ORDINANCE NO. 2486

AN ORDINANCE AUTHORIZING AND PROVIDING FOR AMENDMENTS TO THE LOAN CONTRACT WITH NEBRASKA DEPARTMENT OF WATER, ENERGY, AND ENVIRONMENT FOR PROJECT NO. C318042, DATED OCTOBER 4, 2021, AND THE LOAN CONTRACT FOR PROJECT NO. C317676, DATED APRIL 29, 2013, TO EXTEND THE TERM OF EACH FROM 20 TO 30 YEARS, AND RELATED MATTERS; AND ORDERING THE PUBLICATION OF THIS ORDINANCE.

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

Section 1. The Mayor and Council of the City of Lexington, in the State of Nebraska (the "City") hereby find and determine:

(a) The City owns and operates its own sewage disposal plant and sanitary sewer system (as now existing or hereafter extended and improved, the "Sewer System"), waterworks plant and water system (as now existing or hereafter extended and improved, the "Water System") and electric light and power distribution system (as now existing or hereafter extended and improved, the "Electric System") (the Sewer System, the Water System and the Electric System, together with any additions, extensions and improvements thereto hereafter constructed or acquired, are herein referred to as the "Combined Utilities"), all of which are hereby determined to be revenue producing facilities under the provisions of Sections 18-1803 to 18-1805, R.R.S. Neb., as amended;

(b) The City has heretofore issued and outstanding the following revenue bonds which are a lien upon and secured by a pledge of the revenue and earnings of the Combined Utilities:

Promissory Note issued to the Nebraska Department of Environmental Quality (the "NDEQ") on April 29, 2013, issued pursuant to Ordinance No. 2327 (the "2013 Ordinance") in the principal amount of up to Four Million Seven Hundred Fifty Thousand Dollars ($4,750,000) (the "2013 Note");

Combined Utilities Revenue Refunding Bonds, 2018 Series, date of original issue – September 28, 2018, issued pursuant to Ordinance No. 2410 (the "2018 Ordinance") in the original principal amount of One Million Eight Hundred Fifty Thousand Dollars ($1,850,000) (the "2018 Series Bonds");

Combined Utilities Revenue Bonds, 2020 Series, date of original issue – February 5, 2020, issued pursuant to Ordinance No. 2424 (the "2020 Ordinance") in the original principal amount of One Million Three Hundred Seventy Thousand Dollars ($1,370,000) (the "2020 Series Bonds");

Promissory Note issued to the Nebraska Department of Environment and Energy (the "NDEE") on September 2, 2021, issued pursuant to Ordinance No. 2436 (the "2021 Ordinance") in the principal amount of up to Ten Million Three Hundred Five Thousand Dollars ($10,305,000) (the "2021 Note"); and

Promissory Note issued to the Nebraska Department of Water, Energy, and Environment, (the "NDWEE"), which is successor to NDEQ and NDEE, executed by the City on April 14, 2026, and issued pursuant to the terms of Ordinance No. 2482 (the "2026 Ordinance") in the principal amount of up to One Million Dollars ($1,000,000) (the "2026 Note").

The 2013 Note, the 2018 Series Bonds, the 2020 Series Bonds, the 2021 Note, and the 2026 Note (collectively, the "Outstanding Obligations") represent the only presently-outstanding indebtedness of the City for which the revenues and earnings of the Combined Utilities have been pledged. The 2013 Ordinance, the 2018 Ordinance, the 2020 Ordinance, the 2021 Ordinance, and the 2026 Ordinance, are collectively referred to herein as the "Outstanding Bond Ordinances."

(c) The NDWEE has presented the City the opportunity to extend the repayment term of the 2013 Note and the 2021 Note from 20 years to 30 years, without changing the interest rates thereof with the 2013 Note bearing interest at 0% and 2021 Note bearing interest at 1.0%, and has prepared amendments of the agreements currently in effect with NDWEE to provide for such extensions (the "Loan Amendments"), which forms of Loan Amendments are presented with this ordinance. Under the terms of the Outstanding Bond Ordinances, such extension of the repayment terms would constitute a refinancing or "refunding" of the 2013 Note and 2021 Note.

(d) The Outstanding Bond Ordinances permit the City to refinance any of the Outstanding Obligations (including the 2013 Note and 2021 Note) without restriction if the principal payments due in any calendar year in which those Outstanding Obligations which are to remain outstanding mature shall not be increased over the amount of such principal payments which would have been due in such calendar years immediately prior to such refinancing. Extending the repayment term of the 2013 Note and the 2021 Note will reduce the principal payments due in each year such obligations remain outstanding.

(e) All conditions, acts and things required by law to exist or to be done precedent to extension of the repayment terms of the 2013 Note and 2021 Note, and entry into the Loan Amendments, as provided for in this Ordinance do exist and have been done and performed in regular and due time and form as required by law.

Section 2. To provide for extension of the repayment terms of the 2013 Note and 2021 Note as provided in the Loan Amendments, in such forms as presented with this ordinance, the Mayor, City Manager, City Finance Director, and City Clerk are each authorized to finalize and execute the Loan Amendments. The terms of the 2013 Ordinance with respect to the 2013 Note, and the terms of the 2021 Ordinance with respect to the 2021 Note, will remain in full force and effect with respect to such obligations of the City, with such changes as provided in the Loan Amendments executed pursuant to this ordinance.

Section 3. All documents, agreements, certificates, and instruments related to the Loan Amendments shall be valid, binding, and enforceable against the City when executed and delivered by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by electronic signatures laws. Each document, agreement, certificate, and instrument related to the Loan Amendments may be executed in any number of counterparts.

Section 4. This Ordinance shall be in force and take effect from and after its passage and approval according to law. This Ordinance shall be published in electronic form.

PASSED AND APPROVED this _________ day of _____________________, 2026.

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Mayor

ATTEST:

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City Clerk

(SEAL)