

ORDINANCE NO. 2020-10

AN ORDINANCE AUTHORIZING THE ISSUANCE OF ELECTRIC REVENUE REFUNDING BONDS, SERIES 2020, OF THE CITY OF WAYNE, NEBRASKA, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWO MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$2,150,000) FOR THE PURPOSE OF REFINANCING THE COSTS OF ENLARGING, EXPANDING AND IMPROVING THE CITY'S ELECTRIC PLANT AND DISTRIBUTION SYSTEM; DIRECTING THE APPLICATION OF THE PROCEEDS OF SAID BONDS; PAYING AND REDEEMING ALL OR A PORTION OF THE CITY'S ELECTRIC REVENUE BOND ANTICIPATION NOTES, SERIES 2017, AND THE ELECTRIC REVENUE BONDS, SERIES 2012, WHICH ARE CURRENTLY OUTSTANDING; PRESCRIBING THE FORM, TERMS AND DETAILS OF SAID BONDS; PLEDGING AND HYPOTHECATING THE REVENUES AND EARNINGS OF THE ELECTRIC SYSTEM OF SAID CITY FOR THE PAYMENT OF SAID BONDS AND INTEREST THEREON; PROVIDING FOR THE COLLECTION, SEGREGATION AND APPLICATION OF THE REVENUES OF SAID ELECTRIC SYSTEM; SETTING AND DETERMINING CERTAIN TERMS OF THE BONDS AND AUTHORIZING OFFICERS OF THE CITY TO SET AND DETERMINE CERTAIN TERMS OF THE BONDS; APPROVING AN UNDERTAKING WITH RESPECT TO CONTINUING DISCLOSURE; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED by the Mayor and Council of the City of Wayne, Nebraska, as follows:

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

(a) The City owns and operates an electric plant and distribution system which constitutes a revenue producing facility and undertaking within the meaning of such term as set forth in Sections 18-1803 to 18-1805 R.R.S. Neb. 2012, as amended; that said plant and system together with all additions and improvements thereto hereafter acquired or constructed are herein referred to as the "Electric System";

(b) The City has outstanding the following indebtedness:

(i) Electric Revenue Bonds, Series 2012, date of original issue – March 27, 2012, issued pursuant to an ordinance of the City, in the original principal amount of \$1,680,000, of which \$930,000 in principal amount currently remain outstanding and unpaid (the "Outstanding Bonds"), which were issued to provide permanent financing to pay a portion of the costs of certain improvements, enlargements and expansions to the City's Electric System and for which the revenues of the Electric System have been pledged and hypothecated; and

(ii) Electric Revenue Bond Anticipation Notes, Series 2017, date of original issue – November 15, 2017, issued pursuant to an ordinance of the City, in the original principal amount of \$1,320,000, of which \$1,320,000 in principal amount currently remain outstanding and unpaid (the "Outstanding Notes" and together with the Outstanding Bonds, the "Outstanding Obligations"), which were issued to provide temporary financing to pay a portion of the costs of certain improvements, enlargements and expansions to the City's Electric System.

(c) The following determinations are hereby made:

- (i) “Net Revenues” of the Electric System (as defined in the ordinance authorizing the Outstanding Bonds) for the fiscal year ending September 30, 2019 were not less than \$1,000,000;
- (ii) The “Average Annual Debt Service Requirements” (as defined in the ordinance authorizing the Outstanding Bonds) of the Outstanding Obligations and the bonds authorized herein shall not exceed \$400,000; and
- (iii) This Ordinance provides for an increase in the monthly credits to the Bond Payment Account (as described and established under the ordinance authorizing the Outstanding Bonds) sufficient to pay when due the principal and interest on the Outstanding Obligations and the bonds herein authorized and for a reserve for the bonds herein authorized;

(d) It is necessary, desirable, advisable and in the best interests of the City that the City provide for the payment and redemption of all or a portion of the Outstanding Obligations by the application of available funds of the City and the issuance of electric revenue refunding bonds of the City pursuant to the provisions of Sections 10-142 and 18-1803 to 18-1805, inclusive, Reissue Revised Statutes of Nebraska, as amended, as provided herein. The Outstanding Obligations are herein authorized to be irrevocably called for redemption on a date to be determined (the “Redemption Date”) by the Authorized Officers, as described herein;

(e) The Outstanding Obligations are the only presently outstanding obligations of the City payable from the Revenues; and

(f) All conditions, acts and things required by law to exist or to be done precedent to the issuance of the 2020 Bonds herein authorized do exist and have been done and performed in regular and due time as provided by law.

Section 2. In addition to the definitions provided in parentheses elsewhere in this Ordinance, the following definitions of terms shall apply, unless the context shall clearly indicate otherwise:

(a) the term “Additional Bonds” shall mean any and all bonds hereafter issued by the City pursuant to the terms of this Ordinance, including any such bonds issued pursuant to Section 15 of this Ordinance and refunding bonds issued pursuant to Section 16 of this Ordinance.

(b) the term “Average Annual Debt Service Requirements” shall mean that number computed by adding all of the principal and interest due when computed to the absolute maturity of the bonds for which such computation is required and dividing by the number of years remaining that the longest bond of any issue for which such computation is required has to run to maturity. In making such computation, the principal of any bonds for which mandatory redemptions are scheduled shall be treated as maturing in accordance with such schedule of mandatory redemptions.

(c) the term “Code” shall mean the Internal Revenue Code of 1986, as amended.

(d) the term “2020 Debt Service Reserve Requirement” shall mean an amount equal to the debt service reserve requirement as shall be determined in the Designation.

(e) the term “Deposit Securities” shall mean obligations of the United States of America, direct or unconditionally guaranteed, including any such obligations issued in book entry form.

(f) the term “Net Revenues” shall mean the gross revenues derived by the City from the ownership or operation of the Electric System, including investment income, but not including any income from sale or disposition of any property belonging to or forming a part of the Electric System, less the ordinary expenses for operating and maintaining the Electric System payable from the Operation and Maintenance Account described in Section 13 of this Ordinance. Operation and Maintenance expenses for purposes of determining “Net Revenues” shall not include depreciation, amortization of financing expenses or interest on any bonds or other indebtedness. Net Revenues for all purposes of this Ordinance shall be shown by an audit for the fiscal year in question as conducted by an independent certified public accountant or firm of such accountants, provided, however, for purposes of determining compliance with requirements for issuing Additional Bonds, in the event that as of the time of authorization or issuance of Additional Bonds, the financial statements for the most recently completed fiscal year have not yet been completed and reported on by the City’s certified public accountant, compliance may be shown using the audited financial statements for the most recently completed fiscal year for which audited financial statements are available and unaudited financial statements (certified by the City Treasurer) for the most recently completed fiscal year so long as compliance is shown for both such fiscal years.

(g) the term “Paying Agent and Registrar” shall mean the City Treasurer or a bank or trust company appointed to act as paying agent and registrar for the 2020 Bonds pursuant to Section 4 hereof, or any successor thereto.

(h) the term “Revenues” shall mean all of the rates, rentals, fees and charges, earnings and other monies, including investment income, from any source derived by the City of Wayne, Nebraska, through its ownership and operation of the Electric System.

Section 3. For the purposes described in Section 1, there shall be and there are hereby authorized to be issued the negotiable bonds of the City of Wayne, Nebraska, to be designated as “Electric Revenue Refunding Bonds, Series 2020” (the “2020 Bonds”), in the aggregate stated principal amount of not to exceed Two Million One Hundred Fifty Thousand Dollars (\$2,150,000), with said bonds bearing interest at the rates per annum and to become due as determined by the Mayor, City Administrator or City Clerk (each, an “Authorized Officer”) as set out in one or more written designations which may be included in a bond purchase agreement (each, a “Designation”).

The Bonds or any portion thereof are hereby authorized to be sold pursuant to a negotiated sale with an underwriter, as initial purchaser (the “Underwriter”), which Underwriter shall be approved by an Authorized Officer. In connection with such sale, the Authorized Officers, or any one or more of them, are hereby authorized to specify, determine, designate, establish and appoint, as the case may be, in a Designation, (i) the aggregate purchase price of the Bonds (including any original issue discount or premium) and the underwriting discount which shall not exceed 1.25% of the aggregate stated principal amount thereof, (ii) the form and contents of any bond purchase agreement in connection with such sale, (iii) the title (including series designation), dated date, aggregate principal amount (including the aggregate principal amounts of serial Bonds and term Bonds, if any), which aggregate stated principal amount shall not exceed \$2,150,000, and the

final maturity date, which shall not be later than December 15, 2032, (iv) the principal amounts maturing in each year, (v) the rate or rates of interest to be borne by each principal maturity of the Bonds, provided that present value savings results from refunding the Outstanding Obligations, (vi) the principal payment dates and interest payment dates, (vii) whether the Bonds will be subject to redemption prior to their stated maturity, and if subject to such optional redemption, the provisions governing such redemption, including a redemption price not to exceed 104% of the principal amount then being redeemed plus accrued interest to the date of redemption, (viii) the amount and due date of each sinking fund installment for any of the Bonds issued as term Bonds, (ix) the amount of funds (which may be \$0), whether from bond proceeds or other funds of the City, to be deposited into the Debt Service Reserve Fund, (x) the designation of the Paying Agent and Registrar (defined herein) and the form and content of any agreement between the City and such entity and (xi) all other terms and provisions of the Bonds not otherwise specified or fixed by this Ordinance.

The Authorized Officers, or each individually, are hereby authorized to irrevocably call the Outstanding Obligations (as called for redemption, the “Refunded Bonds”) for redemption on such date(s) he or she determines appropriate, which date or dates shall be the “Redemption Date” hereunder. The Authorized Officers, or each individually, are hereby authorized to designate, approve, execute and deliver, as the case may be, the form, content, terms and provisions of any published and/or mailed notice of redemption with respect to the payment and redemption of the Refunded Bonds, and direct the application of such proceeds and any investment income to the payment of all of the principal of and interest on the Refunded Bonds maturing on or before each respective Redemption Date and the application of the balance of such proceeds and any investment income thereof to the redemption and retirement of the Refunded Bonds on the Redemption Date.

The 2020 Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the 2020 Bonds shall be the date of delivery thereof. Interest on the 2020 Bonds, at the respective rates for each maturity, shall be payable on such dates as determined in the Designation (each an “Interest Payment Date”), and the 2020 Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date, whichever is later. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. 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 15th day immediately preceding the Interest Payment Date (the “Record Date”), subject to the provisions of Section 5 hereof. The 2020 Bonds shall be numbered from 1 upwards in the order of their issuance. No 2020 Bond 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 2020 Bonds issued shall be as designated by the City Treasurer as directed by the Underwriter. Payments of interest due on the 2020 Bonds prior to maturity or earlier redemption shall be made by the Paying Agent and

Registrar as designated pursuant to Section 4 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each 2020 Bond, as of the Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 4 hereof. Payments of principal due at maturity or at any date fixed for redemption prior to maturity together with any unpaid interest accrued thereon shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the 2020 Bonds to the Paying Agent and Registrar. The City and the Paying Agent and Registrar may treat the registered owner of any 2020 Bond as the absolute owner of such 2020 Bond for the purpose of making payments thereon and for all other purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such 2020 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 2020 Bond in accordance with the terms of this Ordinance shall be valid and effectual and shall be a discharge of the City and the Paying Agent and Registrar, in respect of the liability upon the 2020 Bonds or claims for interest to the extent of the sum or sums so paid.

Section 4. The Designation shall designate the City Treasurer or a bank or trust company as the Paying Agent and Registrar for the 2020 Bonds. If the Paying Agent and Registrar is a bank or trust company, it shall serve in such capacities under the terms of the Paying Agent and Registrar's Agreement between the City and said Paying Agent and Registrar, in a form approved by an Authorized Officer. The Mayor and City Clerk are hereby authorized to execute the Paying Agent and Registrar's Agreement on behalf of the City in a form approved by an Authorized Officer. The Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the 2020 Bonds at its designated corporate trust office. The names and registered addresses of the registered owner or owners of the 2020 Bonds shall at all times be recorded in such books. Any 2020 Bond may be transferred pursuant to its provisions at the designated corporate trust office of said 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 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 2020 Bond or 2020 Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the 2020 Bonds by this Ordinance, one 2020 Bond may be transferred for several such 2020 Bonds of the same interest rate and maturity, and for a like aggregate principal amount, and several such 2020 Bonds may be transferred for one or several such 2020 Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a 2020 Bond, the

surrendered 2020 Bond or 2020 Bonds shall be canceled and destroyed. All 2020 Bonds issued upon transfer of the 2020 Bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the 2020 Bonds surrendered and shall be entitled to all the benefits and protection of this Ordinance to the same extent as the 2020 Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any 2020 Bond during any period from any Record Date until its immediately following Interest Payment Date or to transfer any 2020 Bond called for redemption for a period of 30 days next preceding the date fixed for redemption. For purposes of this Ordinance, the designated corporate trust office of the Paying Agent and Registrar shall be the Paying Agent and Registrar's principal corporate trust office in Lincoln, Nebraska, but such designation may be changed from time to time by notice to the City and the registered owners of the Bonds.

Section 5. In the event that payments of interest due on the 2020 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 2020 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 6. The 2020 Bonds shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary of the date of original issue thereof (or such other date as may be determined in the Designation), or at any time thereafter, at the principal amount thereof together with accrued interest on the principal amount redeemed to the date fixed for redemption, or such earlier date or dates as determined by an Authorized Officer and set out in the Designation. Such optional redemption shall be made from time to time as shall be directed by the Mayor and Council of the City. The City may select the 2020 Bonds for optional redemption in its sole discretion. The 2020 Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof.

Any 2020 Bond redeemed in part only shall be surrendered to said Paying Agent and Registrar in exchange for a new 2020 Bond evidencing the unredeemed principal thereof. Notice of redemption of any 2020 Bond called for redemption shall be given, at the direction of the City by said Paying Agent and Registrar or in the case of Term Bonds, without further direction of the City, by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such 2020 Bond at said owner's registered address. Such notice shall designate the 2020 Bond or 2020 Bonds to be redeemed by maturity or otherwise, the date of original issue and the date fixed for redemption and shall state that such 2020 Bond or 2020 Bonds are to be presented for prepayment at the designated corporate trust office of said Paying Agent and Registrar. In case of any 2020 Bond partially redeemed, such notice shall specify the portion of the principal amount of such bond to be redeemed. No defect in the mailing of notice for any 2020 Bond shall affect the sufficiency of the proceedings of the City designating the 2020

Bonds called for redemption or the effectiveness of such call for 2020 Bonds for which notice by mail has been properly given and the City shall have the right to further direct notice of redemption for any such 2020 Bond for which defective notice has been given.

Section 7. If the date for payment of the principal of or interest on the 2020 Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated corporate trust 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 8. The 2020 Bonds shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF WAYNE
CITY OF WAYNE**

ELECTRIC REVENUE REFUNDING BOND, SERIES 2020

No. _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
	_____, 15, 20__	_____, 2020	

Registered Owner:

Principal Amount: _____ Thousand Dollars

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Wayne, in the County of Wayne, in the State of Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the special sources hereinafter described, to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Interest Payment Date, whichever is later, at the rate per annum specified above payable _____, 20__ and semiannually thereafter on _____ and _____ of each year (each, an "Interest Payment Date"). Such interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of this bond together with interest thereon unpaid and accrued at maturity (or earlier redemption) is payable upon presentation and surrender of this bond at the designated corporate trust office of _____, as Paying Agent and Registrar, in _____, _____. Interest on this bond due prior to maturity or earlier redemption will be paid on each Interest Payment Date by a check or draft mailed by the Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the 15th day immediately preceding the Interest Payment Date, to such owner's address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this 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.

This bond is one of an issue of fully registered bonds of the total principal amount of _____ (\$_____), of even date and like tenor except as to date of maturity, rate of interest and denomination, (the "2020 Bonds") which were issued by the City for the purpose of refunding (i) \$_____ principal amount of the City's Electric Revenue Bonds, Series 2012, date of original issue – March 27, 2012; and (ii) \$_____ principal amount of the City's Electric Revenue Bond Anticipation Notes, Series 2017, date of original issue – November 15, 2017, which bonds were originally issued to provide the cost of certain improvements to the City's electric system, which system includes an electric generating plant and a distribution system and other electric system upgrades of the City of Wayne, Nebraska; funding a reserve; and paying costs of issuance, and is issued pursuant to the terms of an ordinance (the "Ordinance") passed and approved by the Mayor and Council of said City in accordance with and under the provisions of Sections 10-142 and 18-1803 to 18-1805, R.R.S. Neb. 2012, as amended.

The 2020 Bonds are subject to redemption at the option of the City, in whole or in part, at any time on or after the fifth anniversary of the date of original issue thereof, at the principal amount thereof, together with accrued interest on the principal amount redeemed to the date fixed for redemption. Such optional redemption shall be made from time to time as shall be directed by the Mayor and Council of the City. The City may select the 2020 Bonds for optional redemption in its sole discretion.

Bonds maturing _____, 20__ shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date of October 15 of the years, and in the principal amounts, as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
October 15 of the Year	
20__	\$
20__	
20__*	

*Final maturity

Notice of redemption shall be given by mail to the registered owner of any 2020 Bond called for redemption in the manner specified in the Ordinance. Individual bonds may be redeemed in part but only in \$5,000 amounts or integral multiples thereof.

This bond is transferable by the registered owner or such owner’s attorney duly authorized in writing at the designated corporate trust 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, subject to the limitations therein prescribed. The City, the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the date for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated corporate trust 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.

The revenues and earnings of the electric system of the City, including all improvements and additions thereto hereafter constructed or acquired (the “Electric System”), are pledged and hypothecated, equally and ratably for the payment of this bond and the other 2020 Bonds, [the 2012 Bonds outstanding], and for the payment of any additional bonds of equal priority issued in accordance with the terms of the Ordinance. The 2020 Bonds have a lien only upon said revenues and earnings and are not general obligations of the City of Wayne, Nebraska.

The Ordinance sets forth the covenants and obligations of the City with respect to the Electric System and the applications of the revenues and earnings thereof, which revenues and earnings under the terms of the Ordinance are required to be deposited to the “Wayne Electric Fund” (as set forth in the Ordinance) and disbursed to pay costs of operation and maintenance of the Electric System, make payments of principal and interest on the 2020 Bonds and any additional bonds and other payments as specified in the Ordinance. The Ordinance also designates the terms and conditions under which additional bonds of

equal priority with the Bonds may be issued. The Ordinance also designates the terms and conditions upon which this bond shall cease to be entitled to any lien, benefit or security under such Ordinance and all covenants, agreements and obligations of the City under the Ordinance may be discharged and satisfied at or prior to the maturity or redemption of this bond if monies or certain specified securities shall have been deposited with a trustee bank. In the Ordinance the City also reserves the right to issue bonds or notes junior in lien to the 2020 Bonds, and additional bonds, the principal and interest of which shall be payable from monies in the "Surplus Account" of the Wayne Electric Fund as described in the Ordinance.

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 did exist, did happen and were done and performed in regular and due form and time as required by law.

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 HEREOF 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 PERSONS 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.

IN WITNESS WHEREOF, the Mayor and Council of the City of Wayne, Nebraska, have caused this bond to be executed on behalf of the City with the facsimile signatures of the Mayor and the City Clerk of the City and by causing the official seal of the City to be imprinted hereon, all as of the Date of Original Issue shown above.

CITY OF WAYNE, NEBRASKA

(facsimile signature)

Mayor

ATTEST:

(facsimile signature)

City Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by Ordinance passed and approved by the Mayor and Council of the City of Wayne, in the State of Nebraska, as described in said bond.

_____, _____,
Paying Agent and Registrar

By: _____
Authorized Signature

ASSIGNMENT

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

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

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the 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.

Medallion Signature Guarantee:

Section 9. Each of the 2020 Bonds shall be executed on behalf of the City with the facsimile signatures of the Mayor and the City Clerk and shall have imprinted thereon the City's seal (which may be a facsimile seal). The 2020 Bonds shall be issued initially as "book-entry-only" bonds under 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 (the "Letter of Representations") in the form required by the Depository (including any blanket letter previously executed and delivered), for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the 2020 Bonds. With respect to the issuance of the 2020 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 2020 Bonds as securities depository (each, a "Bond Participant") or to any person who is an actual purchaser of a 2020 Bond from a Bond Participant while the 2020 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 2020 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 2020 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 2020 Bonds. The Paying Agent and Registrar shall make payments with respect to the 2020 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 2020 Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated 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 or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange 2020 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 2020 Bonds or (ii) to make available 2020 Bonds registered in whatever name or names as the Beneficial Owners transferring or exchanging such 2020 Bonds shall designate.

(c) If the City determines that it is desirable that certificates representing the 2020 Bonds be delivered to the ultimate beneficial owners of the 2020 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 2020 Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the 2020 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 2020 Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such 2020 Bond and all notices with respect to such 2020 Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the 2020 Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the 2020 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.

(f) In the event of any partial redemption of a 2020 Bond unless and until such partially redeemed 2020 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 bond as is then outstanding and all of the 2020 Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository is terminated or resigns and is not replaced, or upon termination by the City of book-entry-only form, the City shall immediately provide a supply of printed bond certificates, for issuance upon the transfers from the Depository and subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement 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 signatures of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any 2020 Bond shall cease to be such officer before the delivery of such bond (including such 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 the 2020 Bond. The 2020 Bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The 2020 Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration, and authentication of the 2020 Bonds, they shall be delivered to the City Treasurer, acting on behalf of the City, who is authorized to deliver them to the Underwriter. The 2020 Bonds shall be sold to the Underwriter upon receipt of the purchase price as shall be determined in the Designation, plus accrued interest, if any, thereon to date of

payment and delivery (which purchase price may be modified by the Designation, including modification resulting from net original discount or net original premium). The Authorized Officers (or any one of them) are hereby authorized to execute and deliver the Bond Purchase Agreement for and on behalf of the City, in a form approved by an Authorized Officer. The Underwriter shall have the right to direct the registration of the 2020 Bonds and the denominations thereof within each maturity, subject to the restrictions of this Ordinance. The Underwriter and its agents, representatives and counsel, and Gilmore & Bell, P.C., the City's bond counsel, are hereby authorized to take such actions on behalf of the City as are necessary to effectuate the closing of the issuance and sale of the 2020 Bonds and the redemption and payment of the Refunded Bonds, including without limitation, authorizing the release of the 2020 Bonds by the Depository at closing. The City Clerk shall make and certify a transcript of the proceedings of the Mayor and Council with respect to the 2020 Bonds, a copy of which shall be delivered to the Underwriter.

Section 10. Proceeds of the 2020 Bonds shall be applied to pay and redeem the Refunded Bonds. Accrued interest, if any, received from the sale of the 2020 Bonds shall be applied to pay interest first falling due on the 2020 Bonds, and shall be credited to the Bond Payment Account as described in Section 13 hereof. Costs of issuance of the 2020 Bonds may be paid from the proceeds of the 2020 Bonds. An amount equal to the 2020 Debt Service Reserve Requirement from proceeds of the 2020 Bonds and/or from other funds of the City shall be deposited to the Debt Service Reserve Account (into the sub-account for the 2020 Bonds).

Section 11. The City hereby agrees that it will impose and maintain and shall revise from time to time when necessary and shall collect such rentals, rates, fees and charges for the use and services of the Electric System which in the aggregate shall be sufficient at all times to enable the City to pay the principal and interest on the 2020 Bonds, the Outstanding Bonds and any Additional Bonds as the same become due.

Section 12. The City will maintain and collect rates and charges for all services furnished from its Electric System adequate to produce revenues and earnings sufficient at all times:

- (a) to provide for the payment of interest on and principal of the 2020 Bonds, the Outstanding Bonds and any Additional Bonds as such interest and principal become due;
- (b) to pay all reasonable costs of operation and maintenance of the Electric System, including adequate insurance as provided by this ordinance and to pay for the necessary and reasonable repairs, replacements and extensions of said Electric System; and
- (c) to establish and maintain the 2020 Debt Service Reserve Account as hereinafter set forth and any debt service reserves account for Additional Bonds.

Section 13. The Revenues and earnings of the Electric System, in accordance with the pledge set forth in Section 11 of this ordinance, shall be collected, deposited, held and applied as follows:

- (a) **WAYNE ELECTRIC FUND** - The entire gross revenues and income derived from the operation of the Electric System shall be set aside as collected and deposited in a separate fund

which has been ordered to be created and which is hereby confirmed, designated as the “Wayne Electric Fund.” For purposes of allocating the monies in the Wayne Electric Fund, the City shall maintain the following accounts: (1) Operation and Maintenance Account; (2) Bond Payment Account; (3) Debt Service Reserve Account (including the reserve sub-account for the 2020 Bonds as provided for in this Ordinance); and (4) Surplus Account.

(b) **OPERATION AND MAINTENANCE ACCOUNT** - Out of the Wayne Electric Fund there shall be monthly credited into the Operation and Maintenance Account such amounts as the City shall from time to time determine to be necessary to pay the reasonable and necessary expenses of operating and maintaining the Electric System and the City may withdraw funds credited to the Operation and Maintenance Account as necessary from time to time to pay such expenses.

(c) **BOND PAYMENT ACCOUNT** - Out of the Wayne Electric Fund there shall be credited monthly on or before the first day of each month to the Bond Payment Account, in addition to payments on the Outstanding Bonds as set forth in the ordinance authorizing the Outstanding Bonds, starting with the month immediately following the issuance of the 2020 Bonds, the following amounts:

(1) beginning on the first day of the month (or such other day of the month as may be determined in the Designation) immediately following the month in which the 2020 Bonds are issued and continuing the first day of each month thereafter (or such other day of the month as may be determined in the Designation) so long as any of the 2020 Bonds herein authorized remain outstanding and unpaid, an amount not less than the amount which, if the same amount were deposited each month, would be sufficient to pay the interest becoming due on the 2020 Bonds on the next succeeding Interest Payment Date.

(2) beginning on the first day of the month (or such other day of the month as may be determined in the Designation) immediately following the month in which the 2020 Bonds are issued (or such other month as may be determined in the Designation) and continuing the first day of each month thereafter (or such other day of the month as may be determined in the Designation) so long as any of the 2020 Bonds herein authorized remain outstanding and unpaid, an amount not less than the amount which, if the same amount were deposited each month, would be sufficient to pay the next maturing principal payment for the 2020 Bonds; and

The City Treasurer is hereby authorized and directed, without further authorization, to withdraw monies credited to the Bond Payment Account, or if the monies in such Account are insufficient, then from the sub-accounts within the Debt Service Reserve Account (but only for the series of bonds for which each respective sub-account has been established) and next from the Surplus Account, an amount sufficient to pay, when due, the principal of and interest on the 2020 Bonds or any Additional Bonds and to transfer such amounts due to the respective paying agents or direct payees for the 2020 Bonds and any Additional Bonds, at least five (5) business days before each principal and interest payment date. Upon the issuance of any Additional Bonds pursuant to this Ordinance, appropriate additional credits to the Bond Payment Account shall be provided for sufficient to pay principal and interest on said Additional Bonds.

(d) **DEBT SERVICE RESERVE ACCOUNT** - The City agrees that it shall deposit from bond proceeds and/or other funds of the City an amount equal to the 2020 Debt Service Reserve

Requirement as the amount required to be maintained attributable to the 2020 Bonds in a separate sub-account in the Debt Service Reserve Account. Monies credited to the Debt Service Reserve Account may be withdrawn, but only from the designated sub-account for a specific issue, as needed, to provide funds to pay, when due, the principal of and interest on the 2020 Bonds and any Additional Bonds issued pursuant to this Ordinance, as the case may be, if the Bond Payment Account contains insufficient funds for that purpose, and the City Treasurer is hereby authorized and directed to make such withdrawal if and when needed. In the event of a withdrawal from the Debt Service Reserve Account, there shall be credited to the Debt Service Reserve Account in the month following such withdrawal all monies in the Wayne Electric Fund remaining after making the payments required to be made in such month to the Bond Payment Account and the Operation and Maintenance Account and each month thereafter all such remaining monies shall be credited to the appropriate sub-account in the Debt Service Reserve Account until such sub-account has been restored to the required balance. Upon the issuance of any Additional Bonds, the amount required to be accumulated and maintained in the Debt Service Reserve Account, in a separate sub-account for such Additional Bonds, shall be that amount determined by the Mayor and Council to be appropriate or required (which may be \$-0-) in connection with any such issue of Additional Bonds. Any required increase shall be provided for either by credit made from bond proceeds or current funds of the Electric System then available or by equal monthly credits from the Wayne Electric Fund made in such amounts so that the required amount shall be accumulated in a period of not more than five years. Each sub-account in the Debt Service 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 2020 Bonds or any issue of Additional Bonds for which a sub-account has been established is no longer outstanding, the particular sub-account for such issue shall no longer be required to be maintained. Anything in this subsection 13(d) to the contrary notwithstanding, the amount required to be maintained in the Debt Service Reserve Account with respect to the 2020 Bonds or any issue of Additional Bonds shall not at any time exceed the maximum amount permitted to be invested without yield restriction under Sections 103(b) and 148 of Code and applicable regulations of the United States Treasury Department.

(e) **SURPLUS ACCOUNT** - Monies in the Wayne Electric Fund remaining after the credits required in the foregoing Subsections 13(b), 13(c), and 13(d) shall be credited to the Surplus Account. Monies in the Surplus Account may be used to make up any deficiencies in any of the preceding Accounts, to retire any of the 2020 Bonds or any Additional Bonds prior to their maturity, to pay principal of and interest on any junior lien indebtedness incurred with respect to the Electric System, to provide for replacements or improvements for the Electric System or to provide for any other lawful purpose of the City (including payments in lieu of taxes or interfund transfers) as directed by the Mayor and City Council.

The provisions of this Section shall require the City to maintain a set of books and records in accordance with such accounting methods and procedures as are generally applicable to municipal utility enterprises, which books and records shall show credits to and expenditures from the several Accounts required by this Section. Monies credited to the Wayne Electric Fund or any of the Accounts therein as established by this Ordinance shall be deposited or invested separate and apart from other City funds. Except as specified below for the Debt Service Reserve Account, the City shall not be required to establish separate bank or

investment accounts for the Accounts described in Subsections 13(b), 13(c), 13(d), and 13(e). Monies credited to the Debt Service Reserve Account shall, if maintained in a demand or time deposit account, be kept in a separate account and not commingled with other Electric System funds or accounts. If invested, monies credited to the Debt Service Reserve Account may be commingled with other Electric System funds or accounts so long as the City maintains books and records clearly identifying the specific investments, or portions thereof, which belong to the Debt Service Reserve Account and each respective sub-account therein.

Monies in any of said Accounts except the Debt Service Reserve Account may be invested in investments permissible for a city of the second class. Monies in the Debt Service Reserve Account may be invested in Deposit Securities. Monies invested from the Debt Service Reserve Account shall be invested to mature in not more than five years. Investments held for the Debt Service Reserve Account will be valued at cost for purposes of determining compliance with the requirements of this Ordinance as to the amount required to be maintained in the Debt Service Reserve Account or any sub-account therein. Income from or profit realized from investments for any Account or any sub-account shall be credited to such Account or sub-account until such Account or sub-account contains any amount then required to be therein, and thereafter such income or profit shall be transferred to the Wayne Electric Fund and treated as other revenues from the operation of the Electric System. The ordinance authorizing any series of Additional Bonds for which a debt service reserve sub-account is to be established shall establish the terms for holding and investment related to such sub-account.

The pledge and hypothecation provided for the Outstanding Bonds, the 2020 Bonds and any Additional Bonds as provided for in this Ordinance is intended to and shall provide for a first and prior pledge on, lien upon and security interest in the Revenues of the Electric System superior to any pledge, lien or security interest made or given with respect to any other indebtedness of the City as to its Electric System and is intended as a full exercise of the powers of the City provided for in Sections 18-1803 to 18-1805, R.R.S. Neb. 2012, as now or hereafter amended, with respect to the City's Electric System and the revenues and earnings thereof.

Section 14. So long as any of the 2020 Bonds and any Additional Bonds issued pursuant to this Ordinance shall remain outstanding and unpaid, the City covenants and agrees to establish, revise, from time to time as necessary, and collect such rates and charges for the service furnished from the Electric System adequate to produce revenues and earnings sufficient at all times:

(a) To provide funds to pay, when due, the principal of and interest on the 2020 Bonds and any Additional Bonds issued pursuant to this Ordinance;

(b) To pay all proper and necessary costs of operation and maintenance of the Electric System and to pay for the necessary and proper repairs, replacements, enlargements, extensions and improvements to the Electric System;

(c) To provide funds sufficient to make the credits into the Accounts and at the times and in the amounts required by Section 13 of this Ordinance; and

(d) To maintain Net Revenues in each fiscal year adopted by the City for the Electric System in an amount not less than 1.10 times the total amount of principal paid or payable (exclusive of any principal redeemed prior to maturity other than principal redeemed pursuant to a schedule of mandatory redemptions) and interest falling due during such fiscal year on the 2020 Bonds and any Additional Bonds.

Section 15. To provide funds for any purpose related to the Electric System, the City may issue Additional Bonds, except for Additional Bonds issued for refunding purposes which are governed by Section 14 of this Ordinance, payable from the Revenues of the Electric System having equal priority and on a parity with the 2020 Bonds, the Outstanding Bonds and any Additional Bonds then outstanding, only upon compliance with the following conditions:

(a) Such Additional Bonds shall be issued only pursuant to an ordinance which shall provide for an increase in the monthly credits into the Bond Payment Account in amounts sufficient to pay, when due, the principal of and interest on the 2020 Bonds, any Additional Bonds then outstanding and the proposed Additional Bonds and for any monthly credits to the Debt Service Reserve Account as are required under Subsection 13(d).

(b) The City shall have complied with one or the other of the two following requirements:

- 1) The Net Revenues derived by the City from its Electric System for the fiscal year next preceding the issuance of the Additional Bonds shall have been at least equal to 1.25 times the Average Annual Debt Service Requirements of the 2020 Bonds, the Outstanding Bonds and any Additional Bonds, all as then outstanding, and of the proposed Additional Bonds, however in the event that the Mayor and Council determine it necessary and advisable for the City to issue Additional Bonds and the audit for the fiscal year next preceding the date of authorization of such Additional Bonds is not yet available, the City may issue such Additional Bonds if the audit for the fiscal year immediately preceding such next preceding fiscal year shows that the Net Revenues derived by the City from the operation of the Electric System for such fiscal year shall have been equal to 1.25 times the Average Annual Debt Service Requirements with respect to the 2020 Bonds, the Outstanding Bonds, any Additional Bonds then outstanding and the Additional Bonds proposed to be issued if the City Treasurer certifies that the unaudited books and records of the Electric System for the fiscal year next preceding the date of authorization of such Additional Bonds do not show any variance in operating results which would be sufficient to evidence a reduction in debt service coverage below 1.25 times the Average Annual Debt Service of the 2020 Bonds, the Outstanding Bonds and any Additional Bonds then outstanding and the Additional Bonds proposed to be issued; or

- 2) The City shall have received a projection made by a consulting engineer or firm of consulting engineers, recognized as having experience and expertise in municipal utility systems, projecting that the Net Revenues of the Electric System in each of the three full fiscal years after the issuance of such Additional Bonds will be at least equal to 1.25 times the Average Annual Debt Service Requirements of the 2020 Bonds and any Additional Bonds, all as then outstanding, and of the proposed Additional Bonds. In making such projection, the consulting engineer shall use as a basis the Net Revenues of the Electric System during the last fiscal year for which an independent audit has been prepared and shall adjust such Net Revenues as follows: (A) to reflect changes in rates which have gone into effect since the beginning of the year for which the audit was made, (B) to reflect such engineer's estimate of the net increase over or net decrease under the Net Revenues of the Electric System for the year for which the audit was made by reason of: (i) changes of amounts payable under existing contracts for services; (ii) additional general income from sales to customers under existing rate schedules for various classes of customers or as such schedules may be revised under a program of changes which has been adopted by the Mayor and Council of the City; (iii) projected revisions in costs for labor, wages, salaries, machinery, equipment, supplies and other operational items; (iv) revisions in the amount of service to be supplied and any related administrative or other costs associated with such increases due to increased supply from the acquisition of any new facility; and (v) such other factors affecting the projections of revenues and expenses as the consulting engineer deems reasonable and proper. Annual debt service on any proposed Additional Bonds to be issued may be estimated by the consulting engineer in projecting Average Annual Debt Service Requirements, but no Additional Bonds shall be issued requiring any annual debt service payment in excess of the amount so estimated (on a final basis) by the consulting engineer.

The City hereby covenants and agrees that so long as any of the 2020 Bonds, the Outstanding Bonds and any Additional Bonds are outstanding, it will not issue any bonds or notes payable from the revenues of the Electric System except in accordance with the provisions of this Ordinance, provided, however, the City reserves the right to issue bonds or notes which are junior in lien to the 2020 Bonds, the Outstanding Bonds and any such Additional Bonds with the principal and interest of such bonds or notes to be payable from monies credited to the Surplus Account as provided in Subsection 13(e).

Section 16. The City may issue refunding bonds which shall qualify as Additional Bonds of equal lien to refund any 2020 Bonds, the Outstanding Bonds or Additional Bonds then outstanding, provided, that if any such 2020 Bonds, the Outstanding Bonds or Additional Bonds are to remain outstanding after the issuance of such refunding bonds, the principal payments due in any calendar year in which those bonds which are to remain outstanding mature, or in any calendar year prior thereto, shall not be increased over

the amount of such principal payments due in such calendar years immediately prior to such refunding. Refunding bonds issued in accordance with this paragraph of this Section 16 may be issued as Additional Bonds of equal lien without compliance with the conditions set forth in Subsection 15(b) of this Ordinance.

The City may also issue refunding bonds which shall qualify as Additional Bonds of equal lien to refund any 2020 Bonds, the Outstanding Bonds or Additional Bonds then outstanding provided, that, if any such 2020 Bonds, the Outstanding Bonds or Additional Bonds are to remain outstanding after the application of the proceeds of the refunding bonds to the payment of the bonds which are to be refunded, such issuance must comply with the Net Revenues test set forth in Subsection 15(b)(1) of this Ordinance and, if the proceeds of such refunding bonds are not to be applied immediately to the satisfaction of the bonds which are to be refunded, then such refunding bonds must provide by their terms that they shall be junior in lien to all 2020 Bonds, the Outstanding Bonds and any Additional Bonds outstanding at the time of issuance of such refunding bonds until the time of application of their proceeds to the satisfaction of the bonds which are to be refunded. In computing Average Annual Debt Service Requirements to show compliance with said Net Revenues test for such refunding bonds, all payments of principal and interest due on such refunding bonds from the time of their issuance to the time of application of the proceeds of such refunding bonds to the satisfaction of the bonds which are to be refunded shall be excluded from such computation to the extent that such principal and interest are payable from sources other than the Revenues of the Electric System (such as bond proceeds held in escrow or investment earnings thereon) or from monies in the Surplus Account, and all payments of principal and interest due on the bonds which are to be refunded from and after the time of such application shall also be excluded. For purposes of this paragraph of this Section 16, the time of application of the proceeds of the refunding bonds to the satisfaction of the bonds which are to be refunded shall be the time of deposit with the paying agent for such bonds which are to be refunded pursuant to Section 10-126 R.R.S. Neb. 2012 (or any successor statutory provision thereto) or the time when such bonds which are to be refunded under the terms of their authorizing ordinance or ordinances are no longer deemed to be outstanding, whichever occurs sooner.

Section 17. So long as any 2020 Bonds, the Outstanding Bonds or Additional Bonds are outstanding, the City hereby covenants and agrees as follows:

(a) The City will maintain the Electric System in good condition and will continuously operate the same in a reasonable and efficient manner, and the City will punctually perform all the duties with reference to said system required by the Constitution and statutes of the State of Nebraska, but this covenant shall not prevent the City from discontinuing the use and operation of all or any portion of the Electric System so long as the Revenues derived from the City's ownership of the properties constituting the Electric System shall be sufficient to fulfill this City's obligations under Sections 15 and 16 of this Ordinance.

(b) The City will not grant any franchise or right to any person, firm or corporation to own or operate a utility system or systems in competition with the Electric System.

(c) The City will maintain insurance on the property constituting the Electric System (other than such portions of such system as are not normally insured) against risks customarily carried by similar utilities, but including fire and extended coverage insurance in an amount which would enable the City to repair, restore or replace the property damaged to the extent necessary to make the Electric System operable in an efficient and proper manner to carry out the City's obligations under this Ordinance. The Mayor and Council shall annually, after the end of each fiscal year adopted by the City for the Electric System, examine the amount of insurance carried with respect to the Electric System and shall evidence approval of such insurance by resolution. The proceeds of any such insurance received by the City shall be used to repair, replace or restore the property damaged or destroyed to the extent necessary to make the Electric System operable in an efficient and proper manner, and any amount of insurance proceeds not so used shall be credited to the Surplus Account. In the event of any such insured casualty loss, the City may advance funds to make temporary repairs or provide for an advance on costs of the permanent repair, restoration or replacement from the Operation and Maintenance Account and any such advances shall be repaid from insurance proceeds received.

(d) The City will keep proper books, records, and accounts separate from all other records and accounts in which complete and correct entries will be made of all transactions relating to the Electric System. The City will have its operating and financial statements relating to the Electric System audited annually by a certified public accountant or firm of certified public accountants. The City will furnish to the Underwriter and to the original purchaser or purchasers of each series of Additional Bonds issued hereunder, within seven months after the end of each fiscal year of the Electric System, a copy of the financial statements of the Electric System and the report thereon of the certified public accountants.

(e) The City shall cause each person handling any of the monies in the Wayne Electric Fund to be bonded by an insurance company licensed to do business in Nebraska in an amount or amounts deemed sufficient by the Mayor and Council to cover the amount of money belonging to said system reasonably expected to be in the possession or control of such person. The amount of such bond or bonds shall be fixed by the Mayor and Council and the costs thereof shall be paid as an operating and maintenance expense from the Operation and Maintenance Account.

Section 18. The City's obligations under this ordinance and the liens, pledges, covenants and agreements of the City herein made or provided for, shall be fully discharged and satisfied as to the 2020 Bonds and any such bonds shall no longer be deemed outstanding hereunder if such bonds shall have been purchased and canceled by the City, or when payment of the principal of and interest thereon to the respective date of maturity 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 with the Paying Agent and Registrar or with a national or state bank having trust powers, or trust company, in trust, solely for such payment (1) sufficient money to make such payment deposited in a bank account or bank accounts which are fully insured by insurance of the Federal Deposit Insurance Corporation and/or (2) Deposit Securities in such amount and bearing interest at such rates and payable at such time or times and maturing or redeemable at stated fixed prices at the option of the holder as to principal at such time or times as will

ensure the availability of sufficient money to make such payment; provided, however, that, with respect to any bond to be paid prior to maturity, the City shall have duly given notice of redemption of such bonds as provided by law or made irrevocable provision for the giving of such notice. Any money so deposited with the Paying Agent and Registrar or with such bank or trust company may be invested or reinvested in Deposit Securities at the direction of the City, and all interest and income from Deposit Securities in the hands of the Paying Agent and Registrar or such bank or trust company in excess of the amount required to pay principal of and interest on the 2020 Bonds for which such monies or Deposit Securities were deposited shall be paid over to the City as and when collected.

For purposes of this Section 18, any Deposit Securities shall be noncallable or callable only at the option of the holder.

Section 19. The terms and provisions of this Ordinance do and shall constitute a contract between the City and the registered owner or owners of the 2020 Bonds and no changes, variations or alterations of any kind, except for changes necessary to cure any ambiguity, formal defect or omission, shall be made to this Ordinance without the written consent of the holders of two-thirds (2/3rds) in principal amount of the 2020 Bonds then outstanding, provided, however, that neither the principal and interest to be paid upon any 2020 Bond nor the maturity date of any 2020 Bond shall be changed without the written consent of the registered owner of all such bonds then outstanding. Any registered owner of a 2020 Bond may by mandamus or other appropriate action or proceedings at law or in equity in any court of competent jurisdiction enforce or compel performance of any and all of the acts and duties required by this Ordinance, and every provision and covenant hereof, including without limiting the generality of the foregoing, the enforcement of the performance of all duties required of the City by this Ordinance and the applicable laws of the State of Nebraska, including such duties as the collecting of revenues of the Electric System and the segregation and application of such revenues as described in Section 13 of this Ordinance. After any default in payment or other default in performance, the registered owners of the 2020 Bonds, the Outstanding Bonds or any Additional Bonds shall be entitled to the appointment of a receiver for the Electric System. Any and all actions brought by any registered owner or owners of the 2020 Bonds or Additional Bonds shall be maintained for the equal and ratable benefit of all registered owners of the 2020 Bonds or Additional Bonds outstanding and no registered owners of any of the 2020 Bonds or Additional Bonds shall have any right in any manner whatsoever by any action or proceedings to affect, disturb or prejudice the pledge created by this Ordinance.

Section 20. The Authorized Officers are hereby authorized to approve and deem final, within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), on behalf of the City, a Preliminary Official Statement relating to the 2020 Bonds and a final Official Statement in accordance with the Rule with any changes deemed appropriate by them.

Section 21. In accordance with the requirements of the Rule, the City hereby (a) authorizes and directs that an officer of the City (or any one of them) execute and deliver, on the date of issue of the 2020 Bonds, a Continuing Disclosure Undertaking in order for the Underwriter to comply with the Rule, in such form as shall be satisfactory to such officer, and (b) covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Undertaking. Notwithstanding any other provision of this Ordinance, failure of the City to comply with any Continuing Disclosure Undertaking shall not be considered an event of default hereunder; however, any Participating Underwriter (as such term is defined in a Continuing Disclosure Undertaking) or any Beneficial Owner or any Registered Owner of a 2020 Bond 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.

Section 22. The City hereby covenants and agrees that it will make no use of the proceeds of the 2020 Bonds which would cause the 2020 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(b) and 148 and all applicable regulations thereunder throughout the term of said issue, including all requirements with respect to payment and reporting of rebates. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax-exempt status of interest on the 2020 Bonds for federal income tax purposes under the Code with respect to taxpayers generally. The City further agrees that it will not take any actions which would cause the 2020 Bonds to constitute "private activity bonds" within the meaning of Section 141 of the Code. The City hereby authorizes the Authorized Officers (or one or more of them) to designate the Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code, including "deemed designating" the Bonds.

Section 23. The Authorized Officers and all officers of the City are hereby authorized to do all things and execute all such certificates, documents and instruments as may by them be deemed necessary and proper to complete the issuance and sale of the 2020 Bonds and the payment and redemption of the Refunded Bonds as contemplated by this Ordinance.

Section 24. 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 25. This Ordinance shall be in force and take effect from and after its passage and approval and publication according to law. This Ordinance shall be published in pamphlet form.

PASSED AND APPROVED this 16th day of June, 2020.

THE CITY OF WAYNE, NEBRASKA

By _____
Mayor

ATTEST:

City Clerk

(SEAL)

**CERTIFICATE AS TO PUBLICATION
IN PAMPHLET FORM**

The undersigned City Clerk of the City of Wayne, Nebraska hereby certifies that the attached is a true and correct copy of Ordinance No. 2020-10 as passed by the Mayor and Council on June 16, 2020, and as published in pamphlet form on June 25, 2020.

City Clerk

(SEAL)

**NOTICE OF PASSAGE AND
PUBLICATION OF ORDINANCE**

Public notice is hereby given that the Mayor and Council of the City of Wayne, Nebraska, at their meeting on June 16, 2020, have passed and approved Ordinance No. 2020-10 the title of which reads as follows:

ORDINANCE NO. 2020-10

AN ORDINANCE AUTHORIZING THE ISSUANCE OF ELECTRIC REVENUE REFUNDING BONDS, SERIES 2020, OF THE CITY OF WAYNE, NEBRASKA, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWO MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$2,150,000) FOR THE PURPOSE OF REFINANCING THE COSTS OF ENLARGING, EXPANDING AND IMPROVING THE CITY'S ELECTRIC PLANT AND DISTRIBUTION SYSTEM; DIRECTING THE APPLICATION OF THE PROCEEDS OF SAID BONDS; PAYING AND REDEEMING ALL OR A PORTION OF THE CITY'S ELECTRIC REVENUE BOND ANTICIPATION NOTES, SERIES 2017, AND THE ELECTRIC REVENUE BONDS, SERIES 2012, WHICH ARE CURRENTLY OUTSTANDING; PRESCRIBING THE FORM, TERMS AND DETAILS OF SAID BONDS; PLEDGING AND HYPOTHECATING THE REVENUES AND EARNINGS OF THE ELECTRIC SYSTEM OF SAID CITY FOR THE PAYMENT OF SAID BONDS AND INTEREST THEREON; PROVIDING FOR THE COLLECTION, SEGREGATION AND APPLICATION OF THE REVENUES OF SAID ELECTRIC SYSTEM; SETTING AND DETERMINING CERTAIN TERMS OF THE BONDS AND AUTHORIZING OFFICERS OF THE CITY TO SET AND DETERMINE CERTAIN TERMS OF THE BONDS; APPROVING AN UNDERTAKING WITH RESPECT TO CONTINUING DISCLOSURE; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM.

Said Ordinance has been published in pamphlet form. Copies of the Ordinance as so published are available at the office of the City Clerk at 306 Pearl Street, Wayne, Nebraska.

City Clerk