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**THE CITY OF LINCOLN, NEBRASKA**

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

**PASSED: \_\_\_\_\_, 2006**  
**APPROVED: \_\_\_\_\_, 2006**

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**CONSTITUTING THE  
FIRST SERIES ORDINANCE  
ADOPTED UNDER  
ORDINANCE NO. \_\_\_\_\_**

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**AUTHORIZING**  
**SOLID WASTE MANAGEMENT REVENUE BONDS  
SERIES 2006**

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THE CITY OF LINCOLN, NEBRASKA

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

A SERIES ORDINANCE ADOPTED UNDER AND PURSUANT TO ORDINANCE NO. \_\_\_\_\_ AUTHORIZING THE ISSUANCE OF SOLID WASTE MANAGEMENT REVENUE BONDS, SERIES 2006, OF THE CITY OF LINCOLN, NEBRASKA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$4,500,000; 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 OF SUCH SALE; 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 First Series Ordinance is supplemental to, and is adopted in accordance with **Article II**, **Article III** and **Article VIII** of Ordinance No. \_\_\_\_\_ passed by the Council on \_\_\_\_\_, 2006 and approved by the Mayor on \_\_\_\_\_, 2006 (the “**General Ordinance**”).

**Section 1.02. Definitions.** (a) All terms defined in **Section 1.01** of the General Ordinance have the same meanings, respectively, in this 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 First Series Ordinance:

“**Continuing Disclosure Certificate**” means the Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of the Series 2006 Bonds, as originally executed and as amended from time to time in accordance with its terms.

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

“**General Ordinance**” means Ordinance No. \_\_\_\_\_ of The City of Lincoln, Nebraska, passed by the Council on \_\_\_\_\_, 2006 and approved by the Mayor on \_\_\_\_\_, 2006.

“**Participating Underwriter**” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

“**Paying Agent**” means the financial institution selected by the Finance Director to act as Paying Agent with respect to the Series 2006 Bonds in accordance with the provisions of **Section 4.01** hereof.

“**Registrar**” means the financial institution selected by the Finance Director to act as Registrar with respect to the Series 2006 Bonds in accordance with the provisions of **Section 4.01** hereof.

**“Reserve Requirement”** means, with respect to the Series 2006 Bonds, the amount on the date of original issuance and delivery of the Series 2006 Bonds equal to the least of (a) 10% of the stated principal amount of the Series 2006 Bonds, (b) the maximum Debt Service of the Series 2006 Bonds during any Fiscal Year, or (c) 125% of the average annual Debt Service of the Series 2006 Bonds over the term of such Series 2006 Bonds. If the aggregate initial offering price of the Series 2006 Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (a) in lieu of the stated principal amount.

**“Series 2006 Bonds”** means the City’s Solid Waste Management Revenue Bonds authorized by **Article III** hereof.

**“2006 Project”** means the extensions, enlargements, improvements and betterments to the Enterprise to be paid from the proceeds of the Series 2006 Bonds, including, without limitation, the costs of the Bluff Road Landfill Phase 10 expansion and ongoing closure costs at the North 48th Street Construction and Demolition Waste Landfill.

**Section 1.03 Authority for this First Series Ordinance.** This First 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 the Enterprise.** In order to met the solid waste management needs of the City and its residents, it has been, and is now necessary, desirable, advisable and in the best interests of the City that certain acquisitions, constructions, reconstructions, improvements, extensions, equippings and furnishings be made for, to and of the Enterprise, including, but limited to, the 2006 Project. In order to provide funds to pay the costs of the Enterprise incident to the 2006 Project and such other acquisition, construction, reconstruction, improvement, extension, equipping and furnishing with respect to the Enterprise as the Council shall determine, it is necessary, desirable and advisable that the solid waste management revenue bonds be issued and sold.

**Section 2.02. Adoption of General Ordinance.** The General Ordinance was enacted to serve as the basic bond ordinance for the issuance of revenue bonds and other obligations of the Enterprise. It is necessary, desirable and advisable that the City now issue bonds under and pursuant to the General Ordinance, as supplemented by this First Series Ordinance, to provide for payment of the Costs of the 2006 Project.

## ARTICLE III

### AUTHORIZATION OF SERIES 2006 BONDS

**Section 3.01. Principal Amount, Designation and Series.** Pursuant to the provisions of the General Ordinance, the Series 2006 Bonds, entitled to the benefit, protection and security of the General Ordinance, are hereby authorized in such aggregate principal amount as shall be determined by the

Finance Director pursuant to the provisions of **Section 4.01(a)** hereof, not to exceed \$4,500,000. The Series 2006 Bonds shall be designated as determined by the Finance Director in accordance with the provisions of **Section 4.01(a)** hereof and shall be distinguished from the Bonds of all other Series.

**Section 3.02. Purpose.** The Series 2006 Bonds are issued for the purpose of paying the Costs of the 2006 Project and the costs of issuing the Series 2006 Bonds.

**Section 3.03. Maturities and Interest.** The Series 2006 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 Finance Director pursuant to the provisions of **Section 4.01** hereof. The Finance Director shall also establish a record date for the purpose of determining the Owners of the Series 2006 Bonds to which payments of interest on the Series 2006 Bonds should be made. The Series 2006 Bonds shall bear interest from their dated date as determined by the Finance Director pursuant to the provisions of **Section 4.01** hereof, or, if one or more payments of interest on the Series 2006 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.

**Section 3.04. Minimum Denomination, Dates, Numbers and Letters.** The Series 2006 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** hereof. Unless the Finance Director shall otherwise direct, the Series 2006 Bonds shall be numbered from R-1 consecutively upward in order of issuance.

**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 2006 Bonds shall be payable at the corporate trust offices of the Paying Agent in Lincoln, Nebraska. Except as provided with respect to Book-Entry Bonds, the interest on the Series 2006 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 corporate trust offices of the Registrar.

**Section 3.06 Securities Depository.** The Finance Director is hereby authorized and directed to select a Securities Depository for the Series 2006 Bonds and to execute and deliver for and on behalf of the City an agreement with the 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 2006 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 2006 Bonds of any maturity thereof are called for redemption, the particular 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 the Series 2006 Bonds are issued as Term Bonds, such Term Bonds are also 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 each Payment Date in the years and in such principal amounts as shall be determined by the Finance Director 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 Series 2006 Bonds issued as Term Bonds.

**Section 3.08. Application of Proceeds of Series 2006 Bonds.** In accordance with **Article II** and **Article III** of the General Ordinance, the proceeds, including accrued interest, of the Series 2006 Bonds, together with other legally available funds of the City, shall be received by the City and applied simultaneously with the delivery of the Series 2006 Bonds as follows:

(a) There shall be deposited in the Bond Fund the amount representing accrued interest on the Series 2006 Bonds, for application toward the payment of interest due on the Series 2006 Bonds on the first interest payment date thereof;

(b) There shall be deposited in the 2006 Account in the Reserve Fund established for the Series 2006 Bonds pursuant to the provisions of **Section 3.11** hereof, the amount required so that the balance in the 2006 Account in the Reserve Fund shall equal the Reserve Requirement for the Series 2006 Bonds calculated immediately after the authentication and delivery of the Series 2006 Bonds; and

(c) The remaining proceeds of the Series 2006 Bonds shall be deposited in 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 the Project and the costs of issuing the Series 2006 Bonds.

**Section 3.09. Tax Covenants.**

(a) The City covenants and agrees that it (1) will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, inclusive, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2006 Bonds and (2) will not use or permit the use of any proceeds of the Series 2006 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 the Series 2006 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 2006 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 it (1) will comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2006 Bonds, (2) will use the proceeds of the Series 2006 Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Series 2006 Bonds are issued, and (3) will not invest or directly or indirectly use or permit the use of any proceeds of the Series 2006 Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Series 2006 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 pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to the Series 2006 Bonds from time to time. This covenant shall survive payment in full or defeasance of the Series 2006 Bonds. The City specifically covenants to pay or cause to be paid to the United States, the required amounts of rebatable arbitrage at the times and in the amounts as determined by the Arbitrage Instructions. Notwithstanding anything to the contrary contained herein, the Arbitrage Instructions 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 the Series 2006 Bonds.

(d) The City covenants and agrees that it will not use any portion of the proceeds of the Series 2006 Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Series 2006 Bond to be a “private activity bond.”

(e) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Series 2006 Bonds pursuant to **Article IX** of the General Ordinance or any other provision of the Ordinance, until the final maturity date of all Series 2006 Bonds Outstanding.

**Section 3.10. Form of Series 2006 Bonds.** The form of the Series 2006 Bonds shall be of substantially the following tenor, with such variations, omissions and insertions as are required or permitted by the General Ordinance:

**[FORM OF SERIES 2006 BONDS]**

**EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE (REFERRED TO HEREIN), THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.**

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**STATE OF NEBRASKA  
COUNTY OF LANCASTER  
THE CITY OF LINCOLN, NEBRASKA  
SOLID WASTE MANAGEMENT REVENUE BOND  
SERIES 2006**

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
_____. 2006	_____, 20__	_____%	_____

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:** \_\_\_\_\_ **DOLLARS**

**THE CITY OF LINCOLN, NEBRASKA** (the “**City**”), a city of the primary class and political subdivision duly organized and validly existing under the laws of the State of Nebraska, hereby acknowledges itself indebted to and, for value received, hereby promises to pay, but solely from the source and in the manner herein specified, to the Registered Owner stated above or its registered assigns, on the Maturity Date stated above, upon presentation and surrender of this bond at the designated corporate trust administration offices of \_\_\_\_\_ (together with any successors, the “**Paying Agent**”), the Principal Amount stated above and in like manner to pay interest thereon, but solely from the source and in the manner herein specified, at the Interest Rate per annum stated above (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Issue Date stated above or the most recent date to which interest has been paid or duly provided for, payable on \_\_\_\_\_ and \_\_\_\_\_ of each year commencing \_\_\_\_\_, 200\_\_, until payment in full of the Principal Amount. The interest payable hereon on any interest payment date will be paid by check or draft mailed by the Paying Agent to the person in whose name this bond is registered at the close of business on the \_\_\_\_\_ day of the calendar month next preceding such interest payment date (whether or not such day is a business day, the “**Record Date**”) at the address shown on the registration books of the City kept for that purpose by \_\_\_\_\_ (together with any successors, the “**Registrar**”) at its designated corporate trust administration office. Any interest not punctually paid or duly provided for shall cease to be payable to the person in whose name this bond is registered on the Record Date, and instead shall be paid to the registered owner of this bond at the close of business on a special record date fixed by the Paying Agent for the payment of defaulted interest, notice of which shall be given to such registered owner not less than 10 days prior to such special record date. The principal or redemption price of and interest on this bond are payable in any coin or currency of the United States of America which on the respective dates of payment is legal tender for the payment of public and private debts.

This bond is one of a duly authorized series of bonds of the City designated as “Solid Waste Management Revenue Bonds, Series 2006” (the “**Series 2006 Bonds**”), in the aggregate principal amount of \$ \_\_\_\_\_ issued under, pursuant to and in full compliance with the Constitution and laws of the State of Nebraska, including the Charter of the City (collectively, the “**Applicable Law**”), and Ordinance No. \_\_\_\_\_ and all other ordinances amendatory of or supplemental to Ordinance No. \_\_\_\_\_, including particularly Ordinance No. \_\_\_\_\_ (Ordinance No. \_\_\_\_\_ and all other ordinances amendatory of and supplemental to Ordinance No. \_\_\_\_\_, including Ordinance No. \_\_\_\_\_, are referred to collectively as the “**Bond Ordinance**”), duly adopted under the Applicable Law by the Council. Copies of the Bond Ordinance are on file in the offices of the Clerk. 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 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 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 special obligations of the City payable solely from and secured as to payment of the principal or redemption price and interest in accordance with their

terms and the provisions of the Bond Ordinance solely by (a) the proceeds from 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. Reference to the Bond Ordinance and any and all supplements thereto and modifications and amendments thereof and to the Applicable Law is made for a description of the security, pledge, 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, 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 aggregate 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 aggregate 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 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 that the City determines will not have a materially 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 at the designated corporate trust administration office of the Registrar by the Registered Owner 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 2006 Bonds are issuable in the form of fully registered Bonds, without coupons, in the denomination of \$5,000 or any integral multiple of \$5,000.

The Series 2006 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 2006 Bonds, maturing on \_\_\_\_\_, \_\_\_\_\_, commencing on \_\_\_\_\_ and on each \_\_\_\_\_, thereafter, (B) with respect to the Series 2006 Bonds maturing on \_\_\_\_\_, \_\_\_\_\_, commencing on \_\_\_\_\_ and on each \_\_\_\_\_, thereafter and (C) with respect to the Series 2006 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 Series 2006 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:

<u>Period During Which Redeemed</u> <u>(Both Dates Inclusive)</u>	<u>Redemption</u> <u>Prices</u>
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If less than all of the Series 2006 Bonds of like maturity are to be redeemed, the particular Series 2006 Bonds to be redeemed shall be selected by the Registrar.

The Series 2006 Bonds are payable upon redemption at the designated corporate trust administration 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 2006 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 Series 2006 Bond will not affect the validity of the proceedings for the redemption of any other Series 2006 Bonds. If notice of redemption shall have been given as aforesaid, the Series 2006 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 of the Series 2006 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 2006 Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The principal or redemption price hereof and interest hereon are 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 interest hereon. 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 hereof or interest hereon, except the occupation tax imposed by the City pursuant Section 8.32.150 of the Lincoln Municipal Code (the **“Occupation Tax”**). 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, except to compel the City to levy the Occupation Tax. No director, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal or redemption price hereof or interest hereon.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The City and the Paying Agent will recognize the Securities Depository nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (a) payments of principal or redemption price of and interest on this Bond, (b) notices and (c) voting. Transfer of principal or redemption price and interest payments to participants of the Securities Depository, and transfer of principal or redemption price and interest payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The City and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal or redemption price of and interest on this Bond shall be made in accordance with existing arrangements among the City, the Paying Agent and the Securities Depository.

**EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.**

**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 2006 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 by the execution by the Registrar of 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:

**THE CITY OF LINCOLN, NEBRASKA**

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

**COUNTERSIGNED:** Registered in the Finance  
Department of the City of  
Lincoln, Nebraska

By: \_\_\_\_\_  
Finance Director

**CERTIFICATE OF AUTHENTICATION**

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

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

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

*[The remainder of this page intentionally left blank.]*

**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 an account for the Series 2006 Bonds issued pursuant to this First 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 each 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 2006 BONDS**

**Section 4.01. Sale, Principal Amount, Interest Rates, Redemption Provisions and Other Terms of Series 2006 Bonds.** The Finance Director may offer and sell the Series 2006 Bonds in either a negotiated or competitive sale; provided, however, the Series 2006 Bonds may not be sold at a price less than 99.00% of the aggregate principal amount thereof. In connection with and as a part of such sale of the Series 2006 Bonds, the Finance Director shall fix (a) the dated date, which shall not be later than December 1, 2006 and the final maturity date, which shall not be later than December 13, 2021; (b) the aggregate principal amount (not to exceed \$4,500,000), including the aggregate principal amounts of the

respective Serial Bonds and Term Bonds; (c) the rate or rates of interest to be borne by each maturity, provided that the Series 2006 Bonds have a true interest cost not exceeding 5.00% per annum; (d) the principal and interest payments dates; (e) the principal amount to mature each year; (f) the Sinking Fund Installment amounts and dates, if any; (g) the dates upon which the Series 2006 Bonds will be subject to redemption at the option of the City and the amount of any redemption premium, not to exceed 2.00% payable upon the redemption thereof, (h) the identity of the Registrar and the Paying Agent for the Series 2006 Bonds and the form and contents of any agreement or agreements under which the Registrar and the Paying Agent would serve in such respective capacities; (i) all of the other terms of the Bonds not otherwise determined or fixed by the provisions of this Resolution; (j) the form and contents of any preliminary and final official statements or other offering materials of the City utilized in connection with any offering or sale of the Bonds to the public; (k) the form and contents of any bond purchase agreement executed by the City in connection with a negotiated sale; (l) the form and contents of any notice of sale prepared in connection with a competitive sale; and (m) the form and contents of any closing and other documentation executed and delivered by the City in connection with the authorization, issuance, sale and delivery of the Series 2006 Bonds. Upon the delivery of and payment for the Series 2006 Bonds, the purchasers shall also pay to the City the interest accrued on the Series 2006 Bonds from the date thereof to the date of delivery of and payment therefor.

The Finance Director shall report from time to time to the Council the purchase price of the Series 2006 Bonds sold and the principal amount, maturities, Sinking Fund Installments, redemption provisions and other terms thereof established in accordance with the provisions of this First Series Ordinance.

**Section 4.02. Ratification of Prior Actions; General and Specific Authorizations.** (a) All actions heretofore taken by the City, by the Finance Director and by 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 advisors, underwriters and bond counsel, in connection with the issuance and sale of the Series 2006 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 First Series Ordinance granted or delegated, the Council hereby (a) 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 City's financial advisor, the underwriter(s) of the Series 2006 Bonds and their respective counsel, shall consider necessary, advisable, desirable or appropriate in connection with this First Series Ordinance and the General Ordinance, any bond purchase agreement, or preliminary or final official statement, including without limitation and whenever appropriate, the execution and delivery thereof and of all other related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Finance Director the right, power and authority to exercise his independent judgment and absolute discretion in (1) fixing the terms, provisions, form and contents of the Series 2006 Bonds and all related documents, subject to the limitations set forth herein, and (2) taking all actions and making all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Series 2006 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 First 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 2006 Bonds, there may be inserted, marked, or noted in the body hereof copies of this First 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 2006 Bonds fixed in accordance herewith and the other provisions hereof to be borne by the Series 2006 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 Certificate. Notwithstanding any other provision of the Ordinance, failure of the City to comply with the Continuing Disclosure Certificate 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 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, the Series 2006 Bonds of any Series (including persons holding such Series 2006 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of a Series 2006 Bond for federal income tax purposes.

## ARTICLE V

### MISCELLANEOUS

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

**Section 5.02. Publication and Effectiveness of First Series Ordinance.** This First Series Ordinance, after its passage, shall in lieu of and in place of newspaper publication, be posted by the Clerk in the manner provided for in Article VII, Section 7 of the Charter, 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. Further, the 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 \_\_\_\_\_, 2006, the Council of the City of Lincoln, Nebraska passed Ordinance No. \_\_\_\_\_ entitled: [here shall be set forth the title of this First Series Ordinance].

Notice is hereby further given that said Ordinance No. \_\_\_\_\_ was approved by the Mayor of the City of Lincoln, Nebraska, on \_\_\_\_\_, 2006.

Copies of said Ordinance No. \_\_\_\_\_ are on file in the office of the 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** \_\_\_\_\_, **2006.**

**AYES:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**NAYS:** \_\_\_\_\_

\_\_\_\_\_

**ABSENT OR NOT VOTING:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Approved as to Form:**

\_\_\_\_\_

**City Attorney**

\_\_\_\_\_

**Bond Counsel**

**CONFLICT OF INTEREST:**

\_\_\_\_\_

**APPROVED:** \_\_\_\_\_, **2006.**

\_\_\_\_\_

**Mayor**