CITY COUNCIL PROCEEDINGS
August 26, 2026

The City Council of the City of David City, Nebraska, met in open public session at 7:00 p.m. in the meeting room of the City Office, 490 E Street, David City, Nebraska. The Public had been advised of the meeting by posting in four places (City Office, U.S. Post Office, Butler County Courthouse, and Hruska Public Library). The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection on the City's website. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Jessica Miller, Council Members Jeremy Abel, Jim Angell, Rick Holland, Keith Marvin, Bruce Meysenburg, Kevin Woita, City Administrator Alan Zavodny, City Clerk - Treasurer Lori Matchett, Interim Deputy Clerk Rachel Kahnk, Police Chief Marla Schnell, Cody Wickham of D.A. Davidson, Beth Klosterman, and Marlene Hein. City Attorney Michael Sands attended via Zoom. City Administrator Intern Raiko Martinez was absent.

The meeting opened with the Pledge of Allegiance.

Mayor Jessica Miller informed the public of the "Open Meetings Act" posted on the west wall of the meeting room and asked those present to silence their cell phones. Mayor Miller read the speaking guidelines for the City Council Meeting. She also reminded the public that if they speak tonight in front of the Council, they must state their name and address for the record.

Council Member Jim Angell made a motion to approve the minutes of the August 12, 2026 meeting of the Mayor and City Council as presented. Council Member Bruce Meysenburg seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council considered Ordinance No. 1534, authorizing Amendment No. 1 to the loan agreement with the Nebraska Department of Water, Energy, and Environment for the SRF project. Mayor Miller reported that the amendment had received approval subject to additional stipulations and conditions, including the need to continue utility rate increases to maintain compliance with the loan requirements. The Council also discussed the importance of reviewing AGP-related costs and ensuring the City can meet its obligations over the 20-year loan term.

City Attorney Michael Sands added that the City Attorneys are working to incorporate the required revisions into the loan agreement and Ordinance No. 1534. City Attorney Michael Sands recommended tabling the item until the revisions are completed.

Council Member Keith Marvin made a motion to table Ordinance No. 1534 authorizing Amendment No. 1 to Loan Agreement with Nebraska Department of Water, Energy, and Environment for SRF Project No. C318068. Council Member Bruce Meysenburg seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council considered Ordinance No. 1538, amending the David City Municipal Code to establish a minimum staffing requirement for the David City Police Department. Discussion noted that the purpose of the ordinance is to help ensure adequate staffing for officer safety and to reduce employee burnout and turnover.

Council Member Bruce Meysenburg introduced Ordinance No. 1538 amending the David City Municipal Code to impose a minimum staffing requirement for the David City Police Department. Mayor Jessica Miller read Ordinance No. 1538 by title.

Council Member Keith Marvin made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Kevin Woita seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Bruce Meysenburg made a motion to approve Ordinance No. 1538 amending the David City Municipal Code to impose a minimum staffing requirement for the David City Police Department. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

ORDINANCE NO. 1538

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, AMENDING THE DAVID CITY MUNICIPAL CODE TO IMPOSE A MINIMUM STAFFING REQUIREMENT FOR THE DAVID CITY POLICE DEPARTMENT; REPEALING CONFLICTING ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on February 8, 2023, the City of David City, Nebraska, a municipal corporation and city of the second class ("**City**") passed Ordinance No. 1428, thereby creating the David City Police Department (the "**Department**"); and

WHEREAS, Section 17-107(3)(a) of the Nebraska Revised Statutes allow City's "[M]ayor, by and with the consent of the [C]ity [C]ouncil, shall appoint such a number of regular police officers as may be necessary"; and

WHEREAS, Section 1-509 of City's Municipal Code (the "**Code**") provides that the Department "shall consist of a police chief, assistant chief, sergeant, three full-time sworn enforcement officers, and five part-time law enforcement officers"; and

WHEREAS, City desires to and finds it in the best interest of City and its residents to amend the Code to implement a minimum staffing requirement for the Department.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, as follows:

(1) Amendment to Section 1-509. The City hereby amends Section 1-509 by repealing it in its entirety and replacing it with the following:

SECTION 1-509: POLICE DEPARTMENT

A. The City of David City Police Department shall at all times consist of no less than a full-time Chief of Police, six (6) full-time, sworn law enforcement officers, and four (4) part-time, sworn law enforcement officers. The Chief of Police shall promptly notify the Mayor if the Police Department is below the minimum staffing requirements of this section or if the Police Chief becomes aware of circumstances that may give rise to the same.

B. The David City Police Department is responsible for any non-emergency and emergency calls for service within the city limits and for issuing citations or making arrests for violations of all city ordinances or Nebraska state laws. The police chief shall have immediate control over all the David City police officers. The police chief oversees the law enforcement budget and all equipment needed for the Police Department. The police chief is in charge of all necessary reporting to local, state, and federal entities and offices in relation to the David City Police Department's activities or crime within the City.

C. The City may enter into a contract with the County Board of Butler County for police and law enforcement services to be provided by the Butler County Sheriff's Department. Whenever any such contract has been entered into, the sheriff or his deputies shall, in addition to their other powers and duties, have all the powers and duties of the city police chief within and for the city. One copy of such contract shall be on file at the office of the city clerk, available for public inspection during office hours. (Neb. Rev. Stat. §§ 17-208, 17-2132, 19-3801) (Am. Ord. No. 1477, 6/12/24).

(2) No Other Amendment. Except as expressly provided herein, this Ordinance shall not modify or amend any provision of the Code.

(3) Conflicting Ordinances. City hereby repeals all ordinances passed and approved prior to the passage, approval, and publication of this Ordinance to the extent of the conflict therewith.

(4) Effective Date. This Ordinance shall be in full force and effect from and after passage, approval and publication in pamphlet form.

Passed and approved this 26th day of August, 2026.

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Jessica Miller, Mayor

ATTEST

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Lori Matchett, City Clerk

Council considered Ordinance No. 1539, amending the David City Municipal Code to regulate the use of electric scooters and electric motorcycles. Police Chief Marla Schnell discussed safety concerns associated with the increased use of these vehicles, particularly in the downtown area where complaints involving pedestrians and unsafe operation have been received.

Chief Schnell explained that the proposed ordinance was developed after reviewing regulations from other Nebraska communities and addresses issues including restricted areas, speeding, failure to obey traffic controls, tandem riding, helmet requirements and parental responsibility when the operator is too young to be cited. A map identifying the proposed restricted downtown area was also presented. Chief Schnell indicated that educational information may be provided to the schools and parents regarding the new regulations.

Council and members of the public discussed concerns regarding riders traveling on sidewalks, failing to stop at stop signs, speeding, riding multiple persons on one scooter, visibility, and the potential for accidents involving pedestrians and motorists.

Council Member Keith Marvin introduced Ordinance No. 1539 amending the David City Municipal Code to include and regulate the use of Electric Scooters and Electric Motorcycles. Mayor Jessica Miller read Ordinance No. 1539 by Title.

Council Member Bruce Meysenburg made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Kevin Woita made a motion to approve Ordinance No. 1539 amending the David City Municipal Code to include and regulate the use of Electric Scooters and Electric Motorcycles. Council Member Jeremy Abel seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

ORDINANCE NO. 1539

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, AMENDING THE DAVID CITY MUNICIPAL CODE TO INCLUDE AND REGULATE THE USE OF ELECTRIC SCOOTERS AND ELECTRIC MOTORCYCLES; PROVIDING AN EFFECTIVE DATE; AND AUTHORIZING PUBLICATION OF THE SAME IN PAMPHLET FORM.

WHEREAS, Nebraska Revised Statutes Section 17-505 authorizes the City of David City, Nebraska, a municipal corporation and city of the second class (the “**City**”) to adopt and amend the City’s Municipal Code (the “**Code**”); and

WHEREAS, Sections 4-401 through 4-406 of the Code regulate the use of mopeds (Section 4-401 of the Code so defines) within the City; and

WHEREAS, Section 60-678(2) of the Nebraska Revised Statutes allows the City to “permit, control, or prohibit operation of any motor vehicle, minibike, motorcycle . . . electric bicycles, [and] other powered vehicle[s] . . . on all or any portion of any area under [the City’s] ownership or control”; and

WHEREAS, the City desires to amend the Code to regulate the use of electric scooters, electric motorcycles, and mopeds; and

WHEREAS, the City finds it in the best interest of the City and the City’s residents’ health, safety and welfare to amend the Code as provided herein.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, the City hereby amends the Code as follows:

1. The City hereby repeals Article 4, Chapter 4 of the Code in its entirety and replaces it with the following:

SECTION 4-401: DEFINITIONS

A. “Moped” shall mean a device with fully operative pedals for propulsion by human power, an automatic transmission, and a motor with a cylinder capacity not exceeding 50 cubic centimeters, that produces no more than two brake horsepower and is capable of propelling the device at a maximum design speed of no more than 30 miles per hour on level ground.

B. “Electric Scooter” shall mean a battery-powered device with handlebars for propulsion and braking by human power, with a battery-powered motor containing a voltage capacity between 250 and 3,000 watts.

C. “Electric Motorcycle” shall mean a device with fully operative pedals for propulsion by human power, an automatic transmission, and a motor with a cylinder capacity not exceeding 150 cubic centimeters, which produces no more than five brake horsepower and is capable of propelling the device at a maximum design speed of no more than 70 miles per hour on level ground.

D. For purposes of this Article 4, Chapter 4 of the Code, the “Downtown Area” shall mean that certain portion of the corporate limits of the City of David City, Nebraska, between 9th and 1st Street, to the east and west, and A Street and G Street, to the south and north, as generally depicted below.

E. “Electric Motor-Driven Cycles” shall include Mopeds and Electric Motorcycles.

F. “Operator” shall mean all persons using an Electric Motor-Driven Cycle or Electric Scooter.

SECTION 4-402: ELECTRIC MOTOR-DRIVEN CYCLES; OPERATOR’S LICENSE

No person shall operate an Electric Motor-Driven Cycle upon a highway unless such person has a valid operator’s license. (Nebraska Revised Statutes Section 60-6,310). Electric Motor-Driven Cycles and their owners and operators shall be subject to the Motor Vehicle Operator’s License Act and shall be exempt from the Motor Vehicle Certificate of Title Act, the Motor Vehicle Registration Act, and the Motor Vehicle Safety Responsibility Act. (Nebraska Revised Statutes Sections 60-122, 60-6,309, 60-614.02-.04)

SECTION 4-403: ELECTRIC MOTOR-DRIVEN CYCLES; TRAFFIC REGULATIONS APPLICABLE

A. Any Operator of a Moped or Electric Motorcycle on a roadway shall have all the rights and shall be subject to all the duties applicable to the driver of a motor vehicle under the Nebraska Rules of the Road as Section 60-6,314 of the Nebraska Revised Statutes so provides.

B. Regulations applicable to Electric Motor-Driven Cycles shall apply to the use of Electric Motor-Driven Cycles upon any highway or upon any path the Department of Roads or a local authority designates specifically for the use of Electric Motor-Driven Cycles. (Nebraska Revised Statutes Section 60-6,311)

SECTION 4-404: ELECTRIC MOTOR-DRIVEN CYCLES AND ELECTRIC SCOOTERS; OPERATION; EQUIPMENT

A. Any Operator who operates an Electric Motor-Driven Cycle shall ride upon a permanent and regular seat attached to the same. A person operating an Electric Motor-Driven Cycle or Electric Scooter shall only transport one person unless the manufacturer's design naturally allows the ability to carry more than one person.

B. An Operator shall only operate an Electric Motor-Driven Cycle or Electric Scooter while facing forward.

C. No Operator shall operate an Electric Motor-Driven Cycle or Electric Scooter while carrying any package, bundle, or other article that prevents him or her from keeping both hands on the handlebars.

D. Only the Operator shall operate an Electric Motor-Driven Cycle or Electric Scooter at one time. If the manufacturer's design of the Electric Motor-Driven Cycle or Electric Scooter allows for an additional passenger, such passenger shall not ride he Electric Motor-Driven Cycle or Electric Scooter in a manner that obstructs the Operator's view or control of the same.

E. Any Electric Motor-Driven Cycle or Electric Scooter that carries a passenger shall be equipped with footrests for such passenger.

F. No Operator shall operate any Electric Motor-Driven Cycle with handlebars more than 15 inches above the mounting point of the handlebars. (Nebraska Revised Statutes Section 60-6,312)

SECTION 4-405: ELECTRIC MOTOR-DRIVEN CYCLES; USE OF TRAFFIC LANES

A. An Electric Motor-Driven Cycle may use the traffic lane of any highway with an authorized speed limit of 45 miles per hour or less. No Operator shall use a motor vehicle so as to deprive any Electric Motor-Driven Vehicle of the full use of such lane.

B. No Operator shall operate an Electric Motor-Driven Cycle between lanes of traffic or between adjacent lines or rows of vehicles.

C. No more than two (2) Operators of any Electric Motor-Driven Cycles shall occupy a single lane while abreast or any roadway with an authorized speed limit of less than 45 miles per hour.

D. Any Operator who operates an Electric Motorcycle on a roadway with an authorized speed limit 45 miles per hour or more shall ride as near to the right side of the roadway as practicable and shall not ride more than single file.

E. No Operator operating an Electric Motor-Driven Cycle or Electric Scooter shall attach himself, herself, or the Electric Motor-Driven Cycle or Electric Scooter to any other vehicle on a roadway.

F. No Operator shall operate an Electric Motor-Driven Cycle on sidewalks, crosswalks, or pedestrian walkways.

G. Notwithstanding the maximum speed limits in excess of 25 miles per hour that Section 60-6,186 of the Nebraska Revised Statutes establishes, no Operator shall operate any Moped at a speed in excess of 30 miles per hour. (Nebraska Revised Statutes Section 60-6,313)

SECTION 4-406: ELECTRIC MOTOR-DRIVEN CYCLES AND ELECTRIC SCOOTERS; HELMET REQUIRED

Any Operator operating or riding an Electric Motor-Driven Cycle shall wear a helmet on any highway to the extent Section 60-6,279 of the Nebraska Revised Statutes so requires. Any Operator of an Electric Scooter shall wear a helmet at all times. (Nebraska Revised Statutes Section 60-6,279) (Am. Ord. No. 1482, 6/12/24)

SECTION 4-407 ELECTRIC SCOOTERS; PROHIBITION IN DOWNTOWN AREA; PENALTY FOR VIOLATIONS

A. The City prohibits the use of Electric Scooters on all streets, roads, highways, or other avenues of travel that share space with motor vehicles. The City further prohibits the use of Electric Scooters on all sidewalks, crosswalks, and other pedestrian walkways within the Downtown Area, except for such sidewalks and pedestrian walkways immediately abutting residential property. Operators may only transport Electric Scooters in such prohibited areas while walking next to the same.

B. Any Operator of an Electric Scooter, or such Operator's parent or legal guardian if the Operator is under the age of eighteen, that violates any provision of the David City Municipal Code shall receive a citation and a fine of $150. The fine shall double for each subsequent violation. On the fourth offense, the David City Police Department may seize the Operator's Electric Scooter and impose a fine of $450. Each subsequent offense thereafter shall carry a fine of $500. (Nebraska Revised Statutes Section 17-505).

4. The City hereby repeals all other ordinances or portions of other ordinances passed and approved prior to the passage, approval, and publication or posting of this Ordinance and in conflict herewith to the extent of the conflict therewith.

5. This Ordinance shall be in full force and effect from and after passage, approval and publication in pamphlet form.

PASSED AND APPROVED THIS 26th day of August, 2026.

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Jessica Miller, Mayor

ATTEST

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Lori Matchett, City Clerk

Council considered Resolution No. 10-2026 authorizing direction of call regarding certain obligations of the City of David City. Cody Wickham with D.A. Davidson explained that the resolution is the first step in refinancing and restructuring certain existing City debt obligations.

Mr. Wickham explained that the City is considering converting existing bond anticipation notes associated with completed projects into long-term bonds and aligning the debt payments with the revenue streams supporting those obligations. The proposed financing is also being structured to take advantage of the City's bank-qualified borrowing capacity. It was noted that the obligations under consideration are supported by revenue sources, including TIF and revenues generated by the applicable improvements, rather than property taxes. Resolution No. 10-2026 provides for the required notice to current bond anticipation note holders that the notes will be redeemed in preparation for issuance of the long-term bonds.

Council Member Kevin Woita made a motion to approve Resolution No. 10-2026 authorizing the direction for call regarding certain obligations of the City of David City, Nebraska. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

RESOLUTION NO. 10-2026

A RESOLUTION AUTHORIZING THE DIRECTION FOR CALL REGARDING CERTAIN OBLIGATIONS OF THE CITY OF DAVID CITY, NEBRASKA.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, as follows:

Section 1. That the following notes (collectively, the “Refunded Obligations”), in accordance with their option provisions, are hereby authorized to be called for payment as provided in a Direction for Call (as defined below), after which date interest on the Refunded Obligations will cease:

A. Bond Anticipation Notes, Series 2023B, dated July 12, 2023, in the total principal amount of $3,575,000, numbered as shown on the books and records of the Paying Agent and Registrar and maturing in the principal amount(s) as follows:

Principal Amount	**Maturity Date**	**Interest Rate**	**CUSIP**
$3,575,000	December 15, 2027	4.050%	238554 EM7

B. Bond Anticipation Notes, Series 2024, dated June 10, 2024, in the total principal amount of $2,370,000, numbered as shown on the books and records of the Paying Agent and Registrar and maturing in the principal amount(s) as follows:

Principal	**Maturity Date**	**Interest Rate**	**CUSIP**
$2,370,000	December 15, 2028	4.050%	238554 EQ8

Section 2. The Refunded Obligations are to be paid at the office of paying agent and registrar for such obligations (the “Paying Agent and Registrar”).

Section 3. The Mayor or City Treasurer of the City (each, an “Authorized Officer”) are each individually hereby at any time on or after the date of this resolution authorized to direct the irrevocable call of the Refunded Obligations on behalf of the City and such direction, when made in writing (the “Direction for Call”), shall constitute the action of the City without further action of the Mayor or Council of the City. The redemption date included in the Direction for Call may be set for any date on or prior to June 30, 2027, after which time the Authorized Officers shall have no authority to make any such determination hereunder without further action of the Mayor and Council of the City and this resolution shall be of no further force and effect.

Section 4. A copy of this resolution shall be filed with the Paying Agent, together with an executed Direction for Call, which delivery of Direction for Call is necessary in order for the call of the Refunded Obligations to be effective hereunder. The Paying Agent is hereby instructed to mail notice to each registered owner of the Refunded Obligations in accordance with the ordinances authorizing the issuance of the Refunded Obligations, and to take all other actions deemed necessary in connection with the redemption of the Refunded Obligations.

PASSED AND APPROVED this 26th day of August, 2026.

ATTEST: By ______________________________

Jessica Miller, Mayor

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Lori Matchett, City Clerk

Council considered Ordinance No. 1540 authorizing the issuance of General Obligation Various Purpose Bonds, Series 2026B, in a principal amount not to exceed $6,400,000. Cody Wickham of D.A. Davidson explained that although the bonds are structured as general obligation bonds, the intent is to repay the debt from revenue streams associated with AGP rather than property tax revenues. The general obligation structure provides additional security and assists the City in obtaining more favorable interest rates.

Mr. Wickham explained that the bonds relate to water and sanitary sewer improvements and may be financed over a 20-year term, which aligns with the City's revenue commitments from AGP.

Council Member Kevin Woita introduced Ordinance No. 1540 to authorize the issuance of General Obligation Various Purpose Bonds, Series 2026B, in an amount not to exceed $6,400,000 for the purpose of paying off interim financing for the cost of water and sanitary sewer improvements within the city. Mayor Jessica Miller read Ordinance No. 1540 by title.

Council Member Keith Marvin made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Kevin Woita seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Kevin Woita made a motion to approve Ordinance No. 1540 to authorize the issuance of General Obligation Various Purpose Bonds, Series 2026B, in an amount not to exceed $6,400,000 for the purpose of paying off interim financing for the cost of water and sanitary sewer improvements within the city. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

ORDINANCE NO. 1540

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION VARIOUS PURPOSE BONDS, SERIES 2026B, OF THE CITY OF DAVID CITY, NEBRASKA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED SIX MILLION FOUR HUNDRED THOUSAND DOLLARS ($6,400,000) FOR THE PURPOSE OF PAYING OFF INTERIM FINANCING FOR THE COSTS OF WATER AND SANITARY SEWER IMPROVEMENTS WITHIN THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY THE SAME; AUTHORIZING OFFICERS OF THE CITY TO MAKE ARRANGEMENTS FOR THE SALE OF THE BONDS AND TO DESIGNATE THE FINAL TERMS, RATES AND MATURITY SCHEDULE FOR SAID BONDS WITHIN STATED PARAMETERS; AUTHORIZING THE DELIVERY OF THE BONDS TO THE PURCHASER; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM.

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

Section 1. The Mayor and City Council of the City of David City, Nebraska (the “City”), hereby find and determine as follows:

(a) pursuant to ordinances previously passed and approved by the Mayor and City Council, Water Extension District No. 2023-1, Sanitary Sewer Extension District No. 2023-1 and Sanitary Sewer Extension District No. 2024-1, in the City have been created and the prescribed improvements therein have been or will soon be completed and accepted by the City (the “Improvements”);

(b) the City has previously issued, to provide interim financing for payment of the Improvements, its (i) Bond Anticipation Notes, Series 2023B, dated July 12, 2023, and (ii) Bond Anticipation Notes, Series 2024, dated June 10, 2024 (collectively, the “Notes”);

(c) the Notes are referred to herein as the "Refunded Obligations";

(d) the cost of the Improvements, as reported by the City's Engineer, is not less than $6,400,000;

(e) the Refunded Obligations constitute a contractual obligation of the City and the Refunded Obligations will mature or be called for redemption on a redemption date as determined pursuant to a resolution approved on this date authorizing the call of the Refunded Obligations (the "Redemption Date"), and proceeds of the bonds authorized hereunder together with other funds of the City will be used to refund and redeem such Refunded Obligations on the Redemption Date;

(f) all conditions, acts and things required to exist or to be done precedent to the issuance of General Obligation Various Purpose Bonds, Series 2026B, of the City, in the principal amount of not to exceed $6,400,000 pursuant to Sections 10-142, 18-1801 and 18-1802, R.R.S. Neb. 2012, to pay the costs of the improvements described herein (including payment of the Refunded Obligations and related costs) hereof do exist and have been done as provided by law.

Section 2. To provide for the issuance of bonds as described in Section 1 hereof, there shall be and there are hereby ordered issued bonds of the City, to be known as General Obligation Various Purpose Bonds, Series 2026B (the “Bonds”), of the aggregate principal amount of not to exceed Six Million Four Hundred Thousand Dollars ($6,400,000), provided, that the Bonds shall mature and bear interest at such rates per annum as shall be determined in a written designation (the “Designation”) signed by the Mayor or City Treasurer (each, an “Authorized Officer”) on behalf of the City, which Designation may also determine or modify the principal amount, interest rate or maturity date of the Bonds, mandatory redemption provisions (if any) and pricing terms as set forth in Section 8 hereof, all within the following limitations:

(a) the aggregate principal amount of the Bonds shall not exceed the amount stated in this Section 2 above, provided, however, in the event the Bonds are sold with a net original issue discount such aggregate principal amount may be increased in an amount necessary to compensate for any such net original issue discount;
(b) the longest maturity of the Bonds may not be later than December 15, 2046;
(c) the true interest cost of the Bonds shall not exceed 5.75%;
(d) two or more of the principal maturities may be combined and issued as "term bonds" and each of the Authorized Officers may determine the mandatory sinking fund payments and mandatory redemption amounts. Any Bonds issued as "term bonds" shall be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and may be selected for redemption by any random method of selection determined appropriate by the Registrar (as hereinafter designated).

Each of the Authorized Officers are hereby authorized to make such determinations on behalf of the City and to evidence the same by execution and delivery of the Designation and such determinations shall constitute the action of the Mayor and Council without further action of the Mayor and Council.

The 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 Bonds shall be the date of delivery thereof. Interest on the Bonds shall be payable semiannually on June 15 and December 15 of each year commencing June 15, 2027 (or such other date or dates as provided in the Designation, each of said dates an "Interest Payment Date"), and the Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date to which interest has been paid or provided for, whichever is later. 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 fifteenth day immediately preceding the Interest Payment Date (or such other date as provided in the Designation, the "Record Date"), subject to the provisions of Section 4 hereof. The Bonds shall be numbered from 1 upwards in the order of their issuance. The initial numbering and principal amounts for each of the Bonds shall be designated by the initial purchaser thereof. Payments of interest due on the Bonds prior to maturity or early redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 3 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 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 3 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 Bonds to said Paying Agent and Registrar. 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 the 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 in accordance with the terms of this ordinance 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.

Section 3. Unless as otherwise provided in the Designation, the BOKF, National Association, Lincoln, Nebraska, is hereby designated to serve as Paying Agent and Registrar for the Bonds. The Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the Bonds at the City offices. 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 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 the transferee owner or owners, a new Bond or Bonds of the same series, 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 series, 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 series, interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bond shall be canceled and destroyed. All Bonds issued upon transfer of the Bonds so surrendered shall be valid obligations of the City evidencing the same obligation as the Bonds surrendered and shall be entitled to all the benefits and protection of this ordinance to the same extent as the Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any Bond during any period from any Record Date until its immediately following Interest Payment Date or to transfer any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

Section 4. 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 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 David City, Nebraska, 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. In addition to any mandatory sinking fund redemption as may be determined in the Designation, the Bonds shall be subject to redemption at the option of the City prior to the stated maturities thereof, in whole or in part, at any time on or after the fifth anniversary of the date of original issue thereof (or such other date as provided in the Designation) 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 in its sole discretion, but Bonds shall be redeemed only in amounts of $5,000 or integral multiples thereof. Bonds redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for new Bonds evidencing the unredeemed principal thereof. Notice of redemption of any Bond called for redemption shall be given at the direction of the City in the case of optional redemptions and without further direction in the case of mandatory redemptions, by said Paying Agent and Registrar 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 Bond at said owner's registered address. Such notice shall designate the Bond or Bonds to be redeemed by number, the date of original issue and the date fixed for redemption and shall 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 City 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 City shall have the right to further direct notice of redemption for any such Bond for which defective notice has been given. In the event term maturities and mandatory redemption amounts are determined in the Designation, the provisions of this Section 6 shall apply generally to mandatory redemptions. Any such mandatory redemptions shall be in amounts and on terms set forth in the Designation, at the principal amount redeemed plus accrued interest to the date set for redemption. The Paying Agent and Registrar shall select the term bonds to be redeemed in any maturity using any random method of selection deemed appropriate, subject to the provisions of Section 8 of this Ordinance.

Section 7. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF NEBRASKA

GENERAL OBLIGATION VARIOUS PURPOSE BOND
OF THE CITY OF DAVID CITY, NEBRASKA
SERIES 2026B

No.

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
	________, 20___	_____________, 2026	

Registered Owner:

Principal Amount: Dollars

KNOW ALL PERSONS BY THESE PRESENTS: That the City of David City, in the State of Nebraska (the "City"), hereby acknowledges itself to owe and for value received promises to pay 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 maturity date specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent interest payment date for which interest has been paid or provided for, whichever is later, at the rate per annum specified above, payable semiannually on _____________ and ___________ of each year commencing ____________, 20___ (each of said dates an "Interest Payment Date"). Said interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal hereof together with any unpaid interest accrued thereon due at maturity or upon earlier redemption is payable upon presentation and surrender of this bond at the office of BOKF, National Association, Lincoln, Nebraska, the Paying Agent and Registrar, in Lincoln, Nebraska. 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, as of the close of business on the fifteenth day immediately preceding the Interest Payment Date, to such owner's address as shown on such books and records (the "Record Date"). 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.

All bonds of this issue are subject to redemption prior to maturity on _________________, ____, or at any time thereafter at par plus accrued interest on the principal amount redeemed to the date set for redemption. Notice of redemption shall be given by mail to the registered owner of any bond to be redeemed, not less than thirty days prior to the date set for redemption, in the manner specified in the ordinance authorizing the issuance of said bonds. Individual bonds may be redeemed in part but only in the amount of $5,000 or any integral multiple thereof.

This bond is one of an issue of fully registered bonds of the total principal amount of $____________, of even date and like tenor herewith, except as to denomination, which were issued by the City for the purpose of paying off interim financing for the costs of water and sanitary sewer improvements within the city, refunding the City's Bond Anticipation Notes, Series 2023B, dated July 12, 2023 and Bond Anticipation Notes, Series 2024, dated June 10, 2024 and paying costs of issuance. The issuance of this bond and the other bonds of this issue has been lawfully authorized by an ordinance duly passed, approved and published by the Mayor and Council of the City in strict compliance with Sections 10-142, 18-1801 and 18-1802, Reissue Revised Statutes of Nebraska, 2012, as amended.

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 limitation imposed by law. The City agrees that it will cause to be levied and collected annually a tax by valuation on all the taxable property in the City, in addition to all other taxes, sufficient in rate and amount to fully pay the principal and interest of said bonds as the same become due.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this bond and thereupon a new bond or bonds of the same aggregate principal amount will be issued to the transferee as provided in the ordinance authorizing said issue of bonds, 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 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.

This bond shall not be valid for any purpose until the Certificate of Authentication hereon shall have been signed by the Paying Agent and Registrar.

IN WITNESS WHEREOF, the Mayor and Council of the City of David City, Nebraska, have caused this bond to be executed on behalf of the City with the signatures of its Mayor and City Clerk, both of which signatures may be facsimile signatures, and by having affixed hereto or imprinted hereon the City's seal, all as of the date of issue shown above.

THE CITY OF DAVID CITY, NEBRASKA

(SEAL)

By: (Sample - Do not sign)
Mayor

ATTEST:

(Sample - Do not sign)
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This bond is one of the series designated therein and has been registered to the owner named in said bond and the name of such owner has been recorded in the books of record maintained by the undersigned as Paying Agent and Registrar for said issue of bonds.

(Sample - Do not sign)
BOKF, National Association, Lincoln, Nebraska, Paying Agent and Registrar for the City of David City, Nebraska

(FORM OF ASSIGNMENT)

For value received, ____ hereby sells, assigns and transfers unto ____, (Social Security or Taxpayer I.D. No. ______________________) 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.

Dated: ____________________________

____

____
Registered Owner(s)

Signature Guaranteed
By ________________________________

____
Authorized Officer

Note: The signature(s) of this assignment MUST CORRESPOND with the name(s) 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. Each of the 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. 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. Upon execution, registration and authentication of the Bonds, they shall be delivered to the City Treasurer, who is authorized to deliver them to the D.A. Davidson & Co., as the initial purchaser thereof, upon receipt of a purchase price as determined in the Designation with an underwriter's discount of not to exceed 2.00%. Said initial purchaser shall have the right to direct the registration of the Bonds and the denominations thereof within each maturity, subject to the restrictions of this Ordinance. Any of the Authorized Officers of the City are hereby authorized to approve, execute, and deliver the Designation for and on behalf of the City. 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 at closing.

Section 9. The City Clerk is hereby directed to make and certify a transcript of the proceedings of the City precedent to the issuance of said Bonds which shall be delivered to the purchaser of said Bonds.

Section 10. For the prompt payment of the Bonds, both principal and interest as the same fall due, the City agrees that it shall cause to be levied and collected annually a special levy of taxes on all the taxable property in the City for the purpose of paying and sufficient to pay the interest and principal of the Bonds when and as such principal and interest become due. The City reserves the right to satisfy its payment obligations with respect to the Bonds from any available source of funds.

Section 11. The net proceeds of the Bonds shall be applied upon receipt for the purposes described in Section 1 hereof, and to pay issuance costs. Any accrued interest received from the sale of the Bonds shall be applied to pay interest falling due on said Bonds on the first Interest Payment Date. Expenses of issuance of the Bonds may be paid from the proceeds of the Bonds. The officers of the City (or any one or more of them) are hereby authorized to take all actions deemed necessary in connection with the issuance of the Bonds and the calling of the Refunded Obligations on the Redemption Date. The Council hereby authorizes the Bonds to be sold with a rating and a provision for bond insurance or such other credit enhancement product as determined by an Authorized Officer in the Designation. The premium for such bond insurance or credit enhancement product may be payable from the proceeds of the Bonds along with other expenses of issuing the Bonds.

Section 12. The holders of the Bonds of this issue shall be subrogated to all rights of the holders of any claims which are paid from the proceeds of said Bonds.

Section 13. The City hereby covenants to the purchasers and holders of the Bonds hereby authorized that it will make no use of the proceeds of said Bond issue, including monies held in any sinking fund for the Bonds, which would cause the 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. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax exempt status (as to taxpayers generally) of interest payable on the Bonds. The City hereby designates the Bonds as its "qualified -taxexempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not reasonably expect to issue tax-exempt bonds or other tax-exempt obligations aggregating in principal amount more than $10,000,000 during calendar year 2026, taking into consideration statutory exceptions for refunding issues. The City further covenants and warrants that it has not designated and will not designate bonds or other obligations as so qualified in an amount in excess of $10,000,000 in calendar year 2026. The Mayor and/or City Treasurer are hereby authorized to make any and all elections or allocations deemed necessary by them in connection with the tax-exempt status of interest on the Bonds or other tax related qualification thereof.

Section 14. The City's obligations under this Ordinance with respect to any or all of the Bonds herein authorized shall be fully discharged and satisfied as to any or all of such Bonds and any such Bond shall no longer be deemed to be outstanding hereunder if such Bond has been purchased by the City and cancelled or when the payment of the principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made in accordance with the terms thereof or (b) shall have been provided for by depositing with a national or state bank having trust powers or trust company, in trust, solely for such payment (i) sufficient money to make such payment and/or (ii) direct general obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as "U.S. Government Obligations") in such amount and bearing interest and maturing or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will insure the availability of sufficient money to make such payment; provided, however, that with respect to any Bond to be paid prior to maturity, the City shall have duly called such Bond for redemption and given notice thereof or made irrevocable provisions for the giving of such notice. Any money so deposited with such bank or trust company may be invested or reinvested in U.S. Government Obligations at the direction of the City, and all interest and income from U.S. Government Obligations 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 Bonds for which such monies or U.S. Government Obligations were deposited shall be paid over to the City as and when collected.

Section 15. Each of the Authorized Officers is authorized to prepare, approve and deem final on behalf of the City a preliminary official statement, as applicable, for use by the Underwriter in connection with the offering and sale of the Bonds, and to approve a final official statement, as applicable, in accordance with any applicable governing laws, rules or regulations.

Section 16. In accordance with the requirements of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission, the City, being the only "obligated person" with respect to the Bonds, agrees to provide the following continuing disclosure information to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB:

(a) not later than nine (9) months after the end of each fiscal year of the City (the "Delivery Date"), commencing with the fiscal year ending September 30, 2026, financial information or operating data for the City generally consistent with the information set forth in Appendix B, Part 1 (CITY OF DAVID CITY—FINANCIAL INFORMATION) to the Official Statement used in the sale of the Bonds, under the titles

(i) "Direct Debt", (ii) “Overlapping Debt”, and (iii) “Taxable Valuation History” (collectively, the “Annual Financial Information”);

(b) when and if available, audited financial statements for the City;

(c) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of the holders of the Bonds, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar events of the City (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City);

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

(d) in a timely manner, notice of any failure on the part of the City to provide the Annual Financial Information and the audited financial statements, if any, not later than the Delivery Date.

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

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

Section 17. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Mayor and the City Council hereby authorize and direct all of the officers, employees and agents of the City to carry out, or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any one of them, shall consider necessary, advisable, desirable, or appropriate in connection with this ordinance, and the issuance, sale and delivery of the Bonds, including, without limitation and whenever appropriate, the execution and delivery thereof and of all other related documents (including the Bond Purchase Agreement), instruments, certifications and opinions; and delegates, authorizes and directs the Mayor and the City Treasurer (or either one of them) the right, power and authority to exercise his or her own independent judgment and discretion in determining and finalizing the terms, provisions, form and contents of each of the foregoing. The execution and delivery by the Mayor or City Treasurer or by any such other officer, officers, agent or agents of the City of any such documents, instruments, certifications and opinions, or the doing by him or her of any act in connection with any of the matters which are the subject of this ordinance, shall constitute conclusive evidence of both the City's and his or her approval of all changes, modifications, amendments, revisions and alterations made therein, and shall conclusively establish his or her authority with respect thereto from the City and the authorization, approval and ratification by the City of the documents, instruments and certifications so executed and the action so taken.

Section 18. In order to promote compliance with certain federal tax and securities laws relating to the Bonds herein authorized (as well as other outstanding bonds) the policy and procedures attached hereto as <u>Exhibit "A"</u> (the "Post-Issuance Compliance Policy and Procedures") are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

PASSED AND APPROVED this 26th day of August, 2026.

____
Jessica Miller, Mayor

____
Lori Matchett, City Clerk

(SEAL)

EXHIBIT "A"
POLICY AND PROCEDURES

[SEE ATTACHED]

Policy and Procedures
Federal Tax Law and Disclosure Requirements for
Tax-exempt Bonds and/or Tax Advantaged Bonds

ISSUER NAME: The City of David City, in the State of Nebraska
COMPLIANCE OFFICER (BY TITLE): City Treasurer

POLICY

It is the policy of the Issuer identified above (the "Issuer") to comply with all Federal tax requirements and securities law continuing disclosure obligations for its obligations issued as tax-exempt bonds (or as tax credit, direct pay subsidy or other tax-advantaged bonds, as applicable) to ensure, as applicable (a) that interest on its tax-exempt bonds remains exempt from Federal income tax, (b) that the direct payments or tax credits associated with its bonds issued as tax advantaged bonds are received in a timely manner and (c) compliance with any continuing disclosure obligations of the Issuer with respect to its outstanding bonds.

PROCEDURES

<u>Compliance Officer</u>. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Compliance Officer identified above (the "Compliance Officer"). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

<u>Training</u>. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service

(either on its website at http://www.irs.gov/taxexemptbond, or elsewhere) and the Municipal Securities Rulemaking Board (either on its Electronic Municipal Market Access website ["EMMA"] at http://www.emma.msrb.org, or elsewhere).

Compliance Review. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The review shall occur at the time the Issuer's annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period or frequency of review would be more appropriate.

Scope of Review.

Document Review. At the compliance review, the following documents (the "Bond Documents") shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue:

(a) the resolution(s) and/or ordinance(s), as applicable, adopted by the governing body of the Issuer authorizing the issuance of its outstanding bonds, together with any documents setting the final rates and terms of such bonds (the "Authorizing Proceedings"),
(b) the tax documentation associated with each bond issue, which may include some or all of the following (the "Tax Documents"):
   (i) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
   (ii) Form 8038 series filed with the Internal Revenue Service;
   (iii) tax certificates, tax compliance agreements, tax regulatory agreement or similar documents;
   (iv) covenants, agreements, instructions or memoranda with respect to rebate or private use;
   (v) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and
   (vi) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings relating to federal tax matters.
(c) the Issuer's continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the "Continuing Disclosure Obligations"), and
(d) any communications or other materials received by the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer's bonds or relating to the Issuer's Continuing Disclosure Obligations.

Use and Timely Expenditure of Bond Proceeds. Expenditure of bond proceeds shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents, and (c) that any mandatory redemptions from excess bond proceeds are timely made if required under the Authorizing Proceedings and Tax Documents.

Arbitrage Yield Restrictions and Rebate Matters. The Tax Documents shall be reviewed by the Compliance Officer to ensure compliance with any applicable yield restriction requirements under Section 148(a) of the Internal Revenue Code (the "Code") and timely calculation and payment of any rebate and the filing of any associated returns pursuant to Section 148(f) of the Code. A qualified rebate analyst shall be engaged as appropriate or as may be required under the Tax Documents.

Use of Bond Financed Property. Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed by the Compliance Officer to ensure compliance. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, contracts related to operation or management of bond-financed property, sponsored research agreements, take-or-pay contracts or other agreements or arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed property which were not anticipated at the time the bonds were issued. Such actions could be prohibited by the Authorizing Proceedings, the Tax Documents or Federal tax law.

Continuing Disclosure. Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated (a) to ensure timely compliance with any annual disclosure requirement, and (b) to ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

Record Keeping. If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus six (6) years.

Incorporation of Tax Documents. The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

Consultation Regarding Questions or Concerns. Any questions or concerns which arise as a result of any review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the Internal Revenue Service which allows issuers under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to issuers of certain bonds under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued.

Council considered Resolution No. 11-2026 authorizing direction of call regarding certain obligations of the City of David City. Cody Wickham of D.A. Davidson explained that this is the next series of bonds being considered for refunding and extension of the repayment term. The obligations relate to the 2023 Electric Utility Revenue Bonds associated with the AGP substation project. The proposed refinancing would extend the debt over a 20-year term.

Council Member Kevin Woita made a motion to approve Resolution No. 11-2026 authorizing the direction for call regarding certain obligations of the City of David City, Nebraska. Council Member Bruce Meysenburg seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

RESOLUTION NO. 11-2026

A RESOLUTION AUTHORIZING THE DIRECTION FOR CALL REGARDING CERTAIN OBLIGATIONS OF THE CITY OF DAVID CITY, NEBRASKA.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, as follows:

Section 1. That the following bonds (collectively, the "Refunded Obligations"), in accordance with their option provisions, are hereby authorized to be called for payment as provided in a Direction for Call (as defined below), after which date interest on the Refunded Obligations will cease:

Electric Utility Revenue Bonds, Series 2023, dated September 15, 2023, in the total principal amount of $995,000, numbered as shown on the books and records of the Paying Agent and Registrar and maturing in the principal amount(s) as follows:

Principal Amount	Maturity Date	Interest Rate	CUSIP
$365,000	December 15, 2029	4.400%	238556 CF9
$630,000	December 15, 2034	4.550%	238556 CG7

Section 2. The Refunded Obligations are to be paid at the office of paying agent and registrar for such obligations (the "Paying Agent and Registrar").

Section 3. The Mayor or City Treasurer of the City (each, an "Authorized Officer") are each individually hereby at any time on or after the date of this resolution authorized to direct the irrevocable call of the Refunded Obligations on behalf of the City and such direction, when made in writing (the "Direction for Call"), shall constitute the action of the City without further action of the Mayor or Council of the City. The redemption date included in the Direction for Call may be set for any date on or prior to June 30, 2027, after which time the Authorized Officers shall have no authority to make any such determination hereunder without further action of the Mayor and Council of the City and this resolution shall be of no further force and effect.

Section 4. A copy of this resolution shall be filed with the Paying Agent, together with an executed Direction for Call, which delivery of Direction for Call is necessary in order for the call of the Refunded Obligations to be effective hereunder. The Paying Agent is hereby instructed to mail notice to each registered owner of the Refunded Obligations in accordance with the ordinances authorizing the issuance of the Refunded Obligations, and to take all other actions deemed necessary in connection with the redemption of the Refunded Obligations.

PASSED AND APPROVED this 26th day of August, 2026.

ATTEST:

By ___________________________
Jessica Miller, Mayor

____
Lori Matchett, City Clerk

Council considered Ordinance No. 1541, authorizing the issuance of Electric Utility Revenue Refunding Bonds, Series 2026, in a principal amount not to exceed $1,050,000 for the purpose of refunding the City's outstanding Electric Utility Revenue Bonds, Series 2023. Cody Wickham of D.A. Davidson explained that the bonds would be repaid from revenues associated with the City's electric utility system and that the agreement with AGP provides for repayment, including interest over the 20-year period. An interest rate of approximately 4.76% was discussed. Mr. Wickham also provided an update on the anticipated timing of the bond sales. D.A. Davidson is working with bond counsel on the preliminary official statements and plans to market the bonds in mid-September due to current bond market volatility and the possibility of higher interest rates later in the year.

Council Member Bruce Meysenburg introduced Ordinance No. 1541 to authorize the issuance of Electric Utility Revenue Refunding Bonds, Series 2026, in an amount not to exceed $1,050,000 for the purpose of refunding the city's outstanding Electric Utility Revenue Bonds, Series 2023. Mayor Jessica Miller read Ordinance No. 1541 by title.

Council Member Bruce Meysenburg made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Keith Marvin seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Keith Marvin made a motion to approve Ordinance No. 1541 to authorize the issuance of Electric Utility Revenue Refunding Bonds, Series 2026, in an amount not to exceed $1,050,000 for the purpose of refunding the city's outstanding Electric Utility Revenue Bonds, Series 2023. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

ORDINANCE NO. 1541

AN ORDINANCE AUTHORIZING THE ISSUANCE OF ELECTRIC UTILITY REVENUE REFUNDING BONDS, SERIES 2026, OF THE CITY OF DAVID CITY, NEBRASKA, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION FIFTY THOUSAND DOLLARS ($1,050,000) FOR THE PURPOSE OF REFUNDING THE CITY'S OUTSTANDING ELECTRIC UTILITY REVENUE BONDS, SERIES 2023; PRESCRIBING THE FORM OF SAID BONDS; PLEDGING AND HYPOTHECATING THE REVENUES AND EARNINGS OF THE ELECTRIC LIGHT AND POWER PLANT AND DISTRIBUTION SYSTEM OWNED BY THE CITY FOR THE PAYMENT OF SAID BONDS; AUTHORIZING OFFICERS OF THE CITY TO MAKE ARRANGEMENTS FOR THE SALE OF THE BONDS AND TO DESIGNATE THE FINAL TERMS, RATES AND MATURITY SCHEDULE FOR SAID BONDS WITHIN STATED PARAMETERS; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY (THE "CITY"), NEBRASKA:

Section 1. The Mayor and Council hereby find and determine:

(a) that the City owns and operates an electric light and power plant and distribution system (hereinafter, the "Electric Utility"), which Electric Utility is hereby determined to be a revenue producing utility for which revenue bonds may be issued pursuant to Sections 18-1803 to 18-1805, Reissue Revised Statutes of Nebraska, 2012, as amended;

(b) that the City presently has outstanding its Electric Utility Revenue Bonds, Series 2023, dated September 15, 2023 (the "Refunded Bonds"), a portion of which are to be refunded with proceeds of the bonds herein authorized; and

(c) that the City has the authority to pledge, to the extent required to secure the bonds herein contemplated, the revenues of the City's Electric Utility; that it is necessary to issue Electric Utility Revenue Refunding Bonds, Series 2026, in the amount of not to exceed One Million Fifty Thousand Dollars ($1,050,000), which bonds will be payable from and shall be a lien upon the revenue and earnings of the Electric Utility of the City; and that all conditions, acts and things required by law to exist or to be done precedent to the issuance of the Electric Utility Revenue Refunding Bonds, Series 2026, contemplated herein do exist and have been done and performed in regular and due form as required by law.

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

a) "Bonds" shall mean not to exceed $1,050,000 principal amount of Electric Utility Revenue Refunding Bonds, Series 2026, authorized pursuant to Section 3 of this ordinance at any time outstanding;

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

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

d) the "Electric Utility" shall mean the electric light and power plant and distribution system of the City as now existing and all additions (including any additional utility systems which might hereafter be lawfully included in the Electric Utility of the City), extensions and improvements hereafter made; and

e) "permitted investments" shall mean, to the extent that the same are authorized investments for funds of the Issuer under Nebraska Law:

(1) Cash (insured at all times by the FDIC or otherwise collateralized as required by applicable law);

(2) Obligations of, or obligations guaranteed as to principal and interest by, the United States Government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including: (a) U.S. treasury obligations, (b) all direct or fully guaranteed obligations, (c) Farmers Home Administration, (d) General Services Administration, (e) Guaranteed Title XI financing, (f) Government National Mortgage Association (GNMA), or (g) State and Local Government Series (any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the defeased debt);

(3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(5) Money market funds rated "AAAm" or "AAAm-G" or better by S&P;

(6) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P; or

(7) To the extent permitted by law, in Bonds or Additional Bonds (which Bonds so purchased shall be held for the credit of the various accounts and not cancelled), and in bond anticipation notes of the City and in paving, sewer and water warrants of the City which are to be funded by the issuance of bonds of the City.

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

Section 3. For the purposes as set out in Section 1 hereof, there shall be and there hereby are ordered issued Electric Utility Revenue Refunding Bonds, Series 2026 (the “Bonds”), of the aggregate principal amount of not to exceed One Million Fifty Thousand Dollars ($1,050,000), with said Bonds to mature and become due on such dates and in such years and in such amounts and bear interest at the rates per annum as shall be determined in a written designation (the “Designation”) signed by the Mayor or City Treasurer (each, an “Authorized Officer”) on behalf of the City and which may be agreed to by D.A. Davidson & Co. (the “Underwriter”), which Designation may also determine or modify the mandatory redemption provisions (if any), and pricing terms as set forth in Section 23 below, all within the following limitations:

(a) the aggregate principal amount of the Bonds shall not exceed $1,050,000;

(b) the all-in true interest cost of the Bonds shall not exceed 5.75%;

(c) The longest maturity of the Bonds shall not be later than December 15, 2046;

(d) Two or more of the principal maturities may be combined and issued as “term bonds” and the Authorized Officer may determine the mandatory sinking fund payments and mandatory redemption amounts. Any Bonds issued as “term bonds” shall be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and may be selected for redemption by any random method of selection determined appropriate by the Registrar (as hereinafter designated) or by the Depository (as hereinafter designated).

Such determinations, when made and agreed to by the Underwriter, shall constitute the action of the City without further action of the Board.

The Bonds shall be in the denomination of $5,000 or any integral multiple thereof and shall be numbered from 1 upward in the order of their issuance. No Bonds shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the 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, 2027 (or such other date as determined in the Designation). 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 fifteenth day immediately preceding the interest payment date (or such other date as determined in the Designation, the “Record Date”), subject to the provisions of Section 4 hereof. Payment of interest due on the Bonds prior to maturity shall be made by the Paying Agent and Registrar, as designated pursuant to Section 4 hereof, by mailing a check in the amount due for such interest on each interest payment date to the registered owner of each Bond, as of the applicable Record Date, to such owner's registered address as shown on the books of registration, as required to be maintained in Section 4 hereof. Payment of principal due at maturity, or at any date fixed for redemption prior to maturity, together with any accrued interest then due, shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to said Paying Agent and Registrar. 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 such bond at maturity or any interest installment is not paid when due, the delinquent bond or delinquent interest installment shall bear interest thereafter until paid at a rate equal to the rate assessed against delinquent taxes under Section 45-104.01, R.R.S. Neb. 2010, as now existing or as the same may be amended from time to time by the Nebraska Legislature.

Section 4. Unless as otherwise determined in the Designation, the BOKF, National Association, in Lincoln, Nebraska, is hereby designated as Paying Agent and Registrar for the Bonds. The City reserves the right to appoint a successor paying agent and registrar. The 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 Lincoln, Nebraska or the office of any duly-appointed successor, as applicable. 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 by surrender of such bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent and thereupon the Paying Agent and Registrar on behalf of the City will register such transfer and will deliver at its office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new 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 canceled 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 the benefits and protection of this ordinance to the same extent as the Bonds upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any Bond during any period from any Record Date until its immediately following interest payment date or to transfer any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption. In the event that payments of interest due on the 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 5. The Bonds shall be subject to optional 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 provided in the Designation) 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. 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. 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 Council by the Paying Agent and Registrar by mail not less than thirty days prior to the date fixed for redemption, first class postage prepaid, sent to the registered owner of such bond at said owner's registered address, provided, however, that no such direction shall be required in the case of mandatory redemption. 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 Council 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 Council shall have the right to further direct notice of redemption for any such bond for which defective notice has been given. In the event term maturities and mandatory redemption amounts are determined in the Designation, the provisions of this Section 5 shall apply generally to mandatory redemptions.

Section 6. 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 7. 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 therefor under his/her official bond and such Treasurer shall cause said bonds to be registered in the office of the Auditor of Public Accounts. 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, 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 8. Said Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF BUTLER
CITY OF DAVID CITY

ELECTRIC UTILITY REVENUE REFUNDING BOND, SERIES 2026

Interest Rate	Maturity Date	Date of Original Issue	CUSIP No.
%			

Registered Owner: __________________________

Principal Amount: __________________________

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

The City, however, reserves the right and option of paying bonds of this issue prior to maturity at any time on or after the fifth anniversary of the date of original issue thereof at par plus accrued interest on the principal amount redeemed to the date fixed for redemption.

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 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 (the “Ordinance”). Individual bonds may be redeemed in part but only in the amount of $5,000 or integral multiples thereof. Any bond redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new bond or bonds evidencing the unredeemed principal thereof.

This bond is one of an issue of fully registered bonds of the total principal amount of $_______________, of like tenor herewith except as to denomination, date of maturity and rate of interest issued by said City for the purpose of refunding the City’s outstanding Electric Utility Revenue Bonds, Series 2023, in pursuance of the provisions of Sections 10-142 and 18-1803 to 18-1805, R.R.S. Neb. 2012. This bond and the others of said issue have been duly authorized by the Ordinance duly passed and adopted by the Mayor and Council of said City.

The revenue and earnings derived and to be derived from the operation of the electric light and power plant and distribution system owned and operated by the City, and all extensions and additions thereto and all improvements thereof hereafter made (hereinafter, the “Electric Utility”) are pledged and hypothecated, all of which bonds of said issue are equally and ratably secured by said pledge and are of equal priority as to lien upon the revenues and earnings of said Electric Utility owned and operated by the City and are not general obligations of the City , subject only to the payment of reasonable expenses of operating and maintaining said Electric Utility. The City agrees to maintain and collect rates and charges for electric service which shall be reasonable and adequate to produce revenues and earnings sufficient at all times to pay the interest and principal of all of said bonds as such interest and principal become due and to maintain and operate said Electric Utility efficiently. The Ordinance constitutes a contract between the City and the holders of said bonds and reserves the right to the City to issue bonds equal in lien to the bonds of this series of bonds or junior lien bonds or notes under certain conditions. The bonds of this issue are not general obligations of the City and are payable solely from the revenues of said Electric Utility as so pledged.

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

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

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

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

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

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

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

CITY OF DAVID CITY, NEBRASKA

By________(sample do not sign)______
Mayor

ATTEST:

_____(sample 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 David City, Nebraska as described in said bond.

BOKF, National Association, Lincoln, Nebraska,
Paying Agent and Registrar

By _____(sample do not sign)________

(FORM OF ASSIGNMENT)

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

Date: ___________________________

SIGNATURE GUARANTEED

____
Registered Owner

By _________________________

____
Authorized Officer

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

Section 9. For the payment of the Bonds, the City hereby pledges and hypothecates the entire revenue and earnings of the Electric Utility subject only to the payment of reasonable expenses of operating and maintaining said Electric Utility.

Section 10. The City will maintain and collect rates and charges for all electric service furnished from its Electric Utility adequate to produce revenue and earnings sufficient at all times:

(a) to provide for the payment of interest on and principal of the 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 Utility, including adequate insurance as provided by this ordinance and to pay for the necessary and reasonable repairs, replacements and extensions of said Electric Utility;

(c) to establish and maintain an Electric Utility Bond Reserve Account and Improvement and Extension Account as hereinafter set forth.

Section 11. The entire revenue and earnings derived from the operation of the Electric Utility of said City shall be set aside as collected and deposited in a separate fund and designated as the "Electric Utility Fund", the creation of which is hereby confirmed. The monies in the Electric Utility Fund shall be deposited in a separate bank account properly identified as such in a bank or banks designated by the Mayor and shall be secured as provided by law for public deposits. The City shall set up and maintain as long as the Bonds or any Additional Bonds are outstanding the following accounts for the administration of said fund:

I. OPERATION AND MAINTENANCE ACCOUNT: The establishment within the Electric Utility Fund of a separate account designated as the "Operation and Maintenance Account" is hereby confirmed. The City shall set aside in this account each month an amount sufficient for the operation and maintenance of its Electric Utility and the expenses of maintenance and operation of said Electric Utility shall be paid out of this account.

II. ELECTRIC UTILITY REVENUE BOND ACCOUNT: The establishment within the Electric Utility Fund of a separate account designated as the "Electric Utility Revenue Bond Account" is hereby confirmed. The City shall transfer to the Electric Utility Revenue Bond Account such amounts as follows:

(1) Commencing on the first (1st) day of the month following the month in which the Bonds are issued (the "Initial Deposit Date"), and continuing on the corresponding day of each month thereafter an amount which, when combined with additional equal monthly amounts to be deposited pursuant to this subparagraph prior to the next falling Interest Payment Date, will be sufficient to provide funds to pay the installment of interest due with respect to the Bonds on such Interest Payment Date; and

(2) Commencing on the Initial Deposit Date, and continuing on the corresponding day of each month thereafter an amount which, when combined with additional equal monthly amounts to be deposited pursuant to this subparagraph prior to the next principal maturity date (or mandatory sinking fund redemption date, if applicable) with respect to the Bonds will be sufficient to provide funds to pay such maturing principal amount (or make such mandatory sinking fund redemption payment, if applicable) on such date.

Such transfers to the Electric Utility Revenue Bond Account shall be made in such amounts and at such times that there will be sufficient sums in such account to make the required payments of principal and interest with respect to the Bonds. Upon the issuance of any Additional Bonds pursuant to this ordinance, appropriate additional monthly payments to the Electric Utility Revenue Bond Account shall be provided in an amount sufficient to pay the principal and interest on such Additional Bonds. The monies in the Electric Utility Revenue Bond Account shall be used only for the payment of principal and interest on the Bonds and any Additional Bonds issued pursuant to this ordinance.

III. ELECTRIC UTILITY BOND RESERVE ACCOUNT: Within the Electric Utility Bond Reserve Account, there has been and shall be established separate sub-accounts for the Bonds and each series of Additional Bonds, as shall be deemed appropriate by the Mayor and Council in connection with each such issue. For the Bonds there is hereby ordered established the 2026 Bond Reserve Sub-account into which there shall be deposited from the proceeds of the Bonds or other fund of the City the sum of $0.00 (or such other amount as set forth in the Designation, the “2026 Required Balance”) which shall be maintained as the required balance so long as any of the Bonds remain outstanding. Monies credited to the 2026 Bond Reserve Sub-account may be withdrawn, as needed, to provide funds to pay when due the principal of and interest on the Bonds, if the Electric Utility Revenue Bond Account contains insufficient funds for such purpose, and the City Treasurer is hereby authorized and directed to make such withdrawal if and when needed. The 2026 Bond Reserve Sub-account has been established with respect to and shall be maintained for the security of the Bonds only. In the event of any withdrawal from the 2026 Bond Reserve Sub-account but subject to allocation among other sub-accounts in the Electric Utility Bond Reserve Account as described below, there shall be credited to the 2026 Bond Reserve Sub-account in the month following such withdrawal all monies in the Electric Utility Fund remaining after making the payments required to be made in such month to the Operation and Maintenance Account and the Electric Utility Revenue Bond Account and each month thereafter all such remaining monies shall be credited to the 2026 Bond Reserve Sub-account until such sub-account has been restored to the 2026 Required Balance. In issuing any series of Additional Bonds a separate sub-account in the Electric Utility Bond Reserve Account may be established for such series of Additional Bonds but is not required under the terms of this Ordinance. In no event shall the required balance for any such additional sub-account established for any series of Additional Bonds within the Electric Utility Bond Reserve Account (which shall be set at the discretion of the City and may be $0), exceed an amount equal to 1.20 times the average annual debt service requirements for the issue of additional bonds for which such reserve sub-account is established. The balance in any such additional sub-account may be funded from monies on hand or from periodic deposits from revenues in the Electric Utility Fund or from the proceeds of such Additional Bonds. Each sub-account in the Electric Utility Bond Reserve Account and available monies from the Electric Utility Fund required to be credited to each such sub-account at any time shall be allocated on a pro rata basis between sub-accounts then requiring credits in accordance with the respective unpaid principal amounts then outstanding for each such issue for which there is a sub-account requiring credits. Each sub-account in the Electric Utility Bond Reserve Account shall constitute a separate fund held in trust by the City Treasurer for the separate benefit of the issue of bonds for which it is established. Anything in this Subsection 11(III) to the contrary notwithstanding, the amount required to be maintained in the Electric Utility Bond Reserve Account or any sub-account therein shall not at any time exceed the maximum amount permitted to be invested without yield under Section 148 of the Internal Revenue Code of 1986, as amended, or any successor provision or related statutory limitation and applicable regulations of the United States Treasury Department.

IV. IMPROVEMENT AND EXTENSION ACCOUNT: The Designation may contain provisions for a monthly credit to such Account of an amount in addition to that required (if any) under the terms of this ordinance. Monies in this Account (if any) may be used for maintenance, improvement, replacement, enlargement or extension of the Electric Utility, including payments of principal and interest on general obligation bonds of the City issued to improve, extend or enlarge any part of the Electric Utility, and at any time monies are spent from the Account so as to reduce such account to an amount less than the required fund balance (if any) plus additional amounts required to be deposited into this Account by any ordinance authorizing Additional Bonds (if any), there shall, as soon as money is available after providing for the foregoing accounts, be deposited monthly into this Account a sum sufficient to return the balance of this Account to the then required balance.

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

1) To fill any deficiency in the foregoing accounts.
2) To pay on an accelerated basis the required fund balance of the Electric Utility Bond Reserve Account or the Improvement and Extension Account.

3) To be used for any lawful purpose connected with the Electric Utility including paying principal and interest on general obligation bonds or junior lien revenue bonds or notes of the City authorized to pay the cost of constructing improvements to the Electric Utility.
4) Retiring the Bonds and Additional Bonds prior to their maturity under their option provisions or by purchase on the open market.
5) To be transferred to the general fund of the City for any lawful municipal purpose.

Monies on deposit in the Electric Utility Fund, which have not as yet been credited to an account therein in accordance with this section, and monies credited to the Operation and Maintenance Account, the Electric Utility Revenue Bond Account, the Improvement and Extension Account and the Surplus Account may, to the extent practicable and reasonable, be invested in permitted investments, maturing in the case of unallocated monies invested from the Electric Utility Fund not later than the first business day of the month next following such investment and maturing in the case of monies invested from the Operation and Maintenance Account, the Electric Utility Revenue Bond Account and the Improvement and Extension Account at such times and in such amounts as shall be required to provide monies to make the payments reasonably anticipated to be made from said accounts. Monies credited to the Electric Utility Bond Reserve Account shall be invested in permitted investments of the types described in clauses (1) or (2) of the definition thereof, maturing or redeemable at stated fixed prices at the option of the holder, by not more than five (5) years from the date of such investment. All interest and income derived from monies to the credit of the Electric Utility Fund, the Operation and Maintenance Account, and the Surplus Account shall, when realized and collected, be credited to the said Fund or to the respective Account from which such investments were made. All monies and income from investments made from monies credited to the Electric Utility Bond Reserve Account, the Improvement and Extension Account and the Electric Utility Revenue Bond Account shall, when realized and collected, be credited to the respective Account from which such investments were made, unless there shall then be credited thereto the respective full amounts required by paragraphs II, III and IV of this section, in which event such interest and income shall be credited to the Surplus Account. All investments held for the credit of any Fund or Account may be sold when required to make payments to be made from such Fund or Account.

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

Section 12. The City is hereby authorized and directed to keep proper records, books and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the said Electric Utility and all of the funds and accounts established hereby. Within nine (9) months after the close of each fiscal year a certified public accountant's report on the financial condition and results of operation shall be furnished upon request to the underwriter of the Bonds. The expense of such reports shall be considered an operating expense. Any holder or holders of twenty-five percent (25%) in aggregate principal amount of the bonds at the time then outstanding shall have the right at all reasonable times to inspect the Electric Utility and all records, accounts and data of the City relating thereto.

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

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

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

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

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

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

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

Section 16. Nothing in this ordinance shall be construed in such a manner as to prevent the issuance by the City of Additional Bonds payable from the revenues of the Electric Utility of the City on a parity with the lien of the Bonds equally and ratably secured therewith and entitled to the security and benefits of this ordinance; provided, however, that before any such Additional Bonds are actually issued, the revenues of the Electric Utility, for the fiscal year next preceding the date of the authorization of such Additional Bonds, after deducting therefrom all costs of operation and maintenance of the Electric Utility for such fiscal year and before deduction of depreciation or interest as based on a certified public accountants report shall have been equal to 1.25 times the average annual bond requirements of the Bonds and any Additional Bonds proposed to be issued or such revenues would have met such test by applying the provisions of the second paragraph of this Section 16. If no audit report is available for the fiscal year next preceding the year in which such proposed Additional Bonds are issued, the report from the next proceeding year may be used in determining compliance with this section, provided that the City Treasurer shall certify that no substantial or material changes in circumstance have occurred which would reduce the amount of revenues of the Electric Utility so as to make the issuance of such Additional Bonds in conflict with this ordinance. For this purpose the average annual bond requirements shall be determined by adding all of the principal and interest which will become due when computed to the absolute maturity of the Bonds and Additional Bonds, if any, then outstanding and dividing such total by the number of years remaining that the longest bond of any such issue of bonds has to run to maturity.

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

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

If, prior to the payment of the bonds herein authorized, it shall be found desirable to refund any Additional Bonds then outstanding, under the provisions of any law then available, said bonds or any part thereof may be refunded without the consent of the holders thereof and the refunding obligations so issued shall enjoy complete equality of lien with the portion of the bonds which is not refunded, if any there be, and the refunding obligations shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the bonds refunded, provided, however, the total of the interest and principal payment obligation in any succeeding year shall not be greater, after such refunding, than it would have been in each such succeeding year without such refunding without the consent of the holders of the unrefunded portion of said bonds. Refunding bonds shall also be permitted to be issued in accordance with the first three paragraphs of this Section 16 and for purposes of calculating average annual bond requirements, the City shall not be required to include principal or interest due on any bonds to be refunded, from and after the time that such refunded bonds shall no longer be outstanding under the terms of their authorizing ordinance.

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

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

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

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

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

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

Section 23. Upon execution, registration and authentication of the Bonds, they shall be delivered to the City Treasurer, who is authorized to deliver them to the Underwriter, as the initial purchaser thereof, upon receipt of the purchase price as determined in the Designation, which may include an underwriter's discount of not to exceed 2.50%, and the City Treasurer is authorized to deliver the bonds to said purchaser upon receipt of the purchase price plus accrued interest to date of payment. Said 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. The Authorized Officers are hereby authorized to approve, execute and deliver a Bond Purchase Agreement on behalf of the City.

Section 24. In accordance with the requirements of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission, the City, being the only "obligated person" with respect to the Bonds, agrees to provide the following continuing disclosure information to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB:

(a) not later than nine (9) months after the end of each fiscal year of the City (the "Delivery Date"), commencing with the fiscal year ending September 30, 2026, financial information or operating data for the City generally consistent with the information set forth in Appendix B, Part 1 (CITY OF DAVID CITY—FINANCIAL INFORMATION) to the Official Statement used in the sale of the Bonds, under the titles (i) "Direct Debt", (ii) "Overlapping Debt", and (iii) "Taxable Valuation History" (collectively, the "Annual Financial Information");

(b) when and if available, audited financial statements for the City;

(c) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of the holders of the Bonds, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar events of the City (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City);

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

(d) in a timely manner, notice of any failure on the part of the City to provide the Annual Financial Information and the audited financial statements, if any, not later than the Delivery Date.

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

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

Section 25. The officers of the City are hereby authorized to execute and deliver any and all certificates and documents and to take any and all actions determined appropriate in connection with the issuance and sale of the Bonds, without limitation, to review and approve a preliminary official statement related to the Bonds and approval of a final official statement on behalf of the City, and said final official statement, if and as applicable, shall be delivered in accordance with the requirements of the Rule.

Section 26. The City hereby covenants to the purchasers and holders of the Bonds that it will make no use of the proceeds of said bond issue, including monies held in any sinking fund for the payment of said 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. Unless otherwise provided in the Designation, the City hereby designates the Bonds as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not reasonably anticipate issuing tax-exempt bonds or other tax-exempt obligations aggregating in principal amount more than $10,000,000 during the calendar year in which the Bonds are issued, taking into consideration statutory exceptions relating to refunding issues.

Section 27. In order to promote compliance with certain federal tax and securities laws relating to the bonds herein authorized (as well as other outstanding bonds) the policy and procedures attached hereto as Exhibit "A" (the "Post-Issuance Compliance Policy and Procedures") are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

Section 28. This ordinance shall be published in pamphlet form and take effect as provided by law.

Section 29. 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 30. All ordinances, resolutions or orders or parts thereof in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

PASSED AND APPROVED this 26th day of August, 2026.

____

Jessica Miller, Mayor

ATTEST:

____

Lori Matchett, City Clerk

Exhibit "A"

Policy and Procedures
Federal Tax Law and Disclosure Requirements for
Tax-exempt Bonds and/or Tax Advantaged Bonds

ISSUER NAME: The City of David City, in the State of Nebraska
COMPLIANCE OFFICER (BY TITLE): City Treasurer

POLICY

It is the policy of the Issuer identified above (the "Issuer") to comply with all Federal tax requirements and securities law continuing disclosure obligations for its obligations issued as tax-exempt bonds (or as tax credit, direct pay subsidy or other tax-advantaged bonds, as applicable) to ensure, as applicable (a) that interest on its tax-exempt bonds remains exempt from Federal income tax, (b) that the direct payments or tax credits associated with its bonds issued as tax advantaged bonds are received in a timely manner and (c) compliance with any continuing disclosure obligations of the Issuer with respect to its outstanding bonds.

PROCEDURES

<u>Compliance Officer</u>. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Compliance Officer identified above (the "Compliance Officer"). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

<u>Training</u>. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service (either on its website at http://www.irs.gov/taxexemptbond, or elsewhere) and the Municipal Securities Rulemaking Board (either on its Electronic Municipal Market Access website ["EMMA"] at http://www.emma.msrb.org, or elsewhere).

<u>Compliance Review</u>. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The review shall occur at the time the Issuer's annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period or frequency of review would be more appropriate.

<u>Scope of Review</u>.
Document Review. At the compliance review, the following documents (the "Bond Documents") shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue:

(e) the resolution(s) and/or ordinance(s), as applicable, adopted by the governing body of the Issuer authorizing the issuance of its outstanding bonds, together with any documents setting the final rates and terms of such bonds (the "Authorizing Proceedings"),
(f) the tax documentation associated with each bond issue, which may include some or all of the following (the "Tax Documents"):
    (i) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
    (ii) Form 8038 series filed with the Internal Revenue Service;
    (iii) tax certificates, tax compliance agreements, tax regulatory agreement or similar documents;
    (iv) covenants, agreements, instructions or memoranda with respect to rebate or private use;
    (v) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and
    (vi) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings relating to federal tax matters.
(g) the Issuer's continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the "Continuing Disclosure Obligations"), and

(h) any communications or other materials received by the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer's bonds or relating to the Issuer's Continuing Disclosure Obligations.

Use and Timely Expenditure of Bond Proceeds. Expenditure of bond proceeds shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents, and (c) that any mandatory redemptions from excess bond proceeds are timely made if required under the Authorizing Proceedings and Tax Documents.

Arbitrage Yield Restrictions and Rebate Matters. The Tax Documents shall be reviewed by the Compliance Officer to ensure compliance with any applicable yield restriction requirements under Section 148(a) of the Internal Revenue Code (the "Code") and timely calculation and payment of any rebate and the filing of any associated returns pursuant to Section 148(f) of the Code. A qualified rebate analyst shall be engaged as appropriate or as may be required under the Tax Documents.

Use of Bond Financed Property. Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed by the Compliance Officer to ensure compliance. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, contracts related to operation or management of bond-financed property, sponsored research agreements, take-or-pay contracts or other agreements or arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed property which were not anticipated at the time the bonds were issued. Such actions could be prohibited by the Authorizing Proceedings, the Tax Documents or Federal tax law.

Continuing Disclosure. Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated (a) to ensure timely compliance with any annual disclosure requirement, and (b) to ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

Record Keeping. If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus six (6) years.

Incorporation of Tax Documents. The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

Consultation Regarding Questions or Concerns. Any questions or concerns which arise as a result of any review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the Internal Revenue Service which allows issuers under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to issuers of certain bonds under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued.

Council considered Ordinance No. 1542 providing for the levy of a General Business Occupation Tax pursuant to the Community Development Law. It was explained that the ordinance relates to the hotel redevelopment project previously approved through an amendment to the GDC Properties, LLC Redevelopment Plan. The ordinance established a 2% occupation tax on retail sales associated with the hotel, including room rentals. The revenue generated by the occupation tax will be used in connection with the City's investment in the hotel redevelopment project. It was noted that the City's investment is approximately $200,000, with repayment at 8% interest.

Council discussed the distinction between the occupation tax and traditional lodging tax. Because the hotel is the only business currently located within the designated Enhanced Employment Area, the taxi will primarily apply to hotel guests and generally represents a tax on a transient population rather than City residents.

Council Member Bruce Meysenburg introduced Ordinance No. 1542, providing for the levy of a general business occupation tax pursuant to the community development law. Mayor Jessica Miller read Ordinance No. 1542 by title.

Council Member Keith Marvin made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Keith Marvin made a motion to approve Ordinance No. 1542, providing for the levy of a general business occupation tax pursuant to the community development law. Council Member Bruce Meysenburg seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

ORDINANCE NO. 1542

AN ORDINANCE OF THE CITY OF DAVID CITY, NEBRASKA PROVIDING FOR THE LEVY OF A GENERAL BUSINESS OCCUPATION TAX; PROVIDING FOR THE ADMINISTRATION, IMPOSITION AND COLLECTION OF SUCH OCCUPATION TAX; AND SPECIFYING THE USE OF SUCH OCCUPATION TAX REVENUE.

WHEREAS, the Mayor and City Council of the City of David City, Nebraska (the "City"), previously adopted a plan for the redevelopment of areas designated blighted and substandard and in need of redevelopment, entitled, “Redevelopment Plan for GDC Properties, LLC, Redevelopment Project”, as amended (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan set forth a phased mixed-use redevelopment project located in the City (collectively, the “Redevelopment Project”); and

WHEREAS, one phase of the Redevelopment Project contemplates the construction of a new hotel (the “Hotel Project”) on a portion of Redevelopment Project site, as described and depicted on Exhibit 1, attached hereto and incorporated herein (the “Hotel Site”); and

WHEREAS, on April 8, 2026, via Resolution No. 4-2026, the Mayor and Council of the City approved an amendment to the Redevelopment Plan, which designated the Hotel Site as an "enhanced employment area", as defined under section 18-2142.02 of the Nebraska

Community Redevelopment Law, sections 18-2101 et seq. (the “Act”); and

WHEREAS, pursuant to section 18-2142.02 of the Act, the City may levy a general business occupation tax upon all non-exempt businesses and users of space within an enhanced employment area; and

WHEREAS, the City, the Community Development Agency of the City (the “Agency”), and the Hotel Site developer have entered into, or will enter into, an agreement governing the levy of the general business occupation tax upon all non-exempt businesses and users of space within the Hotel Site to fund certain eligible expenses of the Hotel Project, as provided under the Act (the "Occupation Tax Agreement"); and

WHEREAS, in consideration of the foregoing, the City wishes to levy a general business occupation tax upon all non-exempt businesses and users of space within the Hotel Site via this Ordinance pursuant to the below terms and conditions.

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

Section 1. Enhanced Employment Area. This Ordinance, and the Occupation Tax set forth herein, shall apply to the Hotel Site, as described on Exhibit "A", attached hereto and incorporated herein.

Section 2. Occupation Tax Imposed; Collection of Occupation Tax. Commencing January 1, 2027, and in each calendar month thereafter, there shall be imposed a general business occupation tax upon each and every business or user of space within the Hotel Site to which the City has issued, or will issue prior to the expiration of this Ordinance, a certificate of occupancy (the "Occupation Tax"). The amount of the Occupation Tax shall be as follows:

(a) two percent (2.00%) of the gross room and other sales of all hotels within the Hotel Site.

The foregoing businesses and/or users of space subject to the Occupation Tax are generally referred to herein as a "General Business". Notwithstanding the foregoing, no occupation tax shall be imposed on any transaction which is subject to tax under sections 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602 or 77-4008 of the Nebraska Revised Statutes or which is exempt from tax under section 77-2704.24 of the Nebraska Revised Statutes (each, an "Exempt Transaction").

Such Occupation Tax shall be imposed on the gross receipts resulting in the sale, lease, or rental of any products, rooms, units or services by a General Business within the Hotel Site; provided, however, that such receipts of Exempt Transactions shall be excluded and exempt from such Occupation Tax. Each General Business may itemize the Occupation Tax levied on a bill, receipt, or other invoice to the purchaser, but each General Business shall be ultimately liable for the tax imposed by this Ordinance.

Section 3. Return. Each General Business within the Hotel Site for the calendar month beginning January 1, 2027, and for each and every month thereafter, shall prepare and file, on or before the 25th day of the following month on a form prescribed and furnished by the City Clerk of the City (the "City Clerk"), a return for such month, and at the same time pay to the City the tax herein imposed. An officer or authorized agent of the General Business shall submit a sworn statement with respect to the contents of each return. The City shall consider the return filed on time if mailed in an envelope properly addressed to the City Clerk, postage prepaid and postmarked before midnight of the 25th day of the appropriate month.

Section 4. Tax Cumulative. The levy of the tax under this Ordinance is in addition to all other fees, taxes, excises and licenses levied and imposed under any contract or any other ordinances of the City, in addition to any fee, tax, excise or license imposed by the State of Nebraska or federal government.

Payment of the tax imposed by this Ordinance shall not relieve the person or General Business paying the same from payment of any other tax now or hereafter imposed by contract or ordinance, unless otherwise specified therein. The occupation taxes imposed by this Ordinance shall be cumulative except where otherwise specifically provided.

Section 5. Use of Revenue. The revenues from the Occupation Tax collected by the City shall be remitted by the City Clerk and placed in a special fund established by the Agency pursuant to the Occupation Tax Agreement. The Occupation Tax imposed by this Ordinance shall be used to fund any expenditure that is lawfully authorized to be made under the Act, the Redevelopment Plan, the Occupation Tax Agreement, and this Ordinance in connection with the Hotel Project.

Section 6. Failure to File Return; Delinquency; Assessment by City Clerk.

(a) If any General Business fails to file a return or make payment of the taxes as required by this Ordinance, the City Clerk shall make an estimate, based upon such information as may be reasonably available, of the amount of taxes due for the period or periods for which the General Business is delinquent, and upon the basis of such estimated amount, compute and assess in addition thereto a penalty equal to one percent (1.00%) thereof, together with interest on such delinquent taxes, at the rate of ten percent (10.00%), per month or fraction thereof from the date when due. Any such interest due may be compounded quarterly.

(b) The City Clerk shall give the delinquent General Business written notice of such estimated taxes, penalty, and interest, which notice must be served personally or by certified mail at the last known address of the General Business.

(c) Such estimate shall thereupon become an assessment and such assessment shall be final and due and payable from the General Business to the City Clerk ten (10) days from the date of service of the notice or the date of mailing by certified mail; however, within such ten (10) day period the delinquent General Business may petition the City Clerk for a revision or modification of such assessment and shall, within such ten-day period, furnish the City Clerk the documentation showing the correct amounts of such taxes.

(d) Such petition shall be in writing, and the General Business shall submit any supporting documentation in writing and under oath of the appropriate officer or agent of the General Business.

(e) As appropriate, the City Clerk may then modify such assessment in accordance with the information the General Business provides. Such adjusted assessment shall be made in writing, and notice thereof shall be mailed to the General Business within ten (10) days after receipt of the petition; and all such decisions shall become final upon the expiration of thirty (30) days from the date of service, unless proceedings are commenced within that time for appeal in a court of competent jurisdiction in Butler County, Nebraska.

Section 7. Administration; Miscellaneous Provision.

(a) The administration of this Ordinance is hereby vested in the City Clerk, or his or her designee, who shall prescribe forms in conformity with this Ordinance for the making of returns, for the ascertainment, assessment and collection of the Occupation Tax imposed hereunder, and for the proper administration and enforcement hereof.

(b) All notices required to be given to the General Business under the provisions of this Ordinance shall be in writing. Notices shall be mailed by registered or certified mail, postage prepaid, return receipt requested, to the General Business at its last known address.

(c) It shall be the duty of every General Business to keep and preserve suitable records and other books or accounts as may be necessary to determine the amount of tax for which it is liable hereunder.

(1) The General Business shall keep records of the transactions which the State of Nebraska is authorized to impose a tax allowed by the Nebraska Local Option Revenue Act by which this tax is measured separate and apart from the records of other sales or receipts in order to facilitate the examination of books and records as necessary for the collection of the Occupation Tax.

(2) It shall be the duty of every General Business to keep and preserve during and for a period of three (3) years following the expiration of this Ordinance all such books, invoices and other records, which shall be open for examination at any time by the City Clerk or his or her duly designated persons. If such General Business keeps or maintains its books, invoices, accounts or other records, or any thereof, outside of the state, upon demand of the City Clerk it shall make the same available at a suitable place within the City, to be designated by the City Clerk, for examination, inspection and audit by the City Clerk or his or her duly authorized persons. The General Business shall reimburse the City for the reasonable costs of examination, inspection and audit if the City Clerk determines that the General Business paid ninety-five percent (95%) or less of the tax owing for the period of the examination.

(3) The City Clerk, in his or her discretion, may make, permit or cause to be made the examination, inspection or audit of books, invoices, accounts or other records so kept or maintained by such General Business outside of the state at the place where the same are kept or maintained or at any place outside the state where the same may be made available, provided such General Business shall have entered into a binding agreement with the City to reimburse it for all costs and expenses incurred by it in order to have such examination, inspection or audit made in such place.

(d) The City Clerk or his or her duly-authorized persons may conduct investigations concerning any matters covered by this Ordinance; and may examine any relevant books, papers, records or memoranda of any such General Business.

Section 8. Recovery of Unpaid Tax by Action at Law.

(a) The City Clerk may treat any Occupation Tax, penalties or interest due and unpaid therefrom as a debt due to the City.

(b) In case of failure to pay the Occupation Tax, or any portion thereof, or any penalty or interest thereon when due, the City may recover at law the amount of such taxes, penalties and interest in any court of Butler County, Nebraska, or of the county wherein the General Business has its principal place of business having jurisdiction of the amounts sought to be collected.

(c) The return of the General Business or the assessment made by the City Clerk, as herein provided, shall be prima facie proof of the amount due.

(d) The City may commence an action for the recovery of taxes due under this Ordinance and this remedy shall be in addition to all other existing remedies at law or provided herein.

Section 9. Suspension or Revocation of Licenses for Failure to Pay Tax; Hearing. If the Mayor or the Mayor's designee, after holding a noticed public hearing, finds that any General Business has willfully evaded payment or collection and remittance of the Occupation Tax, such official may suspend or revoke any City license, permit or other approval held by such General Business. Such General Business shall have an opportunity to be heard at such hearing to be held not less than seven (7) days after notice is given of the time and place of the hearing to be held, addressed to the last known address of such General Business. Pending the notice, hearing and finding, any licensee, permit or other approval issued by the City to the General Business may be temporarily suspended. No suspension or revocation hereunder shall release or discharge the General Business from civil liability for the payment or collection and remittance of the Occupation Tax, nor from prosecution for such offense.

Section 10. Effective Date. This Ordinance shall take effect upon its passage and publication in the manner provided by law.

Section 11. Conflicts. All ordinances, resolutions, or orders, or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Section 12. Severability. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid, the validity of the remainder hereof shall not be affected thereby.

Section 13. Headings of Section Not Controlling. The headings of sections of this Ordinance are set forth herein for convenience of reference only and shall not affect the construction or interpretation of this Ordinance or any section hereof.

Section 14. Sunset Provision. The Occupation Tax shall expire upon the earlier of December 31, 2047, or the expiration or termination of the Occupation Tax Agreement.

Section 15. Effect. This Ordinance shall be in full force and take effect fifteen (15) days from and after its passage.

DATED: August 26, 2026

CITY OF DAVID CITY, NEBRASKA

By:________________________________

Jessica Miller, Mayor

ATTEST:

By:________________________________

Lori Matchett, City Clerk

EXHIBIT "A"
the Hotel Site

Legal Description:

Lots 5-7, inclusive, Zegers 1st Addition, an addition in the City of David City, Butler County, Nebraska.

Depiction:

Council considered Ordinance No. 1543 approving a General Business Occupation Tax agreement for a phase of the GDC Properties, LLC Redevelopment Project and authorizing the City's purchase of the Community Development Agency's occupation tax promissory note. It was explained that the agreement operates similarly to a TIF redevelopment agreement and provides the mechanism for utilizing the occupation tax revenues established under Ordinance No. 1542. The matter is being approved by ordinance because it also authorizes the appropriation of City funds to purchase the promissory note from the Community Development Agency.

Council Member Keith Marvin introduced Ordinance No. 1543, approving a general business occupation tax agreement and authorizing the City's purchase of an Occupation Tax Promissory Note. Mayor Jessica Miller read Ordinance No. 1543 by title.

Council Member Bruce Meysenburg made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Kevin Woita made a motion to approve Ordinance No. 1543, approving a general business occupation tax and authorizing the City's purchase of an Occupation Tax Promissory Note. Council Member Keith Marvin seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

ORDINANCE NO. 1543

AN ORDINANCE OF THE CITY OF DAVID CITY, NEBRASKA, APPROVING A GENERAL BUSINESS OCCUPATION TAX AGREEMENT FOR A PHASE OF THE REDEVELOPMENT PROJECT SET FORTH IN THE "REDEVELOPMENT PLAN FOR GDC PROPERTIES, LLC, REDEVELOPMENT PROJECT", AS AMENDED; AND AUTHORIZING THE CITY'S PURCHASE OF THE COMMUNITY DEVELOPMENT AGENCY'S OCCUPATION TAX PROMISSORY NOTE PURSUANT TO THE TERMS OF THE OCCUPATION TAX AGREEMENT.

WHEREAS, the Mayor and City Council of the City of David City, Nebraska (the "City"), previously adopted a plan for the redevelopment of areas designated blighted and substandard and in need of redevelopment, entitled, "Redevelopment Plan for GDC Properties, LLC, Redevelopment Project", as amended (as amended, the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan set forth a phased mixed-use redevelopment project located in the City (collectively, the "Redevelopment Project"); and

WHEREAS, one phase of the Redevelopment Project contemplates the construction of a new hotel (the "Hotel Project") on a portion of Redevelopment Project site (the "Hotel Site"), all as described and depicted in the Redevelopment Plan; and

WHEREAS, on April 8, 2026, via Resolution No. 4-2026, the Mayor and Council of the City approved an amendment to the Redevelopment Plan, which designated the Hotel Site as an "enhanced employment area", as defined under section 18-2142.02 of the Nebraska Community Redevelopment Law, sections 18-2101 et seq. (the "Act"); and

WHEREAS, the Plan, as amended, permits the levy of a general business occupation tax upon the Hotel Site for the purpose of offsetting and/or reimbursing eligible costs of the Hotel Project, as allowed by the Act; and

WHEREAS, the Mayor and Council of the City has for its consideration, attached hereto and incorporated herein as Exhibit A, a proposed form of the Occupation Tax Agreement by and between the City, the Community Development Agency of the City of David City, Nebraska (the "Agency"), and Hallmark Inns, LLC, a Nebraska limited liability company ("Owner"), as developer, with respect to the rights and obligations of the foregoing parties in relation to the designation of the Hotel Site as an enhanced employment area and attendant levy of a general business occupation tax (the "Occupation Tax Agreement"); and

WHEREAS, pursuant to section 18-2138 of the Act, the City is authorized to purchase the bonds or other obligations of the Agency; and

WHEREAS, in accordance with the foregoing and as approved herein, and for the purpose of assisting the Agency in carrying out its redevelopment powers and objectives under the Act and Redevelopment Plan, the City intends to purchase the Occupation Tax Promissory Note, as set forth herein and in accordance with the terms of the Occupation Tax Agreement.

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

Section 1. The Occupation Tax Agreement by and between the Agency, the City, and the Owner, in the form presented, is hereby acknowledged and approved. The Mayor and City Clerk of the City are hereby authorized to execute said Occupation Tax Agreement in substantially the form presented but with such changes as they shall deem appropriate or necessary. The execution and delivery by either the Mayor or City Clerk of the Occupation Tax Agreement, or any such documents, instruments, agreements or certifications relating to such matters contained in the Occupation Tax Agreement, shall conclusively establish their authority with respect thereto and the authorization and approval thereof.

Section 2. Pursuant to the terms of the Occupation Tax Agreement, and in accordance with section 18-2138 of the Act, the City is authorized to purchase the Agency's Occupation Tax Promissory Note provided therein, via the City's tender of $200,000 in City funds to the Agency.

Section 3. The Mayor and City Clerk of the City, on behalf of the City, or any one of them, are hereby authorized to take any and all actions, and to execute any and all documents deemed by them necessary to effect the transactions authorized by this Ordinance and the Occupation Tax Agreement.

Section 4. This Ordinance shall be in full force and take effect fifteen (15) days from and after its passage.

DATED: August 26, 2026

CITY OF DAVID CITY, NEBRASKA

By:________________________________
Jessica Miller, Mayor

ATTEST:

By:________________________________
Lori Matchett, City Clerk

Council discussed the purchase of AMI towers and related equipment for the Neptune 360 system to allow water meters to be read remotely from the City Office. The estimated cost presented was $67,968.

It was explained that Water Department staff currently drive throughout the City once each month to collect meter readings, which takes approximately three to four hours. The proposed system would allow the City to obtain daily readings for approximately 90–95% of the water meters and would provide staff with the ability to identify unusual water consumption and potential leaks more quickly.

Council discussed whether the equipment had previously been approved, noting that a proposal may have been considered in September of the previous year but not implemented while new compatible meters were still being installed. The previous quote had since expired. Council also discussed funding for the system in conjunction with the City's ongoing water and wastewater rate study and the importance of ensuring that utility expenses are supported by appropriate revenue. Questions were raised regarding potential recurring expenses, including annual service, software, cellular, and equipment-related fees. Council requested additional information regarding these ongoing costs and clarification of the current proposal before proceeding.

Council Member Bruce Meysenburg made a motion to table purchase of AMI Towers and Equipment to automatically read water meters through the Neptune 360 Program. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council discussed authorizing the solicitation of bids for renovations to the Veterans Memorial Park building. The proposed project would renovate the interior of the building to provide a usable meeting and community space, including the addition of two restrooms and improvements necessary to make the facility ADA accessible.

The renovated building is intended to provide a meeting space for local veterans and a location to display military memorabilia, flags, uniforms, and other items. The facility could also provide public restroom access during community events held in the downtown area and at Veterans Memorial Park. Additional considerations discussed included security, Wi-Fi, lighting, and related improvements.

Council discussed the importance of providing adequate plans and specifications, so contractors are bidding on the same scope of work. It was confirmed that drawings are available and that interested contractors will have an opportunity to walk through the building. Funding for the project would come from the Recreation and Parks Sales Tax.

Council Member Keith Marvin made a motion to authorize the solicitation of bids for the Veterans Memorial Park Building Renovation Project. Council Member Kevin Woita seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Keith Marvin made a motion to recess the City Council Meeting at 7:44 p.m. Council Member Kevin Woita seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Keith Marvin made a motion to reconvene as the City Council at 7:45 p.m. Council Member Kevin Woita seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Keith Marvin made a motion to enter into closed session to discuss two personnel issues. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Mayor Jessica Miller stated, "Now, at 7:46 p.m., we are going into closed session to discuss a personnel issue." Mayor Jessica Miller, all of the Council Members, City Administrator Alan Zavodny, and City Clerk - Treasurer Lori Matchett went into closed session at 7:46 p.m. City Attorney Michael Sands attended closed session via zoom.

Council Member Keith Marvin made a motion to reconvene in open session at 8:21 p.m. Council Member Bruce Meysenburg seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

Council Member Keith Marvin made a motion to adjourn at 8:21 p.m. Council Member Jim Angell seconded the motion. The motion carried. Jeremy Abel: Yea, Jim Angell: Yea, Rick Holland: Yea, Keith Marvin: Yea, Bruce Meysenburg: Yea, Kevin Woita: Yea. Yea: 6, Nay: 0.

CERTIFICATION OF MINUTES
August 26, 2026

I, Lori Matchett, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of August 26, 2026; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

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Lori Matchett, City Clerk