of indebtedness of the City may be issued from time to time pursuant to supplemental ordinances in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise differ and vary in their terms and conditions as provided in the Bond Ordinance. The aggregate principal amount of bonds, notes or other evidences of indebtedness which may be issued under the Bond Ordinance is not limited except as provided in the Bond Ordinance, and all bonds, notes or other evidences of indebtedness issued and to be issued under the Bond Ordinance are and will be equally secured by covenants made in the Bond Ordinance, except as otherwise expressly provided or permitted in the Bond Ordinance. All bonds, notes or other evidences of indebtedness issued under and pursuant to the Bond Ordinance, as the same may be amended and supplemented from time to time, and equally secured thereby are hereinafter called the "Bonds."

As provided in the Bond Ordinance, the Bonds are direct and special obligations of the City payable solely from and secured as to payment of the principal or redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Bond Ordinance solely by (a) the proceeds of the sale of the Bonds, (b) the Revenues (as defined in the Bond Ordinance), and (c) all funds established by the Bond Ordinance, including the investments and income, if any, thereof, subject to the provisions of the Bond Ordinance permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Ordinance. Copies of the Bond Ordinance are on file at the office of the City, and reference to the Bond Ordinance and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the security interest, pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect thereto, with respect to giving any approvals or consents, exercising any remedies or taking certain actions pursuant to the Bond Ordinance, the terms and conditions

upon which the Bonds are issued and may be issued thereunder, and for the other terms and provisions thereof.

To the extent and in the manner permitted by the terms of the Bond Ordinance, the provisions of the Bond Ordinance, or the provisions of any ordinance amendatory thereof or supplemental thereto, may be modified or amended by the City, with the written consent of the registered owners of not less than a majority in principal amount of the Bonds affected by such modification or amendment then outstanding under the Bond Ordinance, and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of not less than a majority in principal amount of the Bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Bond Ordinance, the consent of the registered owners of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. As provided in the Bond Ordinance (and unless otherwise provided in a supplemental ordinance), if a Credit Facility (as defined in the Bond Ordinance) is provided with respect to the Bonds of any series, or a maturity within a series, if not in default in respect of any of its obligations with respect to such Credit Facility, the provider of such Credit Facility (hereinafter, the "Credit Enhancer"), and not the actual registered owners of, such Bonds shall be deemed to be the registered owner of such Bonds at all times for the purpose of giving such consent. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the registered owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary (as defined in the Bond Ordinance) without its written assent thereto.

The Bond Ordinance also contains provisions permitting the City, without the necessity for the consent of the registered owner of any Bond, to modify or amend the Bond Ordinance to cure ambiguities or defects in the Bond Ordinance, to clarify the provisions of the Bond Ordinance or to make any other modification or amendment which the Board determines will not have a material adverse effect on the interests of registered owners.

This Bond is transferable, as provided in the Bond Ordinance, only upon the books of the City kept for that purpose at the above mentioned office of [REGISTRAR NAME], Bond Registrar, by the Registered Owner hereof in person, or by its duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new fully registered bond or bonds, without coupons, and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance, and upon payment of the charges therein prescribed. The City, the Registrar and any Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 20\_\_ Bonds are issuable in the form of fully registered Bonds, without coupons, in the denominations of \$5,000 or any integral multiple of \$5,000.

The 20\_\_ Bonds are subject to redemption prior to maturity, upon notice as hereinafter provided, (a) by operation of the Bond Fund established under the Bond Ordinance to satisfy the sinking fund installments (1) with respect to the 20\_\_ Bonds, maturing on \_\_\_\_\_, \_\_\_\_\_, commencing on \_\_\_\_\_ and on each \_\_\_\_\_, thereafter, (2) with respect to the 20\_\_

Bonds maturing on \_\_\_\_\_, \_\_\_\_\_, commencing on \_\_\_\_\_ and on each \_\_\_\_\_, thereafter and (3) with respect to the 20\_\_ Bonds maturing on \_\_\_\_\_, \_\_\_\_\_, commencing on \_\_\_\_\_, and on each \_\_\_\_\_, thereafter, in each case at 100% of the principal amount thereof together with accrued interest, if any, to the redemption date and (b) otherwise, in the case of the 20\_\_ Bonds maturing on and after \_\_\_\_\_, at the election of the City on or after \_\_\_\_\_, at any time, as a whole or in part (if in part, the maturity or maturities to be redeemed to be selected by the City in its sole discretion), at the respective redemption prices (expressed as percentages of the principal amount of the Bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

**Period During Which Redeemed  
(both dates inclusive)**

**Redemption Price**

If less than all of the 20\_\_ Bonds of like maturity are to be redeemed, the particular 20\_\_ Bonds to be redeemed shall be selected by the Registrar.

The 20\_\_ Bonds are payable upon redemption at the above mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be given by first class mail, postage prepaid, to the registered owners of the 20\_\_ Bonds to be redeemed sent not less than 30 days nor more than 60 days prior to the redemption date, but the failure to give notice by mail, or any defect in such notice, to the registered owner of any 20\_\_ Bond will not affect the validity of the proceedings for the redemption of any other 20\_\_ Bonds. If notice of redemption shall have been given as provided, the 20\_\_ Bonds or portions thereof specified in such notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, money for the redemption of all the 20\_\_ Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on such date, then from and after the redemption date interest on such 20\_\_ Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

This Bond shall be payable, as to principal and redemption price hereof, and interest hereon, solely from the Revenues and other funds of the City as provided in the Bond Ordinance and neither the State of Nebraska nor any political subdivision (other than the City) shall be obligated to pay the principal or redemption price hereof or interest hereon and neither the faith and credit nor the taxing power of the State of Nebraska or any political subdivision thereof is pledged to the payment of the principal or redemption price of, or interest on, this Bond. No registered owner of a Bond or receiver or trustee in connection with the payment of the Bonds shall have any right to compel the State of Nebraska, any political subdivision thereof to exercise its appropriation or taxing powers. No director, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal or redemption price of or interest on this Bond.

It is hereby certified and recited that all conditions, acts and things required by law and the Bond Ordinance to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed and that the 20\_\_ Bonds, together with all other indebtedness of the City, complies in all respects with the applicable laws of the State of Nebraska.

This Bond shall not be entitled to any benefit under the Bond Ordinance or be valid or become obligatory for any purpose until this Bond shall have been authenticated through execution by the Registrar of the Registrar's Certificate of Authentication hereon.



IN WITNESS WHEREOF, THE CITY OF LINCOLN, NEBRASKA has caused this Bond to be signed by the manual or facsimile signature of its Mayor, countersigned by the manual or facsimile signature of its Finance Director, and its corporate seal imprinted hereon.

THE CITY OF LINCOLN, NEBRASKA

By: \_\_\_\_\_ (facsimile signature)  
Mayor

\_\_\_\_\_  
(facsimile signature)  
Finance Director

(Original Seal)

**[FORM OF REGISTRAR’S CERTIFICATE OF AUTHENTICATION]**

**REGISTRAR’S CERTIFICATE OF AUTHENTICATION**

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

\_\_\_\_\_, as Registrar

By: \_\_\_\_\_  
Authorized Signature

**ASSIGNMENT**

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

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

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

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as

it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

\_\_\_\_\_  
(Name of Eligible Guarantor Institution)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Section 3.11. 2025 Debt Service Reserve Fund.**

(a) The City shall establish a 2025 Debt Service Reserve Fund to be held by the Board and an account therein for each Series of 2025 Bonds issued pursuant to this Twelfth Series Ordinance into which the amount determined by the CEO pursuant to the provisions of Section 4.01(a) hereof shall be deposited. All amounts deposited into any account in the 2025 Debt Service Reserve Fund shall be held and administered in accordance with the provisions hereof.

(b) If any withdrawal from any account in the 2025 Debt Service Reserve Fund is made for the purpose of Section 3.11(c)(i), the amount of such withdrawal shall be restored by the Board in no more than 12 substantially equal, consecutive, monthly installments, each payable on the last Business Day of the month, commencing with the month in which the withdrawal is made; provided that, if any withdrawal is made and if, prior to the restoration of the amount withdrawn, an additional withdrawal is made, such additional withdrawal shall be restored in equal monthly installments over the remainder of the restoration period for the initial withdrawal.

(c) Any money on deposit in any account in the 2025 Debt Service Reserve Fund shall be applied as follows:

(i) On the date of each required payment from the Bond Fund, money in any account in the 2025 Debt Service Reserve Fund shall be applied to cure any deficiency in the Bond Fund with respect to the Series of 2025 Bonds for which such account was established;

(ii) Any amount in any account in the 2025 Debt Service Reserve Fund in excess of the Reserve Requirement on the Series of 2025 Bonds for which such account was established shall be transferred to the Bond Fund and credited against the payments of the principal and interest next becoming due on such Series of 2025 Bonds.

(iii) On the interest payment date immediately preceding the final maturity date of any Series of 2025 Bonds, money held in the account in the 2025 Debt Service Reserve Fund established with respect to such Series of 2025 Bonds shall be deposited into the Bond Fund and credited against the deposits required to be made into the Bond Fund with respect to such Series of 2025 Bonds but only to the extent that, immediately following such crediting and transfer, the amount on deposit in such account in the 2025 Debt Service Reserve Fund is equal to the lesser of (A) the Reserve Requirement with respect to such Series of 2025 Bonds or (B) the amount of principal and interest due in respect of such Series of 2025 Bonds on such final maturity date.

(d) The City and the Board shall be permitted to substitute a letter of credit, surety bond or other credit enhancement (each, a “credit facility”) for funds on deposit in any account in the 2025 Debt Service Reserve Fund, provided that:

(i) the credit facility (including any replacement credit facility) is issued by a bank, trust company, national banking association or insurance company whose unsecured long-term debt obligations (in the case of a bank, trust company or national banking association) or whose claims paying abilities (in the case of an insurance company) are rated not lower than the “AAA” Rating Category by a Rating Agency at the time the credit facility is issued and at the time of each extension or renewal thereof;

(ii) the issuer of the credit facility receives as security for any reimbursement obligation in respect of the credit facility a lien solely on the Net Revenues on a parity with any Bonds or Parity Obligations then Outstanding; and

(iii) the credit facility (including any replacement credit facility, if provided by a different issuer) has an initial term of not less than one year and any extension, renewal or replacement (if provided by the same issuer) thereof has a term of not less than one year.

Upon such substitution, funds on deposit in any account in the 2025 Debt Service Reserve Fund which, when added to the face amount of the credit facility, exceed the Reserve Requirement with respect to the Series of 2025 Bonds for which such account was established, shall be applied as provided in Section 3.11(c)(ii) above (subject to yield restriction, if any, as determined by Bond Counsel). Thereafter, the credit facility shall be considered a part of such account in the 2025 Debt Service Reserve Fund and the amount available thereunder shall be included in any calculations of the amount required to be retained in such account in the 2025 Debt Service Reserve Fund; provided that, (A) if the sum of the amount available under the credit facility and the amount of money on deposit in the related account in the 2025 Debt Service Reserve Fund exceeds the amount required to be on deposit pursuant to Section 3.11(a) above, the Board shall be permitted (I) to cause the amount available under the credit facility to be reduced by an amount equal to such excess, or (II) to direct that the excess money be applied as permitted under Section 3.11(d)(ii) above, and (B) if the credit facility is not extended, renewed or replaced at least six months prior to its scheduled expiration or termination date, unless such account in the 2025 Debt Service Reserve Fund is otherwise terminated in accordance with the provisions of this Section 3.11, the Board shall be obligated to restore the difference between the Reserve Requirement and the value of such account in the 2025 Debt Service Reserve Fund computed without regard to the credit facility prior to the expiration or termination date of such credit facility.

(e) The City and the Board shall have the option to terminate any account in the 2025 Debt Service Reserve Fund and to have transferred to the Bond Fund all amounts held therein if the Net Revenues for each of the three preceding Fiscal Years are not less than 140% of Debt Service in such Fiscal Year on all Bond and Parity Obligations then Outstanding, based on the audited financial statements for such Fiscal Year. Upon receipt of the audits described in the preceding sentence, the Board shall transfer all amounts held in such accounts in the 2025 Debt Service Reserve Fund to the Bond Fund and use the same to pay debt service on the Series of 2025 Bonds for which such account was established (subject to yield restriction, if any, as determined by Bond Counsel).

(f) If, after the City and the Board shall have elected to terminate any account in the 2025 Debt Service Reserve Fund in accordance with the provisions of this Section 3.11, the Net Revenues for any Fiscal Year are less than 140% of Debt Service in such Fiscal Year on all Bonds

and Parity Obligations then Outstanding, the Board shall within thirty (30) days of such determination deposit in such account in the 2025 Debt Service Reserve Fund an amount equal to the Reserve Fund Requirement with respect to such account.

#### ARTICLE IV

##### ADDITIONAL PROVISIONS RELATED TO 2025 BONDS

###### **Section 4.01. Sale, Principal Amount, Interest Rates, Redemption Provisions and Other Terms of 2025 Bonds; Additional Covenants.**

(a) Each Series of 2025 Bonds shall be sold through a negotiated or competitive sale as determined by the CEO in accordance with the provisions of Section 4.02 at a price not less than 96.00% of the aggregate principal amount thereof. In connection with and as a part of such sale or sales, the CEO shall (1) fix and determine the form, contents, terms and provisions of each bond purchase agreement with respect to the purchase of each Series of 2025 Bonds and (2) with respect to each Series of 2025 Bonds, fix (A) the dated date, which shall not be later than December 31, 2026, and the designation of such Series of 2025 Bonds; (B) the aggregate principal amount of each Series of 2025 Bonds, including the principal amounts of the respective Serial Bonds and Term Bonds of each Series of 2025 Bonds; provided, however, the aggregate principal amount of the 2025 Bonds shall not exceed \$300,000,000; (C) the rate or rates of interest to be borne by each maturity of each Series of 2025 Bonds (specifying whether such interest is intended to be federally taxable or federally tax-exempt), such that each Series of 2025 Bonds shall not have a true interest cost in excess of 7.50% per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months; (D) the principal amount of each Series of 2025 Bonds maturing in each year; (E) the Sinking Fund Installments due and the dates thereof with respect to each Series of 2025 Bonds in each year for which the CEO determines that a Sinking Fund Installment shall be due; (F) the dates upon which each Series of 2025 Bonds will be subject to redemption at the option of the City and the Redemption Price of each Series of 2025 Bonds, which shall not, in the case of any federally tax-exempt Series of 2025 Bonds, exceed 106% of the principal amount being redeemed; (G) the identity of the Registrar and the Paying Agent for each Series of 2025 Bonds; and the form and contents of any agreement or agreements under which each Registrar and Paying Agent would serve in such respective capacities with respect to such Series of 2025 Bonds; (H) the Reserve Requirement for such Series of 2025 Bonds, if any; (I) the title of the issue of each Series of 2025 Bonds; and (J) such other terms and conditions of such Series of 2025 Bonds as are not inconsistent with the terms of the General Ordinance or this Twelfth Series Ordinance. Upon the delivery of and payment for any Series of 2025 Bonds, the purchasers also shall pay to the City the interest accrued on such Series of 2025 Bonds from the date thereof to the date of delivery of and payment therefor.

(b) The CEO shall report to the Finance Director the purchase price of the Series 2025 Bonds sold and the principal amount, maturities, Sinking Fund Installments and other terms thereof established in accordance with the provisions of this Twelfth Series Ordinance. The City Council hereby acknowledges the terms and conditions of the Prior Bonds and affirms and approves all such terms and conditions including, without limitation, the Redemption Price specified relative to the 2020B Bonds.

(c) The CEO, in his sole discretion, may and is hereby authorized to impose such additional covenants, restrictions, terms and conditions with respect to each Series of 2025 Bonds as shall be reasonably required by any Rating Agency to maintain the ratings in effect with respect to the 2025 Bonds on the date of adoption of this Twelfth Series Ordinance.

**Section 4.02. Escrow Agreement; Identification and Redemption of Refunded Bonds; Authority of CEO.** The preparation, use, distribution, execution and delivery of an Escrow Agreement to be entered into between the City and an Escrow Agent in such form and of such content as the CEO shall, in the exercise of his own independent judgment and absolute discretion determine to be necessary, proper, appropriate, advisable or desirable in connection with the refunding of the Refunded Bonds, be and the same are hereby in all respects authorized, directed, adopted, specified, accepted, ratified, approved and confirmed. The CEO shall determine and select a national or state bank having trust powers to act as Escrow Agent under any Escrow Agreement executed and delivered in connection with the issuance of a Series of 2025 Bonds.

The CEO is hereby authorized and directed to determine from time to time (a) which of the Prior Bonds shall be refunded and shall constitute Refunded Bonds, (b) which of the CP Notes and Short-Term Notes shall be refunded and constitute the Refunded Notes, and (c) which of the Credit Facility Obligations or Subordinate Credit Facility Obligations shall be refunded and constitute the Refunded Credit Facility Obligations. The CEO shall take all actions necessary to call or pay when due (1) the Refunded Bonds for redemption in accordance with the Prior Bond Ordinances, as appropriate, (2) the Refunded Notes in accordance with the Note Ordinance, and (3) the Refunded Credit Facility Obligations in accordance with the Credit Facility Ordinance.

Notice of redemption of the Refunded Bonds to be redeemed shall be mailed by first class mail by the Refunded Bonds Paying Agent, not less than 30 nor more than 60 days prior to the Redemption Date, to each Owner of a Refunded Bond so called for redemption.

Each notice of redemption shall state the date of such notice, the distinguishing designation of the Refunded Bonds to which such notice relates, the date of issue of the Refunded Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and address of the Refunded Bonds Paying Agent), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Refunded Bonds of such maturity to be redeemed and, in the case of Refunded Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on such date there will become due and payable on each of such Refunded Bonds the Redemption Price thereof or of such specified portion of the principal amount thereof in the case of a Refunded Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Refunded Bonds Paying Agent specified in the redemption notice. Neither the City nor the Refunded Bonds Paying Agent shall have any responsibility for any defect in the CUSIP number that appears on any Refunded Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the City nor the Refunded Bonds Paying Agent shall be liable for any inaccuracy in such numbers.

The CEO is hereby authorized and directed to determine the CP Notes and Short-Term Notes to be refunded and the particular such CP Notes and Short-Term Notes which shall constitute the Refunded Notes to be paid at the maturity thereof.

**Section 4.03. Ratification of Prior Actions; General and Specific Authorizations.**

(a) All actions heretofore taken by the Board, by the CEO and by all other officers, officials, employees and agents both of the Board and of the City, including without limitation the expenditure of funds, and the selection, appointment and employment of consulting engineers, accountants, financial advisors, underwriters and bond counsel, in connection with the issuance and

sale of each Series of 2025 Bonds, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

(b) Without in any way limiting the power, authority or discretion elsewhere in this Twelfth Series Ordinance granted or delegated, the Council hereby (1) authorizes and directs the Mayor, Finance Director or Interim Finance Director, Treasurer, Clerk and City Attorney, and authorizes the Board, the CEO and all other officers, officials, employees and agents both of the City and of the Board, to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with bond counsel, the underwriter(s) of each Series of 2025 Bonds and their respective counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Twelfth Series Ordinance and the Ordinance, the notice of sale, any bond purchase agreement for each Series of 2025 Bonds, the preliminary and final Official Statement of the City used in connection with the issuance and sale of each Series of 2025 Bonds, and the issuance, sale and delivery of each Series of 2025 Bonds, including without limitation and whenever appropriate the execution and delivery thereof and of all other related documents, instruments, certifications and opinions, and (2) delegates, authorizes and directs the CEO the right, power and authority to exercise his own independent judgment and absolute discretion in (A) determining and finalizing the terms, provisions, form and contents of, any bond purchase agreement, each Series of 2025 Bonds and the preliminary and final Official Statement hereinbefore mentioned, (B) determining and finalizing all other terms and provisions to be carried by each Series of 2025 Bonds not specifically set forth in this Twelfth Series Ordinance or in the Ordinance, and (C) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of each Series of 2025 Bonds. The execution and delivery by the CEO or by any such other officer, official, employee or agent of any such documents, instruments, certifications and opinions, or the performance by them of any act in connection with any of the matters which are the subject of this Twelfth Series Ordinance, of the General Ordinance, and of each of the other documents referred to herein, shall constitute conclusive evidence of both the City's and their approval of the terms, provisions and contents thereof and all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the City and the authorization, approval and ratification by the City of the documents, instruments, certifications and opinions so executed and the actions so taken.

**Section 4.04. Insertion in Copies Hereof of Terms and Identification Information.** For the convenience of the City and the Board, the Registrar, the Paying Agent, and the Owners from time to time of such Series 2025 Bonds, there may be inserted, or marked, or noted, in the body of copies of this Twelfth Series Ordinance or in attachments or appendices to such copies (which attachments or appendices may or may not be referred to in the body of such copies) any of the terms of each Series of 2025 Bonds fixed in accordance herewith and the other provisions hereof to be borne by each Series of 2025 Bonds.

**Section 4.05. Continuing Disclosure.** The Board shall comply with and carry out all of the provisions of each Continuing Disclosure Undertaking. Notwithstanding any other provision of the Ordinance, failure of the Board to comply with any Continuing Disclosure Undertaking shall not be considered an Event of Default; however, any Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Section. For purposes of this Section 4.05, "Beneficial Owner" means any registered owner of a 2025 Bond or person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2025

Bonds (including persons holding 2025 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2025 Bonds for federal income tax purposes.

**ARTICLE V**

**MISCELLANEOUS**

**Section 5.01. Headings, Table of Contents.** The headings of sections of this Twelfth Series Ordinance, and any table of contents attached to copies hereof, are set forth therein or are attached to such copies solely for convenience of reference only and shall not affect the construction or interpretation of this Twelfth Series Ordinance or of any section hereof.

**Section 5.02. Publication and Effectiveness of Twelfth Series Ordinance.** This Twelfth Series Ordinance, after its passage, shall in lieu of and in place of newspaper publication, be posted by the City Clerk in the manner provided for in Article VII, Section 7 of the Charter of the City, and shall take effect and be in force from and after its passage and posting in accordance with Article VII, Section 7 of the Charter of the City. Further, the City Clerk shall publish once in the Lincoln Journal-Star, newspapers published and of general circulation in the City, a notice of such passage in substantially the following form:

Notice is hereby given that on \_\_\_\_\_, 2024, the City Council of The City of Lincoln, Nebraska passed Ordinance No. \_\_\_\_\_ entitled: [here shall be set forth the title of this Twelfth Series Ordinance].

Notice is hereby further given that Ordinance No. \_\_\_\_\_ was approved by the Mayor of The City of Lincoln, Nebraska, on \_\_\_\_\_, 2024.

Copies of Ordinance No. \_\_\_\_\_ are on file in the office of the City Clerk of The City of Lincoln, Nebraska, Room \_\_\_\_\_, \_\_\_\_\_ Building, 555 South 10th Street, Lincoln, Nebraska 68508, and are available for examination by the public.

[Remainder of Page Intentionally Left Blank]

	<p>INTRODUCED BY:</p> <p>_____</p> <p>PASSED _____, 2024</p>
<p>ABSENT OR NOT VOTING:</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>AYES: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>NAYS: _____</p> <p>_____</p>
<p>Approved as to Form:</p> <p>_____</p> <p>City Attorney</p>	<p>CONFLICT OF INTEREST:</p> <p>_____</p>
	<p>APPROVED: _____, 2024</p> <p>_____</p> <p>Mayor</p>