

ORDINANCE NO. 959

AN ORDINANCE AUTHORIZING THE ISSUANCE OF COMBINED UTILITIES REVENUE BONDS, 2012 SERIES, OF THE CITY OF CENTRAL CITY, NEBRASKA, IN THE PRINCIPAL AMOUNT OF ONE MILLION THREE HUNDRED FIFTEEN THOUSAND DOLLARS (\$1,315,000) FOR THE PURPOSE OF PAYING THE COSTS OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO THE COMBINED UTILITIES OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PLEDGING AND HYPOTHECATING THE REVENUES AND EARNINGS OF THE ELECTRIC, SEWER AND GAS SYSTEMS OWNED BY THE CITY FOR THE PAYMENT OF SAID BONDS; ENTERING INTO A CONTRACT ON BEHALF OF THE CITY WITH THE HOLDERS OF SAID BONDS; PROVIDING FOR THE SALE OF THE BONDS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; PROVIDING FOR THE DISPOSITION OF THE BOND PROCEEDS AND ORDERING THE ORDINANCE PUBLISHED IN PAMPHLET FORM

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

Section 1. The Mayor and Council of the City of Central City, Nebraska, hereby find and determine:

(a) that the City currently owns and operates combined electric, sewer and gas utilities (hereinafter the “combined utilities”) which are also revenue-producing facilities as defined in Sections 18-1803 to 18-1805, R.R.S. Nebraska, 2007, as amended,

(b) that the City has heretofore issued and outstanding the following indebtedness which constitutes a charge against the revenues (as hereinafter defined) of the combined utilities:

Combined Utilities Revenue Refunding Bonds, 2010 Series, date of original issue November 17, 2010, in the outstanding principal amount of \$1,350,000 (the “Outstanding Parity Bonds”);

(c) that the Outstanding Parity Bonds constitute the only obligation for which the revenues of the combined utilities or any portion thereof have been pledged and all conditions precedent to the issuance of additional bonds as set forth in Section 16 of the ordinance authorizing the issuance of the Outstanding Parity Bonds have been satisfied or will be satisfied by the adoption of this Ordinance;

(d) that it is necessary in order to pay the cost of constructing additions and improvements to the combined utilities of the City that combined utilities revenue bonds, in the amount of \$1,315,000 be issued which bonds will be payable from and shall be a lien upon the revenue and earnings of the combined utilities; and

(e) that all conditions, acts and things required by law to exist or to be done precedent to the issuance of the Combined Utilities Revenue Bonds, 2012 Series, contemplated herein do exist and have been done and performed in regular and due form as required by law.

Section 2. Unless the context shall clearly indicate otherwise, the following terms shall have the following meanings when used in this ordinance:

a) “2012 Bonds” shall mean the \$1,315,000 principal amount of “Combined Utilities Revenue Bonds, 2012 Series” authorized to be issued pursuant to Section 3 of this ordinance at any time outstanding;

b) “Outstanding Parity Bonds” shall mean the \$1,490,000 Combined Facilities Revenue Refunding Bonds, 2010 Series, dated November 17, 2010, of which \$1,350,000 presently remain outstanding, authorized to be issued by Section 3 of the 2010 Ordinance at any time outstanding;

c) “Additional Bonds” shall mean any bond including refunding bonds, authorized and issued pursuant to the provisions of Section 16 of this ordinance at any time outstanding, which are payable on a parity with the 2012 Bonds and the Outstanding Parity Bonds and equally and ratably secured therewith;

d) “average annual debt service requirements” shall mean that sum determined by adding all of the principal and interest which become due when computed to the absolute maturity of the 2012 Bonds, the Outstanding Parity Bonds and any Additional Bonds and dividing such total by the number of years that the longest bond of any issue has to run to maturity;

e) the “Combined Utilities” shall mean the electric light and power plant and distribution system, the sewer plant and system and the natural gas system of the City of Central City, Nebraska, as now existing and all additions (including any additional utility systems which might hereafter be lawfully included with the Combined Utilities of the City pursuant to Section 16 of this Ordinance), extensions and improvements hereafter made; and

f) “revenues” shall mean all the rates, rentals, fees, charges, earnings and other monies from any source whatever derived by the City of Central City through its ownership and operation of its Combined Utilities.

Section 3. For the purpose of paying the costs of constructing additions and improvements to the combined utilities of the City, there shall be and there hereby are ordered issued Combined Utilities Revenue Bonds, 2012 Series, of the aggregate principal amount of One Million Three Hundred Fifteen Thousand Dollars (\$1,315,000) to bear date of original issue of February 15, 2012 and to be in fully registered form. Said bonds shall bear interest at the rates per annum and mature on February 15 of each year in the principal amounts as follows:

<u>Principal Amount</u>	<u>Maturing on February 15 of Year</u>	<u>Interest Rate Per Annum</u>
\$55,000	2013	
55,000	2014	
55,000	2015	
55,000	2016	
55,000	2017	
55,000	2018	
55,000	2019	
60,000	2020	
60,000	2021	
60,000	2022	
65,000	2023	
65,000	2024	
70,000	2025	
70,000	2026	
70,000	2027	
410,000*	2032	

*Term Bonds

The 2012 Bonds shall be in the denomination of \$5,000 or any integral multiple thereof and shall be numbered from 1 upward in the order of their issuance. No 2012 Bonds shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the 2012 Bonds issued shall be as directed by the initial purchasers thereof. Interest on the 2012 Bonds shall be payable semiannually on February 15 and August 15 of each year, starting August 15, 2012. 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 last day of the calendar month immediately preceding the calendar month in which the interest payment date occurs (the "Record Date"), subject to the provisions of Section 4 hereof. Payment of interest due on the 2012 Bonds prior to maturity shall be made by the Paying Agent and Registrar, as designated pursuant to Section 4 hereof, by mailing a check in the amount due for such interest on each interest payment date to the registered owner of each 2012 Bond, as of the applicable Record Date, to such owner's registered address as shown on the books of registration, as required to be maintained in Section 4 hereof. Payment of principal due at maturity, or at any date fixed for redemption prior to maturity, together with any accrued interest then due, shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the 2012 Bonds to said Paying Agent and Registrar. The City and said Paying Agent and Registrar may treat the registered owner of any 2012 Bond as the absolute owner of such bond for the purpose of making payments thereon and for all other purposes and neither the City nor said Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary whether such bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the

registered owner of any 2012 Bond 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 2012 Bonds or claims for interest to the extent of the sum or sums so paid. If any 2012 Bond is not paid upon presentation of such bond at maturity or any interest installment is not paid when due, the delinquent bond or delinquent interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01, R.R.S. Neb. 2010, as now existing or as the same may be amended from time to time by the Nebraska Legislature.

Section 4. The City Treasurer of Central City, Nebraska, is hereby designated as Paying Agent and Registrar for the 2012 Bonds. The names and registered addresses of the registered owner or owners of the 2012 Bonds shall at all times be recorded in such books. Any 2012 Bond may be transferred pursuant to its provisions at the office of the Paying Agent and Registrar by surrender of such bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent and thereupon the Paying Agent and Registrar on behalf of the City will register such transfer and will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new 2012 Bond or 2012 Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the 2012 Bonds by this ordinance, one 2012 Bond may be transferred for several such 2012 Bonds of the same interest rate and maturity and for a like aggregate principal amount, and several such 2012 Bonds may be transferred for one or several such 2012 Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a 2012 Bond, the surrendered 2012 Bond or 2012 Bonds shall be canceled and destroyed. All 2012 Bonds issued upon transfer of the 2012 Bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the 2012 Bonds surrendered and shall be entitled to all the benefits and protection of this ordinance to the same extent as the 2012 Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any 2012 Bond during any period from any Record Date until its immediately following interest payment date or to transfer any 2012 Bond called for redemption for a period of 30 days next preceding the date fixed for redemption. In the event that payments of interest due on the 2012 Bonds on an interest payment date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such interest payment date and shall be payable to the registered owners of the 2012 Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 5. 2011 Bonds maturing on or after February 15, 2018 shall be subject to redemption, in whole or in part, prior to maturity at any time on or after February 15, 2017, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The City may select the 2012 Bonds to be redeemed from such optional redemption in its sole discretion but 2012 Bonds shall be redeemed only in the amount of \$5,000 or integral multiples thereof. The 2012 Bonds maturing as term bonds on February 15, 2032 (the "Term Bonds") shall be redeemed, in part, prior to their stated maturity, on February 15, 2028 and on February 15 of each year thereafter and shall be paid at final maturity, with such mandatory redemptions and payment at maturity to be for

the dates and in the amounts set forth below.

<u>Date of Redemption</u>	<u>Amount Required to be Redeemed</u>
February 15, 2028	\$ 75,000
February 15, 2029	80,000
February 15, 2030	80,000
February 15, 2031	85,000
February 15, 2032 (final maturity)	90,000

Such mandatory redemptions for such 2012 Bonds due as term bonds shall be at a price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption. Mandatory redemptions shall be in \$5,000 amounts or integral multiples thereof. The Paying Agent and Registrar shall select such 2012 Bonds for mandatory redemption using any random method of selection determined appropriate by Paying Agent and Registrar. Any 2012 Bond redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new 2012 Bond evidencing the unredeemed principal thereof.

Notice of redemption of any 2012 Bond called for redemption shall be given at the direction of the Mayor and Council 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 2012 Bond at said owner's registered address. Such notice shall designate the 2012 Bond or 2012 Bonds to be redeemed by number and maturity, the date of original issue, the date fixed for redemption and state that such 2012 Bond or 2012 Bonds are to be presented for prepayment at the office of the Paying Agent and Registrar. In case of any bond partially redeemed, such notice shall specify the portion of the principal amount of such 2012 Bond to be redeemed. No defect in the mailing of notice for any 2012 Bond shall affect the sufficiency of the proceedings of the Mayor and Council designating the 2012 Bonds called for redemption or the effectiveness of such call for 2012 Bonds for which notice by mail has been properly given and the Mayor and Council shall have the right to further direct notice of redemption for any such 2012 Bond for which defective notice has been given.

Section 6. If the date for payment of the principal of or interest on the 2012 Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City where the office of the Paying Agent and Registrar is located 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 7. The 2012 Bonds shall be executed on behalf of the City by being signed by the Mayor and the City Clerk, both of which signatures may be facsimile signatures, and shall have the City seal impressed on each 2012 Bond. The City Clerk shall make and certify a transcript of proceedings had and done precedent to the issuance of said 2012 Bonds which shall be delivered to the purchaser of said 2012 Bonds. After being executed by the Mayor and City Clerk, said 2012 Bonds shall be delivered to the Treasurer of the City who shall be responsible therefor under his/her official bond. Such Treasurer shall maintain a record of information with respect to said 2012 Bonds

in accordance with the requirements of Section 10-140, R.R.S. Neb. 2007, as amended, and shall cause the same to be filed with the Auditor of Public Accounts of the State of Nebraska. The Paying Agent and Registrar shall register each 2012 Bond in the name of its initial registered owner as designated by the initial purchaser. Each 2012 Bond shall be authenticated on behalf of the City by the Paying Agent and Registrar. The 2012 Bonds shall be issued initially as “book-entry only” bonds using the services of The Depository Trust Company (the “Depository”), with one typewritten bond per maturity being issued to the Depository. In such connection said officers of the City are authorized to execute and deliver a letter of representations and inducement (the “Letter of Representations”) in the form required by the Depository (which may be in the form of a blanket letter, including any blanket letter previously executed and delivered by the City), for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the 2012 Bonds. Upon issuance of the 2012 Bonds as “book-entry-only” bonds, the following provisions shall apply:

(a) The City and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds 2012 Bonds as securities depository (each, a “Bond Participant”) or to any person who is an actual purchaser of a 2012 Bond from a Bond Participant while the 2012 Bonds are in book-entry form (each a “Beneficial Owner”) with respect to the following:

(i) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the 2012 Bonds;

(ii) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the 2012 Bonds, including any notice of redemption;
or

(iii) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the 2012 Bonds. The Paying Agent and Registrar shall make payments with respect to the 2012 Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such 2012 Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated 2012 Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable to or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange 2012 Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and

Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the 2012 Bonds or (ii) to make available 2012 Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such bonds shall designate.

(c) If the City determines that it is desirable that certificates representing the 2012 Bonds be delivered to the ultimate Beneficial Owners of the 2012 Bonds and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the 2012 Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the 2012 Bonds 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 2012 Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such 2012 Bond and all notices with respect to such 2012 Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the 2012 Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the 2012 Bonds may be delivered in physical form to the following:

(i) any successor securities depository or its nominee; or

(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 and the terms of the Paying Agent and Registrar's Agreement (if any).

(f) In the event of any partial redemption of a 2012 Bond unless and until such partially redeemed 2012 Bond has been replaced in accordance with the provisions of this Ordinance, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such 2012 Bond as is then outstanding and all of the 2012 Bonds issued to the Depository or its nominee shall contain a legend to such effect.

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

printed an additional supply of bond certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any 2012 Bond shall cease to be such officer before the delivery of such 2012 Bond (including any bond certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption) such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such bond. The 2012 Bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The 2012 Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication.

Section 8. Said 2012 Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF MERRICK
CITY OF CENTRAL CITY

COMBINED UTILITIES REVENUE
BOND, 2012 SERIES

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %	February 15, _____	February 15, 2012	_____

Registered Owner: _____

Principal Amount: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Central City, in the County of Merrick, in the State of Nebraska, hereby acknowledges itself to owe and for value received promises to pay, out of the special sources herein designated, to the registered owner specified above the principal amount specified above in lawful money of the United States of America on the maturity date specified above, with interest thereon from date of original issue specified above or most recent interest payment date, whichever is later, to maturity (or earlier redemption) at the rate per annum specified above. Said interest shall be payable semiannually on the fifteenth day of February and August in each year, starting August 15, 2012. If this bond is not paid upon presentation of the bond at maturity or if any interest installment is not paid when due, such bond or interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01 R.R.S. Nebraska 2010, as now existing or as the same may be amended from time to time by the Nebraska Legislature. The interest hereon shall be paid on each interest payment date by the City Treasurer, as Paying Agent and Registrar for the City by wire transfer, check or draft mailed to the registered owner hereof as of the close of business on the last day of the month immediately preceding the month in which the interest payment date occurs, at such owner's registered address as it appears on the books of registration of the City. The principal of this bond and the interest due at maturity or upon call for redemption prior to maturity are payable on presentation and surrender to said Paying Agent and Registrar at its office in Central City, Nebraska. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

The bonds maturing on or after February 15, 2018 shall be subject to redemption, in whole or in part, prior to maturity at any time on or after February 15, 2017, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The bonds maturing as term bonds on February 15, 2032 (the "Term Bonds") shall be redeemed, in part, prior to their stated maturity, on February 15, 2028 and on February 15 of each year thereafter and shall be paid at final maturity, with

such mandatory redemptions and payment at maturity to be for the dates and in the amounts set forth below.

<u>Date of Redemption</u>	<u>Amount Required to be Redeemed</u>
February 15, 2028	\$ 75,000
February 15, 2029	80,000
February 15, 2030	80,000
February 15, 2031	85,000
February 15, 2032 (final maturity)	90,000

Such mandatory redemptions for such bonds due as term bonds shall be at a price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for redemption. Mandatory redemptions shall be in \$5,000 amounts or integral multiples thereof. The Paying Agent and Registrar shall select such bonds for mandatory redemption using any random method of selection determined appropriate by Paying Agent and Registrar. Notice of any such redemption shall be given by mail, sent to the registered owner of any bond to be redeemed at said registered owner's address in the manner provided in the ordinance authorizing said bonds. Individual bonds may be redeemed in part but only in the amount of \$5,000 or integral multiples thereof. Any bond redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new bond or bonds evidencing the unredeemed principal thereof.

This bond is one of an issue of fully registered bonds of the total principal amount of \$1,315,000, of like tenor herewith except as to denomination, date of maturity and rate of interest issued by said City for the purpose of constructing additions and improvements to the combined utilities of the City, in pursuance of the provisions of Sections 18-1803 to 18-1805, R.R.S. Neb. 2007. This bond and the others of said issue have been duly authorized by an ordinance duly passed and adopted by the Mayor and Council of said City.

The revenue and earnings derived and to be derived from the operation of the electric light and power plant and distribution system owned and operated by the City, and all extensions and additions thereto and all improvements thereof hereafter made, the revenue and earnings derived and to be derived from the operation of the sewer plant and system owned and operated by the City, and all extensions and additions thereto and all improvements thereof hereafter made and the revenue and earnings derived and to be derived from the operation of the gas distribution system owned and operated by the City, and all extensions and additions thereto and all improvements thereof hereafter made (hereinafter together, the "Combined Utilities") are pledged and hypothecated, equally and ratably for the payment of all of the bonds of this issue of the principal amount of \$1,315,000 and the Combined Utilities Revenue Refunding Bonds, 2010 Series, dated November 17, 2010, presently outstanding in the principal amount of \$1,350,000 (the "2010 Bonds"), all of which bonds of said issue are equally and ratably secured by said pledge and are of equal priority as to lien upon the revenues of said Combined Utilities owned and operated by the City. The City agrees to maintain and collect rates and charges for electric, sewer and gas service which shall be reasonable and adequate to produce revenues and earnings sufficient at all times to pay the interest and principal of all of said bonds and the 2010 Bonds as such interest and principal become due and to maintain and operate said Combined Utilities efficiently. The ordinance which authorized the issuance of the

bonds of this series constitutes a contract between the City and the holders of said bonds and reserves the right to the City to issue bonds equal in lien to the bonds of this series of bonds, the 2010 Bonds or junior lien bonds or notes under certain conditions. The bonds of this issue are not general obligations of the City and are payable solely from the revenues of said Combined Utilities as so pledged.

Under the ordinance authorizing this issue of bonds, the City has agreed to establish and maintain a special fund known as the Combined Utilities Fund into which it will pay all of the gross revenues collected and received from the operation of its said Combined Utilities and will use the monies in said fund only for the operation and maintenance of said Combined Utilities and for the payment of the interest on and principal of the bonds of this series, the 2010 Bonds and of Additional Bonds authorized in accordance with the terms of said ordinance and for such other purposes as are permitted by said ordinance and will apply the monies in said fund to the payment of said bonds as the principal and interest thereof become due.

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

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

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

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

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond and the series of which this bond is a part in order to make the same legal and binding obligations of said City according to the terms thereof, do exist, have happened and have been performed in due time, form and manner as required by law, and that before the issuance of this bond provision has been duly made for the collection and segregation of the revenue of the City's Combined Utilities and for the application of the same as hereinbefore provided.

IN WITNESS WHEREOF, the Mayor and Council of the City of Central City, Nebraska, have caused this bond to be executed on behalf of the City by being signed by the Mayor and Clerk of the City, both of which signatures may be facsimile signatures, and by causing the official seal of the City to be affixed hereto all as of the date of original issue shown above.

CITY OF CENTRAL CITY, NEBRASKA

By _____ (Do not sign)
Mayor

ATTEST:

(Do not sign)
City Clerk
(S E A L)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by an Ordinance passed and approved by the Mayor and Council of the City of Central City as described in said bond.

(Do not sign)
City Treasurer of Central City, Nebraska, as
Paying Agent and Registrar

(FORM OF ASSIGNMENT)

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

Date: _____

SIGNATURE GUARANTEED

Registered Owner

By _____

Authorized Officer

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

Section 9. For the payment of the 2012 Bonds and the Outstanding Parity Bonds, the City hereby pledges and hypothecates the entire revenues derived and to be derived of the Combined Utilities subject only to the payment of reasonable expenses of operating and maintaining said Combined Utilities.

Section 10. The City will maintain and collect rates and charges for all electric, sewer and gas service furnished from its Combined Utilities adequate to produce revenue and earnings sufficient at all times:

- (a) to provide for the payment of interest on and principal of the 2012 Bonds, the Outstanding Parity Bonds and any Additional Bonds as such interest and principal become due;
- (b) to pay all reasonable costs of operation and maintenance of the Combined Utilities, including adequate insurance as provided by this ordinance and to pay for the necessary and reasonable repairs, replacements and extensions of said Combined Utilities;
- (c) to establish and maintain an Combined Utilities Bond Reserve Account as hereinafter set forth;
- (d) to meet all contractual obligations of the City pursuant to or with respect to the 2012 Bonds, the Outstanding Parity Bonds, and any Additional Bonds, all as then outstanding.

Section 11. The City does hereby confirm the accounts within the “Combined Utilities Fund”, designated severally the Operation and Maintenance Account, the Combined Utilities revenue Bond Account, the Combined Utilities Bond Reserve Account and the Surplus Account. The monies in the Combined Utilities Fund shall be deposited in a separate bank account properly identified as such in a bank or banks designated by the Council and shall be secured as provided by law for public deposits. The City shall set up and maintain as long as the 2012 Bonds, the Outstanding Parity Bonds or any Additional Bonds are outstanding the following accounts for the administration of said fund:

I. OPERATION AND MAINTENANCE ACCOUNT: There shall be credited to the “Operation and Maintenance Account” each month an amount sufficient for the operation and maintenance of its Combined Utilities and the expenses of maintenance and operation of said Combined Utilities shall be paid out of this account.

II. COMBINED UTILITIES REVENUE BOND ACCOUNT: Out of said Fund the City shall pay into the Combined Utilities Revenue Bond Account, beginning on the first day of the first calendar month after the issuance and delivery of the 2012 Bonds an amount such that if the same amount were credited on the first day of each calendar month from such date of credit until the next payment date upon which any amount falls due on the 2012 Bonds, whether for principal or interest, the amount accumulated by such monthly credits would equal the amount falling due on such payment date on the 2012 Bonds, provided however, that such credits shall be required only as and to the extent that such payments are not provided from other sources. All such transfers to the Combined Utilities Revenue Bond Account shall be made in such amounts and at such times that there will be sufficient sums in such Account to meet the required payments due on the 2012 Bonds. Transfers from such Account shall be made to the respective paying agents (or direct payee) for each such issue.

III. COMBINED UTILITIES BOND RESERVE ACCOUNT: There has heretofore been established within the Combined Utilities Fund a separate account designated as the “Combined Utilities Bond Reserve Account”. From cash on hand, the City will deposit the sum of \$_____ (the “2012 Required Balance”) into a separate sub-account within the Combined Utilities Bond Reserve Account for the 2012 Bonds (the “2012 Sub-account”), which amount shall be maintained in the 2012 Sub-account as long as any of the 2012 Bonds are outstanding. Monies in the Combined Utilities Bond Reserve Account, but only from the designated sub-account for a specific issue, are to be applied to prevent any default in payments due on such specific issue for such purpose in the Combined Utilities Revenue Bond Account established by the Ordinance. In the event that monies are withdrawn from the 2012 Sub-account, but subject to allocation among other sub-accounts in the Combined Utilities Bond Reserve Account which may be established as described in this Ordinance, all revenues of the Combined Utilities remaining after making payments required to be made to the Operation and Maintenance Account and the Combined Utilities Revenue Bond Account are to be credited to the 2012 Sub-account until the balance in such account has been restored to the 2012 Required Balance. In the event that Additional Bonds are issued, the amount to be maintained in the Combined Utilities Bond Reserve Account, in a separate sub-account for such Additional Bonds, shall be set in the discretion of the Mayor and Council of the City (which amount may be \$-0-). Additional amounts may be provided for by deposit of available City funds or by monthly credits

from revenues. Each sub-account in the Combined Utilities Bond Reserve Account shall be held solely for the specific issue for which it is established. In the event of withdrawal from any such sub-account which results in the amount in such sub-account being deficient to meet the required balance, available amounts for restoring sub-account balances shall be credited to each deficient sub-account on a pro rata basis in accordance with the respective outstanding principal amounts for those issues for which the respective sub-accounts are then deficient. When the 2012 Bonds, the Outstanding Parity Bonds, or any issue of Additional Bonds for which a sub-account has been established are no longer outstanding, the particular sub-account for such issue shall no longer be required to be maintained. The maximum amount required to be maintained in the Combined Utilities Bond Reserve Account shall not exceed the maximum amount permitted to be invested without yield restriction under the regulations of the United States Treasury Department relating to Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended.

IV. SURPLUS ACCOUNT: After provisions have been made for each of the foregoing accounts, all remaining funds shall be transferred into the Surplus Account to be used as follows:

- 1) To fill any deficiency in the foregoing accounts.
- 2) To pay on an accelerated basis the required fund balance of the Combined Utilities Bond Reserve Account.
- 3) To be used for any lawful purpose connected with the Combined Utilities including paying principal and interest on general obligation bonds or junior lien revenue bonds or notes of the City authorized to pay the cost of constructing improvements to the Combined Utilities.
- 4) Retiring the 2012 Bonds, the Outstanding Parity Bonds and Additional Bonds prior to their maturity under their option provisions or by purchase on the open market.
- 5) To be transferred to the general fund of the City for any lawful municipal purpose.

Monies on deposit in the Combined Utilities Fund, which have not as yet been credited to an account therein in accordance with this section, and monies credited to the Operation and Maintenance Account and the Combined Utilities Revenue Bond Account may, to the extent practicable and reasonable, be invested in direct general obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America, maturing in the case of unallocated monies invested from the Combined Utilities Fund not later than the first business day of the month next following such investment and maturing in the case of monies invested from the Operation and Maintenance Account and the Combined Utilities Revenue Bond Account at such times and in such amounts as shall be required to provide monies to make the payments to be made from said accounts. Monies credited to the Combined Utilities Bond Reserve Account shall be invested in direct obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America, maturing or redeemable at stated fixed prices at the

option of the holder, by not more than eight years from the date of such investment. Monies credited to the Surplus Account shall be invested in such obligations as are permitted by law for cities of the class of which the City is one, maturing at such times not later than ten years of the date of such investment and in such amounts as shall be determined by the City in accordance with its estimate of the payments to be made from said Accounts and, if permitted by law, in 2012 Bonds or Additional Bonds, which bonds so purchased shall be held for the credit of said Accounts and not cancelled, and in Revenue Bond Anticipation Notes of the City and in paving, sewer and water warrants of the City which are to be funded by the issuance of bonds of the City. All interest and income derived from monies to the credit of the Combined Utilities Fund, the Operation and Maintenance Account, and the Surplus Account shall, when realized and collected, be credited to the said Fund or to the respective Account from which such investments were made. All monies and income from investments made from monies credited to the Combined Utilities Bond Reserve Account, and the Combined Utilities Revenue Bond Account shall, when realized and collected, be credited to the respective Account from which such investments were made, unless there shall then be credited thereto the respective full amounts required by paragraphs II and III of this section, in which event such interest and income shall be credited to the Surplus Account. All investments held for the credit of any Fund or Account may be sold when required to make payments to be made from such Fund or Account.

It is understood that the revenues of the Combined Utilities are to be credited to the various accounts hereinabove established in the order in which said Accounts have been listed, and if within any period the revenues are insufficient to credit the required amounts in any of the said Accounts, the deficiencies shall be made up the following period or periods after payments into all Accounts enjoying a prior claim on the revenues have been made in full.

Section 12. The City is hereby authorized and directed to keep proper records, books and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the said Combined Utilities and all of the funds and accounts established hereby. Within 120 days after the close of each fiscal year a certified public accountant's report on the financial condition and results of operation shall be furnished to the underwriter of the 2012 Bonds (which shall specifically include, without limitation, the number of customers served as of the close of the fiscal year). The expense of such reports shall be considered an operating expense. Any holder or holders of twenty-five per cent in aggregate principal amount of the bonds at the time then outstanding shall have the right at all reasonable times to inspect the Combined Utilities and all records, accounts and data of the City relating thereto.

Section 13. The City Treasurer and the City Clerk shall be bonded, in addition to their official bond, by an insurance company or bonding company licensed to do business in Nebraska, in amounts sufficient to cover at all times all the revenues and earnings of the Combined Utilities placed in their hands. Any other person employed by the City in the collection or handling of monies derived from the operation of said property shall also be bonded in an amount sufficient to cover all monies which may at any time be placed in such person's hands. The amount of such bonds shall be fixed by the Council and the cost thereof shall be paid from the earnings of said Combined Utilities and they shall secure the faithful accounting of all monies.

Section 14. The City will carry adequate insurance on the Combined Utilities in such amounts as are normally carried by private companies engaged in similar operations, including, without limiting the generality of the foregoing, fire and windstorm insurance, public liability insurance or workers compensation insurance and any insurance covering such risks as shall be recommended by a consulting engineer. The cost of all such insurance shall be regarded and paid as an operation and maintenance expense.

All such insurance policies shall be in such form and amount as shall be approved or recommended by a consulting engineer. All insurance proceeds, except proceeds from public liability insurance shall be used in making good the loss or damage in respect of which they were paid either by repairing the property damaged or replacing the property destroyed, and expenditures from said monies shall be made only upon a certificate issued by a consulting engineer and filed with the City Clerk stating that the proceeds, together with any other monies available for such purposes, are sufficient for the repair or replacement of any such properties; and when the City shall have been furnished with a certificate of a consulting engineer stating that the property damaged or destroyed has been fully repaired or replaced and such repairs or replacements have been fully paid for, the residue, if any, of such insurance proceeds shall be transferred to the Combined Utilities Revenue Bond Account to make up any deficiency in said account, if any such deficiency exists, and if no such deficiency exists said residue shall be transferred to the Combined Utilities Fund and credited to the accounts provided for in Section 11 in the same manner as other revenues of the Combined Utilities.

If the proceeds of any insurance shall be insufficient to repair or replace the property damaged or destroyed, the City may use and shall pay out for such purpose, to the extent of such deficiency, any money remaining in the Surplus Account. If in the opinion of a consulting engineer the proceeds of any insurance, together with any amount then available for that purpose in the Surplus Account shall be insufficient to fully complete and pay for such repairs or replacements and if the City shall fail to supply such deficiency from other sources within a period of six months after receipt by the City of such insurance monies, or if in the opinion of a consulting engineer it is to the best interest of the City not to repair or replace all or any part of the damaged properties and that failure to repair or replace the damaged properties shall not affect the sufficiency of the income and revenue from the remaining properties to properly maintain and operate the same and provide funds for the Combined Utilities Revenue Bond Account and Combined Utilities Bond Reserve Account, as herein provided for, then such insurance monies to the extent not applied to repair or replace the damaged properties shall be deposited in the Combined Utilities Bond Reserve Account as described in Section 11 hereof and used for the purposes for which said account has been created, so as to fill said account to its required balance, or if said account is filled to its required balance, and any amount which may be in excess of the amount required shall be credited to the Surplus Account.

If the holders of sixty percent (60%) or more in principal amount of the 2012 Bonds and any Additional Bonds at the time outstanding hereunder shall at any time direct the City in writing to do so, then any insurance monies theretofore credited to Surplus Account and then in the hands of the City may be used for extensions and betterments of said Combined Utilities properties or applied to the pro rata payment of the principal of and accrued interest on all such bonds then outstanding hereunder.

The proceeds of any and all policies for public liability or workers compensation insurance shall be paid to the respective claimants or to the City Treasurer to be held and used in paying the claims on account of which they were received.

Section 15. The City will maintain the Combined Utilities in good condition and operate the same in an efficient manner and at a reasonable cost. The City agrees with the holders from time to time of the 2012 Bonds that the City will continue to own, free from all liens and encumbrances, and will adequately maintain and efficiently operate said Combined Utilities; provided, however, the City may sell for cash property which is recommended to be sold by the manager or superintendent of utilities, or an independent Consulting Engineer, and which is determined as a matter of record by the Council to have become obsolete, non-productive or otherwise unusable to the advantage of the City.

Section 16. Nothing in this ordinance shall be construed in such a manner as to prevent the issuance by the City of Additional Bonds payable from the revenues of the Combined Utilities of the City on a parity with the lien of the 2012 Bonds and the Outstanding Parity Bonds, equally and ratably secured therewith and entitled to the security and benefits of this ordinance; provided, however, that before any such Additional Bonds are actually issued, the revenues of the Combined Utilities, for the fiscal year next preceding the date of the authorization of such Additional Bonds, after deducting therefrom all costs of operation and maintenance of the Combined Utilities for such fiscal year and before deduction of depreciation or interest as based on a certified public accountants report shall have been equal to 1.25 times the average annual bond requirements of the 2012 Bonds, the Outstanding Parity Bonds any Additional Bonds then outstanding, and the Additional Bonds proposed to be issued or such revenues would have met such test by applying the provisions of the second paragraph of this Section 16. If no audit report is available for the fiscal year next preceding the year in which such proposed additional bonds are issued, the report from the next proceeding year may be used in determining compliance with this section, provided that the City Treasurer shall certify that no substantial or material changes in circumstance have occurred which would reduce the amount of revenues of the Combined Utilities so as to make the issuance of such additional bonds in conflict with this ordinance. For this purpose the average annual bond requirements shall be determined by adding all of the principal and interest which will become due when computed to the absolute maturity of the 2012 Bonds, Outstanding Parity Bonds, Additional Bonds, if any, then outstanding and Additional Bonds proposed to be issued and dividing such total by the number of years remaining that the longest bond of any such issue of bonds has to run to maturity. In the event of the issuance of Additional Bonds payable from the Combined Utilities Fund as authorized above, sufficient funds (which may be available funds of the City or revenues of the Combined Utilities) shall be deposited into a separate sub-account for such Additional Bonds within the Combined Utilities Bond Reserve Account (as provided in Section 11 above). The City may, at its option, deposit in said accounts available funds from other sources, provided, however, the City shall not in any event be required by this ordinance to accumulate in the Combined Utilities Bond Reserve Account an amount in excess of the maximum amount permitted to be invested without yield restriction under Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations of the United States Treasury Department, both as then currently in effect.

In the event any change in the rates, rentals and charges for the use and service of the Combined Utilities has been made during the preceding fiscal year or during the interval between the end of such fiscal year and the issuance of such Additional Bonds, or in the event the City shall covenant in the ordinance or resolution authorizing the issuance of such Additional Bonds to impose, effective upon the issuance of such Additional Bonds, higher rates, rentals and charges for such use and service, compliance with the provisions of this Section 16 of this ordinance may be evidenced by a certificate of an independent Consulting Engineer or firm of engineers or Certified Public Accountant or independent Certified Public Accountants to be filed with the City Clerk prior to the issuance of any such Additional Bonds. Such certificate shall state fully the facts upon which such certificate is based and, if it is a certificate of the Consulting Engineer or firm of Consulting Engineers, shall have attached thereto the certified financial statement for the fiscal year next preceding the date of authorization of such Additional Bonds used by the Engineer or firm of Engineers in arriving at the conclusion stated in said certificate. The Consulting Engineer or independent Certified Public Accountant of the City shall, in determining the earnings for such fiscal year adjust the collections to reflect the result as if such changed rates, rentals and charges, or such higher rates, rentals and charges had been in existence for such entire preceding fiscal year period, and the amount of such net collections and adjusted earnings as aforesaid shall be conclusive evidence and the only evidence required to show compliance with the provisions and the requirements of Section 16 of this ordinance.

If the City shall find it desirable, the City shall also have the right when issuing additional bonds to combine with its electric and sewer utilities any gas distribution system or any solid waste disposal system (including transfer stations) or any other utility or revenue producing facility of the City (which shall thereafter be known as the "Combined Utilities System") authorized to be combined under Sections 18-1803 through 18-1805 R.R.S. Nebraska 2007, and to cause all of the revenues of all such combined utility systems to be paid into the Combined Utilities Fund, and to provide that all of the 2012 Bonds and the Outstanding Parity Bonds, all as then outstanding, and any proposed issue of Additional Bonds shall be payable from the revenues of such Combined Utilities System and shall stand on a parity and in equality as to security and payment, provided, however, no utility shall be combined with the current Combined Utilities and such other combined utilities as contemplated in this paragraph unless the City is current with all the payments required to be made into the accounts created in Section 11 and the net revenues of such Combined Utilities system shall satisfy at least one of the requirements for additional bonds provided in this Section 16. For purposes of meeting such requirements, the definition of revenues of the combined utilities shall include the additional utility or utilities and take into consideration the ordinary expenses of operating and maintaining the additional utility or utilities and for such purposes any engineer furnishing projections may take into consideration the factors described in the second or third paragraphs of this Section 16.

If, prior to the payment of the 2012 Bonds herein authorized, it shall be found desirable to refund any Additional Bonds then outstanding, under the provisions of any law then available, said bonds or any part thereof may be refunded without the consent of the holders thereof and the refunding obligations so issued shall enjoy complete equality of lien with the portion of the bonds which is not refunded, if any there be, and the refunding obligations shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the bonds refunded, provided,

however, that unless all of the outstanding bonds are being refunded, the total of the interest and principal payment obligation in any succeeding year shall not be greater, after such refunding, than it would have been in each such succeeding year without such refunding without the consent of the holders of the unrefunded portion of said bonds. Refunding bonds shall also be permitted to be issued in accordance with the first three paragraphs of this Section 16 and for purposes of calculating average annual bond requirements, the City shall not be required to include principal or interest due on any bonds to be refunded, from and after the time that such refunded bonds shall no longer be outstanding under the terms of their authorizing ordinance.

Section 17. Nothing herein contained shall prevent the City from issuing bonds, revenue notes or other forms of indebtedness, the payment of the principal and interest of which is a charge upon all or a portion of the revenues of the combined utilities, junior or inferior to the 2012 Bonds and the Outstanding Parity Bonds and to the payments to be made into the Operation and Maintenance Account, Combined Utilities Revenue Bond Account and the Combined Utilities Bond Reserve Account, and the City shall have the right to pay interest thereon and the principal thereof, as long as no deficiency exists in the payments into such Accounts, from funds available for improvements and enlargements to the Combined Utilities of the City or from other funds which are available for such debt service.

Section 18. The City will not hereafter grant any franchise or right to any person, firm or corporation to own or operate an electric, water or sewer plant or system in competition with those owned by the City.

Section 19. While any of the 2012 Bonds are outstanding, the City will render bills to all customers for electric service and, subject to applicable statutes and rules, if bills are not paid within sixty days after due, the City will use all remedies lawfully available to collect such amounts due and owing.

Section 20. Except for amendments which are required for the correction of language to cure any ambiguity or defective or inconsistent provisions, omission or mistake or manifest error contained herein, no changes, additions or alterations of any kind shall be made by the City in the provisions of this Ordinance in any manner; provided, however, that from time to time the holders of sixty percent (60%) in principal amount of the 2012 Bonds, the Outstanding Parity Bonds and of Additional Bonds outstanding authorized hereunder (not including any of said bonds credited to any of the accounts set out in Section 11 of this Ordinance or any other of said bonds owned or controlled directly or indirectly by the City) by an instrument or instruments in writing signed by such holders and filed with the City Clerk shall have power to assent to and authorize any modification of the rights and obligations of the City and of the holders of the 2012 Bonds, the Outstanding Parity Bonds and of Additional Bonds and the provisions of this Ordinance that shall be proposed by the City, and any action authorized to be taken with the assent and authority given as aforesaid of the holders of sixty percent (60%) in principal amount of said bonds shall be binding upon all holders of said 2012 Bonds, the Outstanding Parity Bonds and Additional Bonds at the time outstanding hereunder and upon the City as fully as though such action were specifically and expressly authorized by the terms of this Ordinance; provided, always, that no such modification shall be made which will (a) extend the time of payment of the principal of or interest on any of said

bonds or reduce the principal amount thereof or the rate of interest thereon; or (b) give to any of said bonds secured by this Ordinance any preference over any other of said bond or bonds; or (c) authorize the creation of any lien prior to the pledge of the revenues afforded by this Ordinance for the 2012 Bonds, the Outstanding Parity Bonds and any Additional Bonds; or (d) reduce the percentage in principal amount of said outstanding bonds required to assent to or authorize any such modification. Any modification of the provisions of this Ordinance made as aforesaid shall be set forth in a supplemental ordinance to be adopted by the Mayor and City Council of said City.

Section 21. So long as any of the 2012 Bonds, the Outstanding Parity Bonds, or any Additional Bonds of equal lien are outstanding, each of the obligations, duties, limitations and restraints imposed upon the City by this Ordinance shall be deemed to be a covenant between the City and every holder of said bonds, and this Ordinance and every provision and covenant thereof shall constitute a contract of the City with every holder from time to time of said bonds. Any holder of a 2012 Bond, or Additional Bond or Bonds may by mandamus or other appropriate action or proceeding at law or in equity in any court of competent jurisdiction enforce and compel performance of this Ordinance and every provision and covenant thereof including, without limiting the generality of the foregoing, the enforcement of the performance of all duties required by the City by this Ordinance and the applicable laws of the State of Nebraska, including in such duties the making and collecting of sufficient rates, rentals, fees or charges for the use and service of the Combined Utilities, the segregation of the revenues of said system and the application thereof to the respective Fund and Accounts referred to and described in Section 11 of this Ordinance.

Section 22. The City's obligations under this Ordinance and the liens, pledges, dedications, covenants and agreements of the City herein made or provided for shall be fully discharged and satisfied as to any 2012 Bonds, or Additional Bonds issued hereunder, and said bonds shall no longer be deemed outstanding hereunder, if such bonds shall have been purchased and cancelled by the City or, as to any of said bonds not theretofore purchased and cancelled by the City, when payment of the principal of and any applicable redemption premium, if any, on such bonds plus interest thereon, to the respective dates of maturities or redemption (a) shall have been made or caused to be made in accordance with the terms thereof; or (b) shall have been provided for by depositing in escrow with any state or national bank having trust powers, or trust company, in trust solely for such payment (i) sufficient monies to make such payment or (ii) direct general obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as "Government Obligations") in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal at such time or times as will insure the availability of sufficient monies to make such payment, and such bonds shall cease to draw interest from the date of their redemption or maturity and, except for the purposes of such payment, shall no longer be entitled to the benefits of this Ordinance except for payment from such deposit and shall no longer be considered as outstanding; provided that, with respect to any such bonds called or to be called for redemption, the City shall have duly given notice of redemption, or made irrevocable provision for giving such notice. Any such monies so deposited with the aforesaid bank or trust company as provided in this section may be invested and reinvested in Government Obligations at the direction of the City, and all interest and income from all such Government Obligations in the hands of the aforesaid bank or trust company which is not required to pay principal or interest on such bonds for which deposit has been made shall be paid to the City as

and when realized and collected.

Section 23. Said 2012 Bonds are hereby sold to Ameritas Investment Corp. at _____% of the principal amount thereof, and the City Treasurer is authorized to deliver the bonds to said purchaser upon receipt of the purchase price plus accrued interest to date of payment. Said 2012 Bonds are sold to the purchaser subject to the opinion of independent bond counsel that said 2012 Bonds are lawfully issued; that said 2012 Bonds constitute a valid obligation of the City; and that under existing laws and regulations, the interest on said 2012 Bonds is exempt from both Nebraska state and federal income taxes.

Section 24. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City being the only "obligated persons" other than the City with respect to the 2012 Bonds, and being an "obligated person" with respect to no more than \$10,000,000 in aggregate amount of outstanding municipal securities (including the 2012 Bonds), agrees that it will provide the following continuing disclosure information to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB:

- (a) at least annually not later than nine months after the end of the City's fiscal year, financial information or operating data for the City which is customarily prepared by the City and is publicly available, including the City's audited financial statements and information of the type accompanying the audited financial statements of the City entitled "Management's Discussion and Analysis";
- (b) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the 2012 Bonds:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the 2012 Bonds;
 - (7) modifications to rights of the holders of the 2012 Bonds, if material;

- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the 2012 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar events of the City (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City);
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

The City agrees that all documents provided to the MSRB under the terms of this continuing disclosure undertaking shall be in such electronic format and accompanied by such identifying information as shall be prescribed by the MSRB. The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information or the accounting methods in accordance with which such information is presented, to the extent necessary or appropriate in the judgment of the City, consistent with the Rule. The City agrees that such covenants are for the benefit of the registered owners of the 2012 Bonds (including Beneficial Owners) and that such covenants may be enforced by any registered owner or Beneficial Owner, provided that any such right to enforcement shall be limited to specific enforcement of such undertaking and any failure shall not constitute an event of default under the Ordinance. The continuing disclosure obligations of the City, as described above, shall cease when none of the 2012 Bonds remain outstanding.

The City believes it has substantially complied with its continuing disclosure undertakings pursuant to the Rule with respect to each of the five most recently completed fiscal years. Any failure to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2012 Bonds in the secondary market.

Section 25. The Mayor and Council hereby approve and deem final on behalf of the City the Preliminary Official Statement prepared with respect to the 2012 Bonds and hereby authorizes the Mayor or Clerk to approve, execute and deliver on behalf of the City a final Official Statement relating to and describing the 2012 Bonds. The officers of the City are further authorized to take any and all actions deemed necessary by them in connection with the carrying out and performance of the terms of this Ordinance.

Section 26. The City of Central City, Nebraska, hereby covenants to the purchasers and holders of the 2012 Bonds that it will make no use of the proceeds of said bond issue, including monies held in any sinking fund for the payment of said 2012 Bonds, which would cause said 2012 Bonds 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 and 148 and all applicable regulations thereunder throughout the term of said bond issue. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax-exempt status of interest payable on the 2012 Bonds with respect to taxpayers generally but not including insurance companies or corporations subject to the additional minimum tax. The City hereby designates the 2012 Bonds 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 anticipate issuing tax-exempt obligations in calendar 2012 in an amount in excess of \$10,000,000.

Section 27. 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 28. All ordinances, resolutions or orders or parts thereof in conflict with the

provisions of this ordinance are to the extent of such conflict hereby repealed.

Section 29. This ordinance shall be published in pamphlet form and take effect as provided by law.

PASSED AND APPROVED this _____ day of _____, 2012.

Mayor

ATTEST:

City Clerk

(S E A L)