

CITY OF NEBRASKA CITY, NEBRASKA
MINUTES OF CITY COUNCIL REGULAR MEETING
November 17, 2008

Pursuant to due call and notice thereof, a Regular Meeting of the City Council of the City of Nebraska City was conducted in the Council Chambers of City Hall, 1409 Central Avenue, on November 17, 2008. Notice of the meeting was given in advance thereof by posting in at least three public places, the designated method for giving notice, as shown by the Certificate of Posting Notice attached to these minutes.

Mayor Adelung called the meeting to order at 6:00 p.m. Upon roll call the following answered present: Leon Schiermeyer, Dean Handy, Erv Friesen, and Mark Mercer. The following City Officials were present: City Administrator Scott Bovick, City Clerk Arnold M. Ehlers, City Attorney William Davis, Police Chief David Lacy, Building Inspector Alan Viox and Public Properties Director/Zoning Director Dan Gittinger.

Mayor Adelung led in the Pledge of Allegiance.

Commissioner Friesen moved to approve the minutes of the November 3, 2008 City Council Regular Meeting, seconded by Commissioner Schiermeyer. Upon roll call the following voted AYE: Schiermeyer, Handy, Friesen, Mercer and Mayor Adelung. Voting NO: None. Motion adopted.

Mayor Adelung opened the public hearing on a request from Idyll Property Management, LLC to use \$35,000.00 of Economic Development Revolving Loan Funds. Pat Haverty Executive Director of River Country Economic Development Corporation presented information on the request. No one else spoke in support or opposition to the request. Commissioner Handy moved to close the public hearing. Upon roll call the following voted AYE: Friesen, Mercer, Schiermeyer, Handy and Mayor Adelung. Voting NO: None. Motion passed.

Mayor Adelung proclaimed the Week of November 16-22, 2008 as "Jaycee Family Week."

Police Chief David Lacy presented Mayor Adelung a plaque in recognition to her contribution to the Police Department and the City of Nebraska City.

City Administrator Scott Bovick expressed his appreciation to the outgoing Council Members.

Commissioner Friesen moved to approve Resolution 2391-08, a resolution to loan \$35,000.00 from the Economic Development Revolving Loan Fund to Idyll Property Management, LLC. Upon roll call the following voted AYE: Schiermeyer, Handy, Friesen and Mayor Adelung. Voting NO: None. Abstain: Mercer. Motion passed. A true, correct and complete copy of said resolution is as follows:

RESOLUTION NO. 2391-08

**TO USE PROGRAM INCOME FROM A PREVIOUS
COMMUNITY DEVELOPMENT BLOCK GRANT**

WHEREAS, the **Nebraska City/Otoe County Regional Economic Development Loan Fund** has received Community Development Block Grants for Economic Development and,

WHEREAS, Program Income (Reuse) funds for Economic Development are to be used for making loans to private businesses in accordance with the Regional Economic Development Plan, program and governing regulations, and,

WHEREAS, a Reuse Plan has previously been adopted, and,

WHEREAS, the Application Review Board has recommended a reuse project presented through application by an eligible business for a loan up to \$35,000 under specified conditions, and,

WHEREAS, the City Council of Nebraska City has conducted a public hearing upon the proposed use of Program Income funds,

NOW, THEREFORE, BE IT RESOLVED by the City Council of Nebraska City, that the obligation of funds is approved according to the recommendations of the Application Review Board and the Mayor is hereby authorized to execute all necessary and appropriate documents on behalf of the City and the Regional Economic Development Loan Fund to complete the loan project for "**Idyll Property Management, LLC**," contingent upon approval of the City Attorney as to form.

Passed and adopted on the 17th day of November, 2008 by the City Council of Nebraska City, Nebraska.

Jo Dee Adelung, Mayor

ATTEST:

Arnold M. Ehlers, City Clerk

Commissioner Friesen moved to award a contract to the low bidder, Rife Construction, in the amount of \$1,242,179.00 plus a contingency of \$58,000.00, for the Rowe Memorial Public Safety Complex Renovation. Upon roll call the following voted AYE: Mercer, Schiermeyer, Handy, Friesen and Mayor Adelung. Voting NO: None. Motion passed.

Mayor Adelung introduced Ordinance 2739-08:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF PUBLIC SAFETY DEPARTMENT ANTICIPATION BONDS, SERIES 2008, OF THE CITY OF NEBRASKA CITY, NEBRASKA, OF THE PRINCIPAL AMOUNT OF ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000.); FOR THE PURPOSE OF CONSTRUCTING A BUILDING FOR USE AS A MULTI-PURPOSE BUILDING FOR THE PUBLIC SAFETY DEPARTMENT OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES TO PAY 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, and moved that the statutory rule requiring reading on three different days be suspended. Commissioner Handy seconded the motion and upon roll call the following voted AYE: Schiermeyer, Mercer, Friesen, Handy and Mayor Adelung. Voting NO: None. The motion to suspend the rules was adopted by three-fifths of the Board and the statutory rule was declared suspended for consideration of said ordinance.

Said ordinance was then read by title and thereafter Mayor Adelung moved for final passage of the ordinance, which motion was seconded by Commissioner Handy. The Mayor stated the question – “Shall Ordinance No. 2739-08 be passed and adopted?” Upon roll call the following voted AYE: Schiermeyer, Mercer, Friesen, Handy and Mayor Adelung. Voting NO: None. The passage and adoption of said ordinance having been concurred in by a majority of all members of the Board, the Mayor declared the ordinance adopted and the Mayor in the presence of the Board signed and approved the ordinance and the Clerk attested the passage and approval of the same and affixed his signature thereto and ordered the Ordinance to be published in pamphlet form as provided therein. A true, correct and complete copy of said ordinance is as follows:

ORDINANCE NO. 2739-08

AN ORDINANCE AUTHORIZING THE ISSUANCE OF PUBLIC SAFETY DEPARTMENT TAX ANTICIPATION BONDS, SERIES 2008, OF THE CITY OF NEBRASKA CITY, NEBRASKA, OF THE PRINCIPAL AMOUNT OF ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000); FOR THE PURPOSE OF CONSTRUCTING A BUILDING FOR USE AS A MULTI-PURPOSE BUILDING FOR THE PUBLIC SAFETY DEPARTMENT OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES TO PAY 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 BOARD OF COMMISSIONERS OF THE CITY OF NEBRASKA CITY, NEBRASKA:

Section 1. The Mayor and Board of Commissioners of the City of Nebraska City, Nebraska hereby find and determine as follows:

- (a) That it is necessary for the City to provide funds for the purpose of constructing a building for use as a multi-purpose building for the Public Safety Department of the City;
- (b) that in order to pay the cost of such construction it is necessary and advisable for the City to issue its bonds in the amount of \$1,300,000 under Section 18-1202, R.R.S. Neb., 2007;
- (c) that the taxable valuation of all taxable property within the City as most recently determined is \$315,462,520;
- (d) that pursuant to Section 18-1201, Reissue Revised Statutes of Nebraska, 2007, the Mayor and Board of Commissioners of the City of Nebraska City have provided and do hereby provide for the levy of a special tax, all as more specifically described in Section 8 hereof;
- (e) that the City at the present time has \$305,000 bonds outstanding issued pursuant to the provisions of Sections 18-1201 and 18-1202, R.R.S. Neb. 200
- (f) that the maximum combined total of principal and interest payable in any calendar year on the Bonds authorized by this ordinance and the outstanding bonds is \$130,985; and
- (g) that all conditions, acts and things required by law to exist or to be done precedent to the issuance of Public Safety Department Tax Anticipation Bonds, Series 2008, in the amount of \$1,300,000 pursuant to Section 18-1202, R.R.S. Neb. 2007 do exist and have been done as required by law.

Section 2. For the purposes set out in Section 1 hereof, there shall be and there are hereby ordered issued bonds of the City of Nebraska City, Nebraska, to be designated Public Safety Department Tax Anticipation Bonds, Series 2008, in the principal amount of \$1,300,000, date of original issue of December 18, 2008, numbered as they are shown on the books and records of the Paying Agent and Registrar, in fully registered form. Said bonds shall bear interest at the rates per annum, be numbered and mature on December 15 of each year in the principal amounts as follows:

Principal Amount	Maturing on December 15 of Year	Interest Rate Per Annum
\$25,000	2009	2.40%
25,000	2010	2.70
25,000	2011	3.05
25,000	2012	3.30

30,000	2013	3.55
30,000	2014	3.75
30,000	2015	3.95
30,000	2016	4.10
35,000	2017	4.30
40,000	2018	4.50
50,000	2019	4.70
85,000	2020	4.90
90,000	2021	5.05
95,000	2022	5.10
100,000	2023	5.15
585,000	2028	5.40

The bonds shall be issued in the denomination of \$5,000 or any integral multiple thereof and shall be numbered from 1 upwards in the order of their issuance. No 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 bonds issued shall be as directed by the initial purchasers thereof. Interest on the bonds shall be payable semiannually on June 15 and December 15 of each year, starting June 15, 2009. 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 3 hereof. Payment of interest due on the bonds prior to maturity or redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 3 hereof, by mailing a check in the amount due for such interest on each interest payment date to the registered owner of each 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 3 hereof. Payment of principal due at maturity or at any date fixed for redemption, 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 bonds to said Paying Agent and Registrar. In the event that bonds of this issue are held in the nominee name of a national clearinghouse or depository, payment of principal or interest shall be made by wire transfer of funds in accordance with any applicable regulations governing "Depository Eligible Securities". The City and said Paying Agent and Registrar may treat the registered owner of any 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 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 bonds or claims for interest to the extent of the sum or sums so paid. If any bond is not paid upon presentation of the 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. Nebraska, 2004, as now existing or as the same may be amended from time to time by the Nebraska Legislature.

Section 3. The City Treasurer is hereby designated as Paying Agent and Registrar for the bonds. Said Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the bonds at the office of the Paying Agent and Registrar in Nebraska City, Nebraska. The names and registered addresses of the registered owner or owners of the bonds shall at all times be recorded in such books. Any bond may be transferred pursuant to its provisions at the office of the Paying Agent and Registrar upon surrender of such bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to such 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 will register such transfer upon said registration books and deliver to the transferee registered owner or owners (or send by registered mail to the transferee owner or owners at such owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new bond or bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the bonds by this ordinance, one bond may be transferred for several such bonds of the same interest rate and maturity and for a like aggregate principal amount, and several such bonds may be transferred for one or several such bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a bond, the surrendered bond or bonds shall be cancelled and destroyed. All bonds issued upon transfer of the bonds so surrendered shall be valid obligations of the City evidencing the same obligations as the bonds surrendered and shall be entitled to all benefits and protection of this ordinance to the same extent as the bonds upon transfer of which they were delivered. The City and the Paying Agent and Registrar shall not be required to transfer bonds during any period from any Record Date until its immediately following interest payment date or to transfer any bonds called for redemption for a period of 30 days next preceding the date fixed for redemption prior to maturity. In the event that payments of interest due on the 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 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 4. Bonds maturing on or after December 15, 2014 shall be subject to redemption, in whole or in part, prior to maturity at any time on or after December 18, 2013, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The City may select the bonds to be redeemed from such optional redemption in its sole discretion but bonds shall be redeemed only in the amount of \$5,000 or integral multiples thereof. The bonds maturing as term bonds on December 15, 2028 shall be redeemed, in part, prior to their stated maturity, on December 15, 2024 and on December 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>
---------------------------	---------------------------------------

December 15, 2024	\$100,000
December 15, 2025	115,000
December 15, 2026	120,000
December 15, 2027	125,000
December 15, 2028 (final maturity)	125,000

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. 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. Any bond redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new bond evidencing the unredeemed principal thereof. Notice of redemption of any bond called for redemption shall be given at the direction of the Mayor and Board 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 bond at said owner's registered address. Such notice shall designate the bond or bonds to be redeemed by number and maturity, the date of original issue, the date fixed for redemption and state that such bond or 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 bond to be redeemed. No defect in the mailing of notice for any bond shall affect the sufficiency of the proceedings of the Mayor and Board designating the bonds called for redemption or the effectiveness of such call for bonds for which notice by mail has been properly given and the Mayor and Board shall have the right to further direct notice of redemption for any such bond for which defective notice has been given.

Section 5. If the date for payment of the principal of or interest on the 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 6. The 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 bond. The City Clerk shall make and certify a transcript of proceedings had and done precedent to the issuance of said bonds which shall be delivered to the purchaser of said bonds. After being executed by the Mayor and City Clerk, said bonds shall be delivered to the Treasurer of the City who shall be responsible therefore under his/her official bond. Such Treasurer shall maintain a record of information with respect to said 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 bond in the name of its initial registered owner as designated by the initial purchaser. Each bond shall be authenticated on behalf of the City by the Paying Agent and Registrar. The 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 include 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 bonds. Upon issuance of the 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 bonds as securities depository (each, a "Bond Participant") or to any person who is an actual purchaser of a bond from a Bond Participant while the 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 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 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 bonds. The Paying Agent and Registrar shall make payments with respect to the 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 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 to or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange 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 bonds or (ii) to make available 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 bonds be delivered to the ultimate Beneficial Owners of the 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 bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the 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 bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such bond and all notices with respect to such bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the 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 bond unless and until such partially redeemed 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 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 bond shall cease to be such officer before the delivery of such 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 bonds shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The bonds shall be delivered to the Paying Agent and Registrar for registration and authentication.

Section 7. Said bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF OTOE
CITY OF NEBRASKA CITY

No. PUBLIC SAFETY DEPARTMENT TAX \$
ANTICIPATION BOND, SERIES 2008

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP No.</u>
%	November 15, ____	December 18, 2008	

Registered Owner: _____

Principal Amount: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Nebraska City, in the County of Otoe, in the State of Nebraska, hereby acknowledges itself to owe and for value received promises to pay to the registered owner specified above, out of the special tax upon the taxable valuation of all the taxable property in the City, authorized by Sections 18-1201 and 18-1202, Reissue Revised Statutes of Nebraska, 2007, 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 June and December in each year, starting June 15, 2009. If this bond is not paid upon presentation at maturity or any interest installment hereon is not paid when due, the 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 2004, as now existing or as the same may be amended from time to time by the Nebraska Legislature. The interest hereon due prior to maturity or earlier redemption shall be paid on each interest payment date by the City Treasurer, as Paying Agent and Registrar for the City by wire transfer (but only in accordance with the limited terms of the authorizing ordinance), 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 the office of the Paying Agent and Registrar in Nebraska 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. For the prompt payment of this bond, principal and interest as the same become due, the full faith, credit and resources of said City, to the extent of the levy and collection of said special tax, are hereby irrevocably pledged and said bonds are secured by such tax to be so assessed and levied.

The City, however, reserves the right and option of paying bonds of this issue maturing on or after December 15, 2014, in whole or in part, on December 18, 2013, or at any time thereafter, at the principal amount thereof plus accrued interest to the date fixed for redemption. The bonds maturing as term bonds on December 15, 2028 shall be redeemed, in part, prior to their stated maturity, on December 15, 2024 and on December 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 for Redemption</u>	<u>Amount Required to be Redeemed</u>
December 15, 2024	\$100,000
December 15, 2025	115,000
December 15, 2026	120,000
December 15, 2027	125,000
December 15, 2028 (final maturity)	125,000

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. The Paying Agent and Registrar shall select such bonds for mandatory redemption using any random method of selection determined appropriate by the 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.

The City, however, reserves the right and option of paying bonds of this issue maturing on or after November 15, 2014, in whole or in part, on December 18, 2013, or at any time thereafter, at the principal amount thereof plus accrued interest to the date fixed for redemption. 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 the total principal amount of \$1,300,000 of like tenor herewith except as to denomination, date of maturity and rate of interest issued by said City for the purpose of providing funds for constructing a building to be used as a multi-purpose building for the Public Safety Department of the City. The issuance of said bonds has been authorized by an ordinance duly passed by the Mayor and Board of Commissioners of said City, all in strict compliance with Sections 18-1201 and 18-1202, Reissue Revised Statutes of Nebraska, 2007.

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 did exist, did happen and were done and performed in regular and due form and time as required by law, and that the indebtedness of said City, including this bond, does not exceed any limitations imposed by law. The City agrees that it shall, pursuant to Section 18-1201, Reissue Revised Statutes of Nebraska, 2007, levy a special tax, so long as this bond remains outstanding, of not more than the levy authorized by said Section 18-1201 on the dollar upon the taxable value of all the taxable property within the City. The City further agrees that in each calendar year in which payments of principal and interest fall due on the bonds of this issue, such tax shall be levied and collected in an amount of not less than 112% of the total amount of principal and interest payable on this bond in such calendar year. This bond shall be secured by such tax and shall be payable out of the funds derived from such tax pursuant to the terms of Section 18-1202, R.R.S. Nebraska, 2007. On receipt of such

taxes, the City Treasurer shall hold such taxes in a separate fund for the purpose of paying or redeeming said bonds.

IN WITNESS WHEREOF, the City of Nebraska City, Nebraska, has 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 NEBRASKA 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 Nebraska City as described in said bonds.

(do not sign)
City Treasurer, Paying Agent & 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: _____

Registered Owner

SIGNATURE GUARANTEED

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 8. The City agrees that it shall, pursuant to Section 18-1201, Reissue Revised Statutes of Nebraska, 2007, levy a special tax so long as any of the bonds of this issue remain outstanding of not more than the levy authorized by said Section 18-1201 on the dollar upon the taxable value of all the taxable property within the City. The City further agrees that in each calendar year in which payments of principal and interest fall due on the bonds of this issue, such tax shall be levied and collected in an amount of not less than 112% of the total amount of principal and interest payable on the bonds of this issue in such calendar year. Said bonds shall be secured solely by such tax and shall be payable solely out of the funds derived from such tax pursuant to the terms of Section 18-1201, R.R.S. Nebraska, 2007. On receipt of such taxes, the City Treasurer shall hold such tax in a separate fund for the purpose of paying or redeeming said bonds.

Section 9. Said bonds are hereby sold to Ameritas Investment Corp. at 98.15% of the principal amount thereof, and the City Treasurer is authorized to deliver said bonds to said purchaser upon receipt of the said amount plus accrued interest to the date of payment. Said bonds are sold to the purchaser subject to the opinion of independent bond counsel that said bonds are lawfully issued; that said bonds constitute a valid obligation of the City; and that under existing laws and regulations the interest on said bonds is exempt from both Nebraska state and federal income taxes. Such purchaser and its agents, representatives and counsel (including its 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 bonds, including without limitation, authorizing the release of the bonds by the Depository (as defined herein) at closing.

Section 10. The Board of Commissioners hereby approves on behalf of the City the preliminary Official Statement prepared with respect to the bonds and hereby authorizes the Mayor and Clerk or either of them to approve, execute and deliver on behalf of the City a final Official Statement relating to and describing the bonds. The Board of Commissioners hereby deem the information set forth in the Preliminary Official Statement with respect to the bonds to be final except for permitted omissions in accordance with the Rule and hereby authorize any of the City's officers to approve the final Official Statement for and on behalf of the City. 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 11. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the City hereby agrees that it will provide to Ameritas Investment Corp. (the "Underwriter") and any person making request at least annually or in the alternative to any state information depository ("SID") for the State of Nebraska (no such SID currently exists or is presently expected to exist based upon any current pending legislation), the following financial information or operating data regarding the City:

- (a) the general financial and operating information shown under the heading "FINANCIAL STATEMENT" in the Official Statement for the Bonds.
- (b) any additional financial information and operating data which is customarily prepared by the City, including the City's most recently prepared audited financial statement, which shall be prepared for governmental and fiduciary fund types on the basis of generally

accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States demonstrating compliance with the cash basis (a method not in conformity with generally accepted accounting principles) and for proprietary funds on the basis of generally accepted accounting principles.

The City reserves the right to modify the type of information or the format for any such information provided pursuant to such undertaking, to the extent necessary or appropriate in the judgment of the City, so long as any such modification is consistent with the requirements of the Rule. The City further agrees to provide in a timely manner to the Underwriter, to the Municipal Securities Rulemaking Board (the "MSRB"), to the SID (if any) and to any nationally recognized municipal securities information repository for which the Underwriter makes request, notice of the occurrence of any of the following events with respect to the Bonds, if in the judgment of the City, such event is material:

- (a) principal and interest payment delinquencies,
- (b) non-payment related defaults,
- (c) unscheduled draws on debt service reserves reflecting financial difficulties,
- (d) unscheduled draws on credit enhancements reflecting financial difficulties,
- (e) substitution of credit or liquidity providers, or their failure to perform,
- (f) adverse tax opinions or events affecting the tax-exempt status of the bonds,
- (g) modifications to rights of the registered owners of the bonds,
- (h) bond calls,
- (i) defeasances,
- (j) release, substitution or sale of property securing repayment of the bonds and
- (k) rating changes.

Any filing with respect to this section of the ordinance may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

The undertakings of the City in this Section are hereby declared to be for the benefit of the registered owners of the bonds (including beneficial owners of bonds held in nominee name, each a "Beneficial Owner") and such covenants may be enforced by the registered owner of any of the bonds or by any Beneficial Owner of the bonds, provided that any right to enforcement shall be limited to specific enforcement of such covenants and any failure shall not constitute an event of default under this ordinance. The City hereby designates its City Clerk as the contact person from whom the foregoing information, data and notices can be obtained.

Section 12. The City of Nebraska City, Nebraska, hereby covenants to the purchasers and holders of the bond hereby authorized 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 bonds, which would cause said 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 bonds with respect to taxpayers generally but not including insurance companies or corporations subject to the additional minimum tax.

Section 13. This ordinance shall be published in pamphlet form and take effect as provided by law.

PASSED AND APPROVED this 17th day of November 2008.

ATTEST:

Mayor

City Clerk

Commissioner Handy moved to approve the sale of two areas of vacated right-of-way known as: the South 25' of the East 240' of 10th Corso and a 0.27 acre parcel adjacent to 3rd Street South of 10th Corso as defined in Ordinance 2736-08. Upon roll call the following voted AYE: Friesen, Mercer, Schiermeyer, Handy and Mayor Adelung. Voting NO: None. Motion passed.

Commissioner Schiermeyer moved to enter into an agreement with HGM Associates not to exceed \$10,000.00 for professional services relating to the demolition of buildings located at 807 Central Avenue. Upon roll call the following voted AYE: Handy, Friesen, Mercer, Schiermeyer and Mayor Adelung. Voting NO: None. Motion passed.

Commissioner Handy moved to direct staff to solicit bids for the demolition of buildings located at 807 Central Avenue. Upon roll call the following voted AYE: Friesen, Mercer, Schiermeyer, Handy and Mayor Adelung. Voting NO: None. Motion passed.

Marty Shukert of RDG Planning and Design presented his report on the 2008 Downtown Revitalization initiative Implementation Plan.

Commissioner Mercer moved to approve all claims except Claim #7250U. Upon roll call the following voted AYE: Schiermeyer, Handy, Friesen, Mercer and Mayor Adelong. Voting NO: None. Motion passed.

Commissioner Friesen moved to pay Claim #7250U. Upon roll call the following voted AYE: Schiermeyer, Handy, Friesen and Mayor Adelong. Voting NO: None. Abstain: Mercer. Motion passed.

A&L Storage	60.00	Misc	Midlands Financial Ben	875.00	Contr
A-1 Locksmith	209.95	Rep	Midwest Machine	96.00	Rep
Alamar Uniforms	171.83	Uniforms	Midwest ROW	1,400.00	Eng
Alco Store	14.85	Supp	Moore Medical	443.78	Supp
Allied Recyc & Ref	299.92	Garbage	Mullenax Auto Supply	1,333.16	Rep
Angus, C	34.24	Uniforms	N.E.E.D.	375.00	Dues
Arbor Mart	1,750.28	Fuel	NC Medical Clinic	30.00	Med
Arbor Outdoor Power	9.57	Rep	NC News Press	996.44	Ads
Bando, M	8.62	Med	NC Utilities	6,128.93	Util
Bishop Plmbg & Htg	68.75	Rep	NE Dept. of Revenue	538.01	Sales tax
BKD	12,500.00	Audit	NE Environmental Prod	1,085.70	Supp
Casey's	343.08	Fuel	NE Law Enforcement	50.00	Training
Century Lumber	194.58	Supp	NE Turf Products	1,420.00	Chem
Channing Bete Co	359.70	Training	NFPA	150.00	Dues
Cintas Corp	117.50	Supp	Nichols, Jim	115.50	Ref
City of NC	42,743.75	Bond	Nichols, Linda	101.50	Ref
City of NC Wildwood	3,002.37	Contr	Omaha Standard Distrib	134.64	Rep
City Tire & Auto	964.00	Rep	Omaha Tractor	88.62	Rep
Creighton University	1,849.00	Training	Omaha World-Herald	1,322.96	Ads
D & D Communications	43,270.00	Radios	O'Reilly Auto Parts	4.98	Rep
Data Technologies	4,666.37	Comp	Otoe County Clerk	2,590.86	Contr
Diesel Power Equip Co.	665.15	Supp	County Reg of Deeds	38.00	Deeds
Display Sales	114.00	Supp	Pamida, Inc.	133.45	Supp
Douglas Tire Co.	144.37	Rep	Paper Tiger Shred	50.00	Shred
Ed. M. Feld Equip Co.	144.00	Rep	Pepsi-Cola of Lincoln	79.90	Bev
Food Pride	101.81	Conc	Pitney Bowes	418.99	Postage
Galeton Gloves	90.05	Supp	Police Officers' Assoc	150.00	Dues
GE Capital	74.67	Tele	Quill Corporation	120.48	Supp
Gittinger, D	69.71	Mileage	R.C.E.D.C.	1,829.74	Contr
Harding & Shultz P.C	178.07	Legal	Richard J Condon	365.00	Training
Heartland Classified Svc	15.97	Ads	Schneider Elec & Ref	386.20	Rep
Hopkins Automotive	342.84	Rep	SEND D	3,351.58	Misc
Ideal Pure Water	18.00	Water	Sicard	1,717.45	Supp
Johnny's Cycle	39.40	Rep	Teten, J	182.04	Uniforms
KNCY AM-FM	373.28	Ads	Tielke's Sandwiches	31.00	Conc
Kreifels Plumbing	133.70	Rep	Tom's Radio	483.45	Comm
Landis Engine	299.70	Supp	Tree City Tees	56.50	Uniforms
Larson Motors	441.45	Rep	Tri-State Office Prod	831.69	Supp
LaRue Coffee	53.61	Supp	Viox, A	448.70	Mileage
Lincoln Journal-Star	200.00	Ads	Wage & Benefits	87,910.94	Payroll
Linweld, Inc	44.90	Supp	Watkins True Value	334.08	Supp
Lyman-Richey Sand	1,140.74	Gravel	Wenzl Hardware	22.69	Rep
Mead Lumber	301.23	Lumber	Windstream	2,069.06	Tele
Medical & Safety Svc	32.10	Supp	Wood Family Fuel	29.70	Fuel
Mercer's	157.69	Supp	Wurtele, G	84.08	Mileage
Mid-America Termite	1,000.00	Chem	Zimco Supply Co.	524.00	Chem

Mayor moved to appoint Myron Hahn to the Dock Board. Upon roll call the following voted AYE: Schiermeyer, Handy, Friesen, Mercer and Mayor Adelong. Voting NO: None. Motion passed.

Meeting adjourned at 7:40 p.m.

Arnold M. Ehlers, Clerk - Treasurer