

*ORDINANCE NO. 2009*  
*CITY OF LEXINGTON, NEBRASKA*  
*DECEMBER 6, 1994*

ORDINANCE NO. 2009

"AN ORDINANCE OF THE CITY OF LEXINGTON, NEBRASKA, AUTHORIZING THE ISSUANCE AND SALE OF COMBINED UTILITIES REVENUE BOND ANTICIPATION NOTES OF THE CITY OF LEXINGTON, NEBRASKA, IN THE PRINCIPAL AMOUNT OF EIGHT HUNDRED THOUSAND DOLLARS (\$ 800,000.00), FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR THE COST OF EXTENDING, ENLARGING AND IMPROVING THE CITY'S SEWAGE DISPOSAL PLANT AND SYSTEM, WATERWORKS PLANT AND SYSTEM AND ELECTRICAL LIGHT AND POWER PLANT AND DISTRIBUTION SYSTEM PENDING THE ISSUANCE OF PERMANENT COMBINED REVENUE BONDS; PRESCRIBING THE FORM OF SAID NOTES; AGREEING TO ISSUE THE CITY'S COMBINED REVENUE BONDS TO PAY THE NOTES AT MATURITY OR TO PAY THE NOTES FROM OTHER AVAILABLE FUNDS; ENTERING INTO A CONTRACT ON BEHALF OF THE CITY WITH THE HOLDERS OF SAID NOTES; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM."

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

Section 1. The Mayor and Council of the City of Lexington hereby find and determine: That the City of Lexington owns and operates a waterworks plant and system (the "Water System"), an electrical light and power plant and distribution system (the "Electric System") and a sewage disposal plant and system (the "Sewer System"), (which systems are hereinafter collectively referred to as the "Combined Utilities"), and that said Combined Utilities constitute a revenue-producing undertaking; that it is necessary and advisable to extend, enlarge and improve the Sewer System by construction of a Phase I trunk line and related improvements thereto at a total cost as furnished by the City's engineer of not less than \$325,000; that it additionally is necessary and advisable to extend, enlarge and improve the Electric System by the acquisition of the distribution facility and customer base of Dawson Public Power District at a cost as estimated by the City's engineer of not less than \$554,945; that in addition, it is necessary to provide for the payment of interest to accrue on the Notes herein authorized to January 1, 1997, and to pay issuance costs of said notes; that it is necessary to provide temporary

financing for a portion of the cost of said improvements in order to ensure timely payment to contractors and others and for such purpose it is necessary and advisable for the City of Lexington to issue its Combined Revenue Bond Anticipation Notes in the amount of \$800,000.00 pending permanent revenue bond financing pursuant to Sections 18-1803 to 18-1805, R.R.S. Neb. 1943; that there are presently outstanding \$2,950,000 of Combined Utilities Revenue and Refunding Bonds, 1991 Series A, date of original issue - November 1, 1991, and \$4,070,000 Combined Utilities Revenue and Refunding Bonds, 1994 Series, date of original issue - March 15, 1994, collectively hereinafter referred to as the "Outstanding Bonds". The respective ordinances authorizing the Outstanding Bonds permit the issuance of bonds or notes which are junior in lien to the Outstanding Bonds; that all conditions, acts and things required by law to exist or to be done precedent to the issuance of Combined Revenue Bond Anticipation Notes in the amount of \$800,000.00 do exist and have been done as required by law.

Section 2. For the purpose of providing interim financing for the costs set out in Section 1, pending the issuance of permanent Combined Utilities Revenue Bonds by the City of Lexington, there shall be and there are hereby ordered issued notes of the City of Lexington, Nebraska to be known as Combined Utilities Revenue Bond Anticipation Notes, 1995 Series A, (the "1995 Series A Notes" or "Notes") of the aggregate principal amount of Eight Hundred \_\_\_\_\_ Thousand Dollars (\$800,000.00), with said notes bearing interest at the rate of 5.5 % per annum (said interest to be computed on the basis of a 360-day year consisting of twelve 30-day months), and to become due on December 1, 1997. The Notes shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the Notes shall be January 1, 1995.

Interest on the Notes shall be payable on December 1, 1995, and semiannually thereafter on June 1 and December 1 of each year (each of said dates an "Interest Payment Date") and the Notes shall bear such interest from the date of original issue or the most recent Interest Payment Date, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the close of business on the fifteenth day of the month immediately preceding the month in which such Interest Payment Date occurs (the "Record Date"), subject to the provisions of Section 4 hereof. The Notes shall be numbered from 1 upwards in the order of their issuance. The initial numbering and principal amounts for each of the Notes shall be designated by the City Treasurer as directed by the initial purchaser thereof. Payments of interest due on the Notes prior to maturity or early redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 3 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each Note, 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 said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Notes to said Paying Agent and Registrar. The City and said Paying Agent and Registrar may treat the registered owner of any Note as the absolute owner of such Note 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 Note 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 Note in accordance with the terms of this ordinance shall be valid and effectual and shall be a discharge of the City and said Paying Agent and Registrar, in respect of the liability upon the Notes or claims for interest to the extent of the sum or sums so paid.

Section 3. The City Treasurer is hereby designated as Paying Agent and Registrar for the Notes. The Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the Notes at the City's offices. The names and registered addresses of the registered owner or owners of the 1995 Series A Notes shall at all times be recorded in such books. Any Note may be transferred pursuant to its provisions at the offices of said Paying Agent and Registrar by surrender of such Note 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 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 Note or Notes of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Notes by this ordinance, one such Note may be transferred for several such Notes of the same interest rate and maturity, and for a like aggregate principal amount, and several such Notes may be transferred for one or several such Notes, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Note, the surrendered Note or Notes shall be cancelled and destroyed. All Notes issued upon transfer of the Notes so surrendered shall be valid obligations of the City evidencing the same

obligations as the Notes surrendered and shall be entitled to all the benefits and protection of this ordinance to the same extent as the Notes upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any Note during any period from any Record Date until its immediately following Interest Payment Date or to transfer any Note 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 Notes 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 Notes 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. If the date for payment of the principal of or interest on the 1995 Series A Notes shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city of Lexington are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 6. The Notes of this issue shall be subject to redemption, in whole or in part, prior to maturity at the option of the City at any time on or after January 1, 1996, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The City may select the Notes to be redeemed in its sole discretion, but Notes shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Notes redeemed in part only shall be

surrendered to the Paying Agent and Registrar in exchange for new Notes evidencing the unredeemed principal thereof. Notice of redemption of any Note called for redemption shall be given at the direction of the City by the Paying Agent and Registrar by mail not less than thirty days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Note at such owner's registered address. Such notice shall designate the Note or Notes to be redeemed by number, the date of original issue and the date fixed for redemption and shall state that such Note or Notes are to be presented for prepayment at the office of the Paying Agent and Registrar. In case of any Note partially redeemed, such notice shall specify the portion of the principal amount of such Note to be redeemed. No defect in the mailing of notice for any Note shall affect the sufficiency of the proceedings of the City designating the Notes called for redemption or the effectiveness of such call for Notes for which notice by mail has been properly given and the City shall have the right to further direct notice of redemption for any such Note for which defective notice has been given.

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

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF DAWSON

COMBINED UTILITIES REVENUE BOND ANTICIPATION NOTE  
OF THE CITY OF LEXINGTON, NEBRASKA  
1995 SERIES A

No. \_\_\_\_\_ \$ \_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Issue</u>	<u>CUSIP NO.</u>
_____ %	December 1, 1997	January 1, 1995	

Registered Owner:

Principal Amount: Dollars (\$ \_\_\_\_\_)

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Lexington, in the County of Dawson, in the State of Nebraska, hereby acknowledges itself to owe and for value received promises to pay 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 maturity date 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 on December 1, 1995 and semiannually thereafter on June 1 and December 1 of each year (each of said dates an "Interest Payment Date"). Said interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal hereof together with any unpaid interest accrued thereon due at maturity or upon earlier redemption is payable upon presentation and surrender of this note at the office of the City Treasurer of Lexington, Nebraska, Paying Agent and Registrar, in Lexington, Nebraska. Interest on this note 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 note, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the fifteenth day of the month immediately preceding the month in which the Interest Payment Date occurs, 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 note (or of one or more predecessor notes 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.

All notes of this issue are subject to redemption prior to maturity on January 1, 1996, or at any time thereafter at par plus accrued interest on the principal amount redeemed to the date set for redemption. Notice of redemption shall be given by mail to the registered owner of any



note to be redeemed, not less than thirty days prior to the date set for redemption, in the manner specified in the ordinance authorizing the issuance of said notes. Individual notes may be redeemed in part but only in the amount of \$5,000 or any integral multiple thereof.

This note is one of an issue of fully registered notes of the total principal amount of \$\_\_\_\_\_, of even date and like tenor herewith, except as to denomination, which were issued by the City for the purpose of providing interim financing for the cost of extending, enlarging and improving the City's sewage disposal plant and system, water works plant and system and electrical light and power plant and distribution system pending the issuance of Combined Revenue Bonds. The issuance of this note and the other notes of this issue has been lawfully authorized by an ordinance duly passed, approved and published by the Mayor and Council of the City of Lexington in strict compliance with Sections 18-1803 to 18-1805, Reissue Revised Statutes of Nebraska, 1943, as amended.

The interest and principal of this note are payable from monies in the "1995 Series A Combined Utilities Revenue Bond Anticipation Note Payment Fund" as described in the ordinance authorizing the issuance of said series of notes. Reference is hereby made to said ordinance for a full description of the covenants of the City with respect to said series of notes. In said ordinance, the City has agreed, among other things, to issue and sell its Combined Utilities Revenue Bonds in an amount sufficient to enable it to take up and pay off said series of notes at or prior to maturity. All notes of said issue are junior in lien to the City's outstanding \$2,950,000 of Combined Utilities Revenue and Refunding Bonds, 1991 Series A, date of original issue - November 1, 1991, and \$4,070,000 Combined Utilities Revenue and Refunding Bonds, 1994 Series, date of original issue - March 15, 1994.

This note shall not be a debt of the City of Lexington, Nebraska, within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of said City and said City shall not be liable for the payment thereof out of any money of the City other than from the proceeds of Combined Utilities Revenue Bonds to be issued and from moneys in the 1995 Series A Combined Utilities Revenue Bond Anticipation Note Payment Fund. The City reserves the right to issue additional Combined Utilities Revenue Bond Anticipation Notes for the purpose of refunding the notes of this issue at or prior to maturity and for the purpose of paying for additional improvements for its combined utilities. The ordinance under which these notes are issued constitutes an irrevocable contract between the City and the holders of all of said notes and said contract cannot be changed or altered without the written consent of the holders of seventy-five per centum (75%) in principal amount of said notes then outstanding.

This note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the City Treasurer of Lexington, Nebraska, as Paying Agent and Registrar, upon surrender and cancellation of this note and thereupon a new note or notes of the same aggregate principal amount will be issued to the transferee as provided in the ordinance authorizing said issue of notes, 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 note is

registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this note be overdue or not.

If the date for payment of the principal of or interest on the 1995 Series A Notes shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city of Lexington are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this note did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of the City, including this note, does not exceed any limitation imposed by law.

This note shall not be valid for any purpose until the Certificate of Authentication hereon shall have been signed by the Paying Agent and Registrar.

IN WITNESS WHEREOF, the Mayor and Council of the City of Lexington, Nebraska, have caused this note to be executed on behalf of the City with the signatures of its Mayor and City Clerk, both of which signatures may be facsimile signatures, and by having affixed hereto or imprinted hereon the City's seal, all as of the date of issue shown above.

**THE CITY OF LEXINGTON, NEBRASKA**

(SEAL)

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

**CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION**

This note is one of the series designated therein and has been registered to the owner named in said note and the name of such owner has been recorded in the books of record maintained by the undersigned as Paying Agent and Registrar for said issue of notes.

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City Treasurer,  
Paying Agent and Registrar  
for the City of Lexington, Nebraska

(FORM OF ASSIGNMENT)

For value received, hereby sells, assigns and transfers unto \_\_\_\_\_  
\_\_\_\_\_, (Social Security or Taxpayer I.D.  
No. \_\_\_\_\_) the within note 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.

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

\_\_\_\_\_  
\_\_\_\_\_  
Registered Owner(s)

Signature Guaranteed

By \_\_\_\_\_

\_\_\_\_\_  
Authorized Officer

Note: The signature(s) of this assignment MUST CORRESPOND with the name(s) as written on the face of the within note 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 Notes shall be executed on behalf of the City with the facsimile signatures of the Mayor and the City Clerk and shall have imprinted thereon the City's seal. The Notes shall be issued initially as "book-entry-only" notes under the services of The Depository Trust Company (the "Depository"), with one typewritten note certificate per maturity being issued to the Depository. In such connection said officers are authorized to execute and deliver a Letter of Representations (the "Letter of Representations") in the form required by the Depository, for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Notes. Upon the issuance of the Notes as "book-entry-only" notes, 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 Notes as securities depository (each, a "Note Participant") or to any person who is an actual purchaser of a Note from a Note Participant while the Notes 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 Note Participant with respect to any ownership interest in the Notes,

(ii) the delivery to any Note Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Notes, including any notice of redemption, or

(iii) the payment to any Note Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Notes. The Paying Agent and Registrar shall make payments with respect to the Notes 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 Notes to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Note.

(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 Notes 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 Notes or (ii) to make available Notes registered in whatever name or names as the Beneficial Owners transferring or exchanging such Notes shall designate.

(c) If the City determines that it is desirable that certificates representing the Notes be delivered to the ultimate beneficial owners of the Notes 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 Note Participants of the availability through the Depository of note certificates representing the Notes. In such event, the Paying Agent and Registrar shall issue, transfer and exchange note certificates representing the Notes as requested by the Depository in appropriate amounts and in authorized denominations.

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

(e) Registered ownership of the Notes may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the Notes 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.

If for any reason the Depository resigns and is not replaced, the City shall immediately provide a supply of printed note certificates, duly executed by manual or facsimile signatures of the Mayor and City Clerk and sealed with the City's seal, for issuance upon the transfers from the Depository and 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 certificates upon transfer or partial redemption, the City agrees to order printed an additional supply of such certificates and to direct their execution by manual or facsimile signatures of its then duly qualified and acting Mayor and City Clerk and by imprinting thereon or affixing thereto the City's seal. In case any officer whose signature or facsimile thereof shall appear on any Note shall cease to be such officer before the delivery of such Note (including such note 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 Note. After execution of the Notes they shall be delivered to the Paying Agent and Registrar for registration and said Paying Agent and Registrar shall execute a certificate on each Note showing such registration and authentication thereof. Upon execution and registration of the Notes, they shall be delivered to the City Treasurer who is authorized to deliver them to Smith Barney Inc., Chiles Heider Division, as initial purchaser thereof upon receipt of 98.9 % of the principal amount of the Notes plus accrued interest thereon to date of payment for the Notes. Said initial purchaser shall have the right to direct the registration of the Notes and the denominations, subject to the restrictions of this ordinance.

Section 9. The City Clerk is hereby directed to make and certify a transcript of the proceedings of the City precedent to the issuance of said Notes which shall be delivered to the purchaser of said Notes.

Section 10. The City hereby covenants and agrees to issue and sell its combined utilities revenue bonds, payable from the revenues of the Combined Utilities, in a sufficient amount and

at such times as will enable it to take up and pay off the 1995 Series A Notes, both principal and interest, at or prior to maturity. There is hereby ordered established a special fund to be known as the "1995 Series A Combined Utilities Revenue Bond Anticipation Note Payment Fund", which shall be kept as a separate fund apart from all other funds of the City. The proceeds of the combined utilities revenue bonds of the City to be issued to pay the Notes shall be deposited into said fund and disbursed from said fund only for the purposes of taking up and paying off the 1995 Series A Notes. Interest on said Notes shall also be payable from said fund. In order to assure the payment of said interest as it falls due, there shall be deposited in said fund from the proceeds of said 1995 Series A Notes an amount equal to the interest to be payable on the 1995 Series A Notes to and including January 1, 1997. Said proceeds as so deposited shall be used solely for the payment of interest on the 1995 Series A Notes herein authorized as the same fall due. The City further agrees that if, for any reason, the interest due on said Notes is not fully provided for from said deposit, the payment of such interest shall be provided for out of the revenues of the City's Combined Utilities, to the extent permitted, or from the issuance of other combined utilities revenue bond anticipation notes or combined utilities revenue bonds. The City further agrees that it will establish, maintain and collect rates and charges for its Combined Utilities throughout the life of said 1995 Series A Notes sufficient to enable the City to issue and sell its combined utilities revenue bonds in an amount sufficient to pay the principal and interest thereon of the 1995 Series A Notes at or prior to maturity and agrees to use the proceeds of such sale of combined utilities revenue bonds for taking up and paying off said 1995 Series A Notes at or prior to maturity. The City further agrees that said rates and charges shall also be sufficient to provide for all costs associated with the ownership, operation, maintenance,



renewal and replacement of the City's Combined Utilities, including compliance with this ordinance. The 1995 Series A Notes shall not be a debt of the City within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City, and the City shall not be liable for the payment thereof out of any money of the City other than from monies received by the issuance and sale of permanent combined utilities revenue bonds, as described herein, and from monies in the 1995 Series A Combined Revenue Bond Anticipation Note Payment Fund, as required to be maintained by this ordinance. The holders of said notes have a lien on the revenue and earnings of the City's Combined Utilities, subject in all respects to the prior lien and pledge in favor of the Outstanding Bonds. The lien provided for in this ordinance in favor of the holders of the Notes shall not prevent the City from applying the revenues of the Combined Utilities to any purpose permitted by law including the payment of the costs of further improvements to the Combined Utilities and payments on general obligation indebtedness incurred for improvements to the Combined Utilities, so long as there is no default in the payment of principal or interest due on the 1995 Series A Notes.

Section 11. Moneys in the 1995 Series A Combined Utilities Revenue Bond Anticipation Note Payment Fund which are not immediately required for paying principal or interest as the same falls due on the 1995 Series A Notes shall be invested in any investments which are permissible for funds of a city of the first class. Such investments shall mature or be redeemable at the option of the holder at such time or times as shall make funds available when needed for the purposes of paying said principal and interest. Any earnings on such investments when realized and collected shall be retained to pay interest on the 1995 Series A Notes. The City Treasurer is hereby directed to disburse moneys in the 1995 Series A Combined Utilities Revenue

Bond Anticipation Note Payment Fund to pay principal and interest on the 1995 Series A Notes herein authorized as the same fall due, without further authorization.

Section 12. The balance of proceeds from the sale of the 1995 Series A Notes herein authorized after providing for the deposit to the 1995 Series A Combined Utilities Revenue Bond Anticipation Note Payment Fund required by Section 10 hereof shall be applied to the payment of costs described in Section 1 hereof or to the payment of other indebtedness incurred for the payment of said costs, and to pay issuance costs. Any accrued interest received from the sale of the 1995 Series A Notes shall be applied to pay interest falling due on said 1995 Series A Notes on December 1, 1995.

Section 13. The City hereby reserves the right to issue additional Combined Utilities Revenue Bond Anticipation Notes for the purpose of refunding the 1995 Series A Notes at or prior to maturity or paying interest thereon and for the purpose of paying additional costs of extending, enlarging and improving the City's Combined Utilities. This ordinance shall constitute an irrevocable contract between the City and the registered owners of all of said 1995 Series A Notes and said contract cannot be changed or altered without the written consent of the registered owners of 75% in principal amount of 1995 Series A Notes then outstanding.

Section 14. The City Treasurer shall be bonded, including coverage under such officer's official bond, in an amount sufficient to cover at all times all moneys which may be placed in such officer's hands pursuant to the provisions of this ordinance. Any other person employed by the City in the collection or handling of moneys derived from or related to the City's Combined Utilities and derived from and related to the funds provided for in this Ordinance shall also be bonded in amounts sufficient to cover all moneys which may at any time be placed in

such person's hands. The amount of such bonds shall be fixed by the Mayor and Council and such bonds shall have as surety thereon a reputable insurance company authorized to do business in the State of Nebraska.

Section 15. The City will maintain as long as any of said 1995 Series A Notes are outstanding with reputable insurance companies insurance on the City's Combined Utilities, including the improvements described in Section 1, of the kind and in the amounts as would commonly be carried by private utilities engaged in and operating the same or similar utilities. Such insurance shall include, but not necessarily be limited to, worker's compensation, public liability, fire, windstorm and comprehensive coverage. In the event of any loss or damage to any part of the Combined Utilities, the proceeds of such insurance, which may be collected or paid on any policy or policies covering the same, shall be used by the City to rehabilitate said Combined Utilities.

Section 16. The City hereby covenants to the purchasers and holders of the Notes hereby authorized that it will make no use of the proceeds of said issue which would cause the Notes to be arbitrage bonds within the meaning of Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and further covenants to comply with said Sections 103(b) and 148 and all applicable regulations thereunder throughout the term of said issue. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax exempt status (as to taxpayers generally) of interest payable on the 1995 Series A Notes. The City hereby designates the 1995 Series A Notes as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code, and covenants and warrants that it does not

reasonably expect to issue bonds or other obligations aggregating in principal amount more than \$10,000,000 during calendar 1995.

Section 17. If any section, paragraph, clause, or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

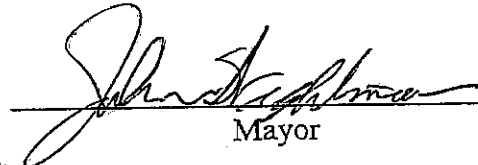
Section 18. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this ordinance are to the extent of said conflict hereby repealed.

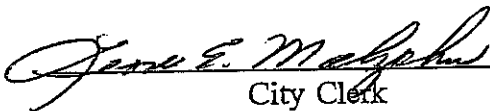
Section 19. The use of a Preliminary Official Statement is hereby approved and the Mayor and City Clerk/Treasurer are hereby authorized to review and approve on behalf of the City a Final Official Statement providing information with respect to the 1995 Series A Notes.

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

PASSED AND APPROVED this 6th day of December

1994.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Clerk

(SEAL)

