
THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. _____
(passed _____, 2013)

CONSTITUTING THE
FIFTH SERIES ORDINANCE
ADOPTED UNDER
ORDINANCE NO. 18088

AUTHORIZING NOT TO EXCEED
\$32,000,000
WATER REVENUE REFUNDING BONDS

THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. _____

FIFTH SERIES ORDINANCE ADOPTED UNDER AND PURSUANT TO ORDINANCE NO. 18088 AUTHORIZING THE ISSUANCE OF WATER REVENUE REFUNDING BONDS, SERIES 2013, OF THE CITY OF LINCOLN, NEBRASKA IN A PRINCIPAL AMOUNT NOT TO EXCEED THIRTY-TWO MILLION DOLLARS (\$32,000,000); FIXING IN PART AND PROVIDING FOR THE FIXING IN PART OF THE DETAILS OF THE BONDS; PROVIDING FOR THE SALE OF THE BONDS AND THE APPLICATION OF THE PROCEEDS THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND TAKING OTHER ACTION IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS

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

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Series Ordinance. This Fifth Series Ordinance (the “**Fifth Series Ordinance**”) is supplemental to, and is adopted in accordance with **Article II**, **Article III** and **Article VIII** of Ordinance No. 18088 (the “**General Ordinance**”) passed by the City Council on November 18, 2002, and approved by the Mayor on November 19, 2002.

Section 1.02. Definitions

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

(b) In this Fifth Series Ordinance:

“**Continuing Disclosure Undertaking**” means the Omnibus Continuing Disclosure Undertaking executed by the City, dated the date of its execution and delivery, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Escrow Agent**” means Wells Fargo Bank, National Association.

“**Escrow Agreement**” means the Escrow Agreement, dated the date of its execution and delivery, between the City and the Escrow Agent providing for the deposit, investment and application of a portion of the proceeds of the Series 2013 Bonds.

“**Fifth Series Ordinance**” means this Fifth Series Ordinance.

“**General Ordinance**” means Ordinance No. 18088 of the City of Lincoln, Nebraska, passed by the Council on November 18, 2002 and approved by the Mayor on November 19, 2002.

“Interest Payment Date” means February 15 and August 15 of each year, beginning August 15, 2013.

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

“Paying Agent” means BOKF, National Association.

“Record Date” means the first day of the month in which an Interest Payment Date occurs.

“Redemption Date” means August 15, 2014.

“Registrar” means BOKF, National Association.

“Reserve Requirement” means, with respect to the Series 2013 Bonds, an amount equal to the least of (1) 10% of the stated principal amount of the Series 2013 Bonds, (2) the maximum Debt Service of the Series 2013 Bonds during any Fiscal Year, or (3) 125% of the average annual Debt Service of the Series 2013 Bonds over the term of the Series 2013 Bonds. If the aggregate initial offering price of the Series 2013 Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (1) in lieu of the stated principal amount.

“Series 2004 Bonds” means the City’s \$40,000,000 original principal amount of Water Revenue Bonds, Series 2004, dated December 1, 2004, of which \$31,210,000 are presently outstanding and unpaid.

“Series 2013 Bonds” means the City’s Water Revenue Refunding Bonds authorized by **Article III** of this Fifth Series Ordinance.

“Tax Certificate” means the Federal Tax Certificate executed by the City, dated the date of issuance and delivery of the Series 2013 Bonds, as amended from time to time in accordance with its terms.

ARTICLE II

FINDINGS AND DETERMINATIONS

Section 2.01. Refunding of Series 2004 Bonds.

(a) The City has issued the Series 2004 Bonds to provide funds for the payment of the costs of capital improvements to the System.

(b) Interest rates have declined since the issuance, sale and delivery of the Series 2004 Bonds so that substantial overall savings on Debt Service will be made through the refunding of the Series 2004 Bonds. It is necessary, desirable, advisable and in the best interest of the City to deposit funds with the paying agent for the Series 2004 Bonds which, together with investment earnings thereon, will be sufficient to provide for the payment and redemption of all of the Series 2004 Bonds on the Redemption Date.

(c) For such purposes, it is necessary, desirable, advisable and in the best interests of the City that water revenue refunding bonds be issued and sold pursuant to the General Ordinance as herein provided.

Section 2.02. Adoption of General Ordinance. The General Ordinance serves as the basic bond ordinance for the issuance of water revenue bonds and other obligations the proceeds of which are used to finance or refinance improvements to the System and which are payable solely from the net revenues of the System. It is necessary, desirable, advisable and in the best interest of the City that the City now issue water revenue refunding bonds under and pursuant to the General Ordinance, as supplemented by this Fifth Series Ordinance, in one or more series to provide funds for the purposes set forth in **Section 3.02**.

ARTICLE III

AUTHORIZATION OF 2013 BONDS

Section 3.01. Principal Amount, Designation and Series. Pursuant to the provisions of the General Ordinance, the Series 2013 Bonds are hereby authorized entitled to the benefit, protection and security of the Ordinance in an aggregate principal amount not to exceed \$32,000,000 as shall be determined by the Finance Director pursuant to the provisions of **Section 4.01(a)** hereof. The Series 2013 Bonds shall be designated “The City of Lincoln, Nebraska Water Revenue Refunding Bonds, Series 2013,” and shall be distinguished from the Bonds of all other Series.

Section 3.02. Purpose. The Series 2013 Bonds are issued to (a) provide for the payment of principal of and interest on the Series 2004 Bonds through and including the Redemption Date and to redeem in full all of the Outstanding Series 2004 Bonds on the Redemption Date, and (b) pay certain costs of issuing the Series 2013 Bonds.

Section 3.03. Maturities and Interest. The Series 2013 Bonds shall mature on August 15 in the years and in the principal amounts, and shall bear interest, payable on each Interest Payment Date to the registered owners of record as of the close of business on the Record Date at such rates per annum as shall be determined by the Finance Director pursuant to the provisions of **Section 4.01(a)** hereof. The Series 2013 Bonds shall bear interest from their dated date as determined by the Finance Director pursuant to the provisions of **Section 4.01(a)** hereof, or from the most recent Interest Payment Date to which interest has then been paid.

Section 3.04. Minimum Denomination, Dates, Numbers and Letters. The Series 2013 Bonds shall be issued as Book-Entry Bonds in such denominations and shall be dated as shall be determined by the Finance Director pursuant to the provisions of **Section 4.01(a)** hereof. Unless the Finance Director shall otherwise direct, the Series 2013 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 or Redemption Price of the Series 2013 Bonds shall be payable at the designated corporate trust office of the Paying Agent. Except as provided with respect to Book-Entry Bonds, the interest on the Series 2013 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 corporate trust office of the Registrar.

Section 3.06. Securities Depository. The Finance Director is hereby authorized and directed to select a Securities Depository for the Series 2013 Bonds and to execute and deliver for and on behalf of the City an agreement with such Securities Depository containing such terms and conditions as the Finance Director shall determine to be necessary, desirable or advisable.

Section 3.07. Redemption Prices and Terms. The Series 2013 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 Finance Director 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 Series 2013 Bonds of any maturity thereof are called for redemption, the particular Series 2013 Bonds of such maturity to be redeemed shall be selected by lot) at such Redemption Prices as shall be determined by the Finance Director in accordance with the provisions hereof together with the interest accrued to the date of redemption.

If any of the Series 2013 Bonds are issued as term Bonds (the “**Term Bonds**”), such Term Bonds are subject to mandatory redemption by the City, in part, by lot, prior to maturity 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 each Payment Date in the years and in such principal amounts as shall be determined by the Finance Director in accordance with the provisions of **Section 4.01(a)** 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 Series 2013 Bonds issued as Term Bonds.

Section 3.08. Application of Proceeds of Series 2013 Bonds. In accordance with **Article II** and **Article III** of the General Ordinance, the proceeds, including accrued interest, of the Series 2013 Bonds, together with other legally available funds of the City with respect to the Series 2004 Bonds, shall be received by the City and applied simultaneously with the delivery of the Series 2013 Bonds in the amounts determined by the Finance Director as follows:

(a) There shall be deposited in the Bond Fund the amount representing accrued interest on the Series 2013 Bonds;

(b) There shall be deposited in the 2013 Account in the Reserve Fund established for the Series 2013 Bonds pursuant to the provisions of **Section 3.11** hereof from amounts held in the 2004 Account in the Reserve Fund with respect to the Series 2004 Bonds the amount required so that the balance in the 2013 Account in the Reserve Fund shall equal the Reserve Requirement for the Series 2013 Bonds, calculated immediately after the authentication and delivery of the Series 2013 Bonds;

(c) There shall be deposited with the Escrow Agent (1) any amounts remaining in the 2004 Account in the Reserve Fund after the deposit required by **Section 3.08(b)** has been made, (2) any amounts held by the City for the payment of the principal of and interest on the Series 2004 Bonds, and (3) such amount from the proceeds of the Series 2013 Bonds as shall be specified in the Escrow Agreement to be held, invested and applied as provided in the Escrow Agreement; and

(d) The balance of the proceeds of the Series 2013 Bonds remaining after the disbursements from such proceeds required by **Section 3.08(a)**, **(b)** and **(c)** have been made shall be deposited into the Construction Fund established by the General Ordinance and disbursed as provided by **Section 5.10** of the General Ordinance to pay the costs of issuing the Series 2013 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 the Series 2013 Bonds and (2) it will not use or permit the use of any proceeds of any Series 2013 Bond or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 2013 Bonds. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2013 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that (1) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2013 Bonds, (2) it will use the proceeds of the Series 2013 Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Series 2013 Bonds are issued, and (3) it will not invest or directly or indirectly use or permit the use of any proceeds of any Series 2013 Bond or any other funds of the City in any manner, or take or omit to take any action, that would cause any Series 2013 Bond to be an “arbitrage bond” 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. This covenant shall survive payment in full or defeasance of the Series 2013 Bonds. The City specifically covenants to pay or cause to be paid to the United States of America, the required amounts of arbitrage rebate 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 any Series 2013 Bonds.

(d) The City covenants and agrees that it will not use any portion of the proceeds of the Series 2013 Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Series 2013 Bond to be a “private activity bond.”

(e) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Series 2013 Bonds pursuant to **Article IX** of the General Ordinance or any other provision of the Ordinance, until the final maturity date of all Series 2013 Bonds Outstanding.

Section 3.10. Form of Series 2013 Bonds and Registrar’s Certificate of Authentication.
The form of the Series 2013 Bonds and the Registrar’s certificate of authentication shall be of substantially the following tenor, with such variations, omissions and insertions as are required or permitted by the Ordinance:

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Registered
No. R-1

Registered
\$ _____

**STATE OF NEBRASKA
COUNTY OF LANCASTER
THE CITY OF LINCOLN
WATER REVENUE REFUNDING BOND
SERIES 2013**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>CUSIP No.</u>
_____, 2013	August 15, 20__		

REGISTERED OWNER: CEDE & CO.

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, 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 Date of Maturity stated above, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the designated corporate trust administration office of **BOKF, NATIONAL ASSOCIATION** (such entity and any successors thereto being referred to as the “**Paying Agent**”), the Principal Amount stated above in any coin or currency of the United States of America that 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 on February 15 and August 15 of each year commencing _____ 15, 2013 (each of such dates, an “**Interest Payment Date**”) from the Date of Original Issue or the most recent Interest Payment Date to which interest has been paid, payable at a rate per annum equal to the Rate of Interest 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 Record Date for such interest, which shall be the last 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 mailed to such person at the address shown on the registration books of the City kept for that purpose at its designated corporate trust administration office. 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 Bond Ordinance governing such book-entry form shall govern repayment of the principal or redemption price of and interest on such bonds.

This bond is one of a duly authorized series of bonds of the City designated as its “Water Revenue Refunding Bonds, Series 2013” (the “**Series 2013 Bonds**”), issued in the aggregate principal amount of \$ _____ under and pursuant to and in full compliance with the Constitution and laws of the State of Nebraska, including the Charter of the City (the “Charter”), and Ordinance No. 18088 and

all ordinances amendatory or supplemental to Ordinance No. 18088, including particularly Ordinance No. _____ (Ordinance No 18088 and all other ordinances amendatory or supplemental to Ordinance No. 18088, including Ordinance No. _____, are collectively referred to as the **“Bond Ordinance”**), duly adopted under such Constitution and laws, including the Charter, by the Council. 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 vary as provided in the Bond Ordinance. The aggregate principal amount of bonds, notes or other evidences of indebtedness that 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 as hereinafter described and 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 the terms and 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. A copy of the Bond Ordinance is on file at the office of the Clerk, and reference to the Bond Ordinance and any and all supplements thereto and modifications and amendments thereof and to the Act (as defined in the Bond Ordinance) 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, the necessity for 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, any provision of the Bond Ordinance, or 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, 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. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond, including any sinking fund installment, 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 City determines will not have a material adverse effect on the interests of the registered owners of the Bonds.

This bond is transferable, as provided in the Bond Ordinance, only upon the books of the City kept for that purpose by **BOKF, NATIONAL ASSOCIATION**, bond registrar (the “**Registrar**”), at its designated corporate trust administration office, 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 Series 2013 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 Series 2013 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 Series 2013 Bonds, maturing August 15, 20__ commencing on August 15, 20__ and on each August 15, thereafter, (2) with respect to the Series 2013 Bonds maturing August 15, 20__, commencing on August 15, 20__ and on each August 15, thereafter and (3) with respect to the with respect to the Series 2013 Bonds maturing August 15, 20__, commencing on August 15, 20__ and on each August 15, thereafter, at 100% of the principal amount thereof together with accrued interest, if any, to the redemption date and (b) in the case of the Series 2013 Bonds maturing on and after August 15, 20__, at the election of the City on or after _____, at any time, as a whole or in part (if in part, the principal amounts and 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 Series 2013 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 Prices
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If less than all of the Series 2013 Bonds of like maturity are to be redeemed, the particular Series 2013 Bonds to be redeemed shall be selected by the Registrar.

The Series 2013 Bonds are payable upon redemption at the designated corporate trust 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 Series 2013 Bonds to be redeemed sent not less than thirty (30) days nor more than sixty (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 Series 2013 Bond will not affect the validity of the proceedings for the redemption of any other Series 2013 Bonds. If notice of redemption shall have been given as provided, the Series 2013 Bonds or portions thereof specified in said 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 Series 2013 Bonds or portions thereof to be redeemed, together with interest to

the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2013 Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The principal or redemption price of and interest on this bond shall be payable 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 the 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 or any political subdivision thereof to exercise its appropriation or taxing powers for the purpose of receiving payment of the principal or redemption price of or interest on this bond. 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.

AS PROVIDED IN THE BOND ORDINANCE REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH [NAME OF SECURITIES DEPOSITORY] (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE BOND ORDINANCE), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE BOND 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. [NAME OF SECURITIES DEPOSITORY] OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF [NAME OF SECURITIES DEPOSITORY] OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE BOND ORDINANCE.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF [NAME OF SECURITIES DEPOSITORY] TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR TO THE PAYING AGENT FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE HEREOF, AND/OR UNLESS ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF [NAME OF SECURITIES DEPOSITORY] AND ANY PAYMENT IS MADE TO [NAME OF SECURITIES DEPOSITORY 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, [NAME OF SECURITIES DEPOSITORY OR ITS NOMINEE], HAS AN INTEREST HEREIN.

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 Series 2013 Bonds, together with all other indebtedness of the City, comply 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 by the manual signature of the Registrar on the Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE CITY OF LINCOLN, NEBRASKA has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal (or a facsimile thereon) to be hereunto affixed, imprinted, engraved or otherwise reproduced and countersigned by the manual or facsimile signature of its Finance Director.

Dated: _____, 2013.

THE CITY OF LINCOLN, NEBRASKA

By _____
Mayor

COUNTERSIGNED:

By: _____
Finance Director

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2013 Bonds described in the within-mentioned Bond Ordinance.

BOKE, NATIONAL ASSOCIATION, Registrar

By: _____
Authorized Signature

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ASSIGNMENT

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

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

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

Dated: _____

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

Signature Guaranteed By:

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

By: _____
Title: _____

Section 3.11. Debt Service Reserve Fund. The City shall establish within the Debt Service Reserve Fund the an Account for the Series 2013 Bonds issued pursuant to this Fifth Series Ordinance to be held by the City into which the amount specified in **Section 3.08(b)** hereof shall be deposited. All amounts deposited into the 2013 Account in the Debt Service Reserve Fund shall be held and administered in accordance with the provisions of **Section 5.06** of the General Ordinance.

ARTICLE IV

ADDITIONAL PROVISIONS RELATED TO THE SERIES 2013 BONDS

Section 4.01. Sale, Principal Amount, Interest Rates, Redemption Provisions and Other Terms of 2013 Bonds.

(a) At such time as the present value of the savings achieved by the City from the issuance of the Series 2013 Bonds is not less than 5.00% of the principal amount of the Series 2004 Bonds being refunded, the Series 2013 Bonds may be sold by the Finance Director on such date and at a price not less than ninety-seven percent (97.00%) of the principal amount thereof (including a maximum net original issue discount not to exceed 2.00%) at a public sale or a negotiated sale. In connection with and as a part of such sale or sales, (1) if the Series 2013 Bonds are sold at a public sale, the Finance Director shall approve the form of the notice of sale with respect to the Series 2013 Bonds and shall determine and

accept the bid from a responsible bidder offering to purchase the Series 2013 Bonds at the lowest true interest cost to the City with an underwriting discount not to exceed 1.00%, and (2) if the Series 2013 Bonds are sold at a negotiated sale, the Finance Director shall approve the sale of the Series 2013 Bonds with an underwriting discount not to exceed 1.00% and shall approve the form and contents of the related bond purchase agreement. In connection with and as a part of such sale, the Finance Director shall fix (A) the dated date of the Series 2013 Bonds; (B) the principal amount of the Series 2013 Bonds including the principal amounts of the respective Serial Bonds and Term Bonds of the Series 2013 Bonds; provided, however that the aggregate amount of all Series 2013 Bonds shall not exceed Thirty-Two Million Dollars (\$32,000,000) but may be less than that amount; (C) the rate or rates of interest to be borne by each maturity of the Series 2013 Bonds; provided that true interest cost on the Series 2013 Bonds shall not exceed 3.50%; (D) the principal amount of the Series 2013 Bonds maturing in each year; (E) the Sinking Fund Installments due and the dates thereof with respect to the Series 2013 Bonds in each year for which the Finance Director determines that a Sinking Fund Installment shall be due; (F) the dates upon which the Series 2013 Bonds will be subject to redemption at the option of the City and the Redemption Price, not to exceed 104% of the principal amount thereof, payable upon the redemption of the Series 2013 Bonds, (G) the form and contents of the agreement under which the Registrar and the Paying Agent would serve in such respective capacities with respect to the Series 2013 Bonds, (H) the identity of the Securities Depository, and (I) the form, content, terms and provisions of any published and/or mailed notice of redemption with respect to redemption and payment of the Outstanding Series 2004 Bonds. Upon the delivery of and payment for the Series 2013 Bonds, the purchasers shall also pay to the City the interest accrued on the Series 2013 Bonds from the date thereof to the date of delivery of and payment therefor.

(b) The Finance Director is hereby authorized to impose such additional covenants, restrictions, terms and conditions with respect to the Series 2013 Bonds as shall be required by any rating agency to maintain the ratings in effect with respect to the Series 2013 Bonds on the date of adoption of this Fifth Series Ordinance.

(c) The Finance Director shall fix and determine the form and contents of any agreement or agreements under which the Escrow Agent shall serve in such capacity with respect to the Series 2004 Bonds.

(d) The Finance Director shall report from time to time to the Council the purchase price of the Series 2013 Bonds sold and the principal amount, maturities, Sinking Fund Installments and other terms thereof established in accordance with the provisions of this Fifth Series Ordinance.

Section 4.02. Ratification of Prior Actions; General and Specific Authorizations.

(a) All actions heretofore taken by the City, the Finance Director and all other officers, officials, employees and agents of the City, including, without limitation, the expenditure of funds, and the selection, appointment and employment of consulting engineers, accountants, financial consultants, underwriter(s) and bond counsel, in connection with the issuance and sale of the Series 2013 Bonds, together with all other actions taken in connection with any of the matters which are the subject hereof, are in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

(b) Without in any way limiting the power, authority or discretion granted or delegated elsewhere in this Fifth Series Ordinance, the Council hereby (i) authorizes and directs the Mayor, Finance Director, Treasurer, Clerk, City Attorney, and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with bond counsel, the underwriter(s) of the Series 2013 Bonds and their respective counsel, shall consider necessary, advisable, desirable or appropriate in

connection with this Fifth Series Ordinance and the General Ordinance, any notice of sale or bond purchase agreement for the Series 2013 Bonds, the preliminary and final Official Statements of the City used in connection with the issuance and sale of the Series 2013 Bonds, and the issuance, sale and delivery of the Series 2013 Bonds and the payment and redemption of the Series 2004 Bonds, including, without limitation, and whenever appropriate, the execution and delivery thereof and of all other related documents, instruments, certifications and opinions, and (ii) delegates, authorizes and directs the Finance Director 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, the Series 2013 Bonds and the preliminary and final Official Statements previously identified, (B) determining and finalizing all other terms and provisions to be carried the Series 2013 Bonds not specifically set forth in this Fifth Series Ordinance or in the General Ordinance, and (C) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effect the issuance, sale and delivery of the Series 2013 Bonds and the payment and redemption of the Series 2004 Bonds. The execution and delivery by the Finance Director 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 Fifth 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 4.03. Insertion in Copies Hereof of Terms and Identification Information. For the convenience of the City, the Registrar, the Paying Agent, and the Owners from time to time of the Series 2013 Bonds, there may be inserted, marked or noted in the body of copies of this Fifth 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 the Series 2013 Bonds fixed in accordance herewith and the other provisions hereof to be borne by the Series 2013 Bonds.

Section 4.04. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of the Bond Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered an Event of Default; however, any Participating Underwriter or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this **Section 4.04**. For purposes of this **Section 4.04**, **“Beneficial Owner”** means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including persons holding Series 2013 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of a Series 2013 Bond for federal income tax purposes.

ARTICLE V

MISCELLANEOUS

Section 5.01. Headings, Table of Contents. The headings of sections of this Fifth 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 Fifth Series Ordinance or of any section hereof.

Section 5.02. Publication and Effectiveness of This Fifth Series Ordinance. This Fifth 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. The Clerk shall also publish once in the Lincoln Journal-Star, a newspaper published and of general circulation in the City, a notice of such passage in substantially the following form:

Notice is hereby given that on _____, 2013, the City Council of the City of Lincoln, Nebraska passed Ordinance No. _____ entitled: [here shall be set forth the title of this Fifth Series Ordinance].

Notice is hereby further given that said Ordinance No. _____ was approved by the Mayor of the City of Lincoln, Nebraska, on _____, 2013.

Copies of said 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.

[The remainder of this page intentionally left blank.]

INTRODUCED BY:

PASSED _____, **2013.**

AYES: _____

NAYS: _____

ABSENT OR NOT VOTING:

Approved as to Form:

City Attorney

Bond Counsel

CONFLICT OF INTEREST:

APPROVED: _____, **2013.**

Mayor