

CERTIFICATE

The undersigned hereby certify that they are the Chairperson and Clerk of Sanitary and Improvement District Number 165 of Sarpy County, Nebraska, (the "District") and hereby further certify as follows:

1. Annexed to this certificate is a true and correct transcript of the proceedings of the Board of Trustees of the District relating to a meeting of said District held on the date and at the time reflected in the meeting minutes contained in said foregoing transcript (the "Meeting"). All of the proceedings of the District and of the Board of Trustees thereof which are set out in the annexed and foregoing transcript have been fully recorded in the journal of proceedings of the District and the undersigned District Clerk has carefully compared the annexed and foregoing transcript with said journal and with the records and files of the District which are in such Clerk's official custody and said transcript is a full, true and complete copy of said journal, records and files which are set out therein.

2. Advance notice for the Meeting was given by publication as set forth in the affidavit of publication contained in the foregoing transcript and was mailed to the Clerk of the municipality or county within whose zoning jurisdiction the District is located at least seven days prior to the date of the Meeting. Advance notice for the Meeting, including notice of agenda subjects, was given to all members of the Board of Trustees. All news media requesting notification of meetings of said body were provided with advance notice of the times and places of such meetings and the subjects to be discussed.

3. All of the subjects addressed at the Meeting were contained in the agenda for the Meeting, which agenda was kept continually current and readily available for public inspection at the address listed in the meeting notice for the Meeting and a copy of which is attached to this Certificate; such subjects were contained in said agenda for at least 24 hours prior to the Meeting and each agenda item was sufficiently descriptive to give the public reasonable notice of the matters to be considered at the Meeting.

4. A current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, posted during the Meeting in the room in which such Meeting was held and all in attendance at the Meeting were informed that such copy of the Nebraska Open Meetings Act was available for review and were informed of the location of such copy in the room in which such Meeting was being held. At least one copy of all resolutions and other reproducible written materials, for which actions are shown in said proceedings, was made available for examination and copying by members of the public at the Meeting.

5. The minutes of the Meeting were in written form and available for public inspection within ten (10) working days after the Meeting or prior to the next convened meeting, whichever occurred earlier, at the office of the District; within thirty (30) days after the date of the Meeting, a copy of the minutes of the Meeting was sent to the Clerk of the municipality or county within whose zoning jurisdiction the District is located.

6. No litigation is now pending or threatened to restrain or enjoin the District from the issuance and delivery of any warrants or other obligations issued by the District or the levy and collection of tax or other revenues or relating to any of the improvements for which any such warrants or other obligations were or are issued nor in any manner questioning the proceedings and authority under which any such warrants or other obligations were or are issued or affecting the validity thereof; neither the corporate existence or boundaries of the District nor the title of its present officers to their respective offices is being contested; no authority or proceedings for the issuance of any warrants or other obligations by the District have been repealed, revoked or rescinded as of the date hereof. All actions taken by the Board of Trustees referred to in said transcript were taken at a public meeting while open to the attendance of the public.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures this 16th day of November, 2012.


Chairperson

Clerk

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF SANITARY AND IMPROVEMENT DISTRICT NO. 165 OF SARPY COUNTY, NEBRASKA HELD AT 11:30 P.M. ON NOVEMBER 16, 2012 AT 11440 WEST CENTER ROAD, OMAHA, NEBRASKA

The meeting of the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska was convened in open and public session at 11:30 P.M. on November 16, 2012 at 11440 West Center Road, Omaha, Nebraska.

Present at the meeting were Trustees John Grund, Dawn Stock, Patrick Oman, James Sheppard & ~~Errol Hatcher~~ ^{absent}. Also present was John H. Fullenkamp, attorney for the District and Patrick Pierce, engineer for the District.

Notice of the meeting was given in advance thereof by publication in The Bellevue Leader on October 31, 2012. A copy of the Proof of Publication being attached to these minutes. Notice of the meeting was simultaneously given to all members of the Board of Trustees and a copy of their Acknowledgment of Receipt of Notice is attached to these minutes. Availability of the agenda was communicated in the published notice and in the notice to the Trustees of this meeting. All proceedings of the Board were taken while the convened meeting was open to the attendance of the public.

The Clerk then certified that notice of this meeting had been given to the Sarpy County Clerk at least seven days prior to the time set by the Board of Trustees for this meeting and filed her Certificate to that effect, said Certificate being attached to these minutes and made a part hereof by this reference.

The Chairperson publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held.

The Chairman next presented the following statements for payment from the General Fund.

a) OPPD for lift station energy (#0523000010).	617.10
b) E&A Consulting Group for engineering services (118681, 118855).	297.04
c) HTM Sales, Inc., for lift station inspection (#27384-13, 14, 15, 16).	1,343.75
d) Sun Daze for mowing (#3500).	140.00
e) Bankers Trust for paying agent fees (#5263).	200.00

The Clerk was then directed to attach copies of said statements to these minutes.

Then, upon a motion duly made, seconded and upon a roll call vote of "aye" by the Trustees, the following resolutions were adopted:

RESOLVED by the Board of Trustees of Sanitary and Improvement

District No. 165 of Sarpy County, Nebraska that the Chairman and Clerk be and they hereby are authorized and directed to execute and deliver Warrant Nos. 907 through 911, inclusive, of the District, to draw interest at the rate of 7%, to be payable from the General Fund Account of the District and to be redeemed no later than three years from the date hereof being November 16, 2015, to-wit:

- a) Warrant No. 907 for \$617.10 payable to OPPD for lift station energy.
- b) Warrant No. 908 for \$29.04 payable to E&A Consulting Group, Inc., for engineering services.
- c) Warrant No. 909 for \$1,343.75 payable to HTM Sales, Inc., for lift station maintenance.
- d) Warrant No. 910 for \$140.00 payable to Sun Daze for mowing.
- e) Warrant No. 911 for \$200.00 payable to Bankers Trust for paying agent fees.

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska, that both they and the District hereby find and determine and covenant, warrant and agree that (a) the facilities for which the above Warrants are issued are for essential governmental functions and are designed to serve members of the general public on an equal basis; (b) there are no persons with rights to use said facilities other than as members of the general public; (c) ownership and operation of said facilities is with the District or another political subdivision; (d) none of the proceeds of the Warrants will be loaned to any person and to the extent that special assessments have been or are to be levied for any said facilities, such special assessments have been or are to be levied under Nebraska law as a matter of general

application to all property specially benefitted by such facilities in the District; (e) the development of the land in the District is for residential or commercial use; (f) the development of the land in the District for sale and occupation by the general public is proceeding with all reasonable speed and (g) the District hereby authorizes and directs the Chairman or Clerk to file, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986 pertaining to the above Warrants.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska, that both they and the district hereby find and determine and covenant, warrant and agree as follows: the improvements and/or facilities being financed or refinanced by the above Warrants are for essential governmental functions and are designed to serve members of the general public on an equal basis; all said improvements have from the time of their first

acquisition and construction been owned, are owned and are to be owned by the District or another political subdivision; to the extent special assessments have been or are to be levied for any of said improvements, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefitted by said improvements in the District; the development of the land in the District is for residential or commercial use and the development of the land in the District for sale and occupation by the general public has proceeded and is proceeding with reasonable speed; other than any incidental use of said improvements by a developer during the initial period of development of said improvements, there have been, are and will be no persons with rights to use such improvements other than as members of the general public; none of the proceeds of said Bonds or any refinanced indebtedness have been or will be loaned to any private person or entity; the District hereby authorizes and directs the Chairperson or Clerk to file or cause to be filed, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended, pertaining to the above Warrants; and the District does not reasonably expect to sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the above Warrants.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska that this and the preceding Resolutions are hereby adopted as the Certificate with Respect to Arbitrage of the District pertaining to the above Warrants and the District and the Chairman and Clerk of the District hereby further certify, as of the date of the registration of the above Warrants with the County of Sarpy County, Nebraska, as follows:

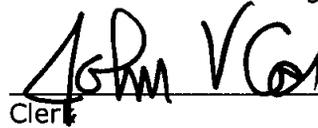
1. No separate reserve or replacement fund has been or will be established with respect to the above Warrants. The District reasonably anticipates that monies in its Bond Fund reasonably attributable to the above Warrants in excess of the less of: (a) 10% of the net principal proceeds of the above Warrants, (b) the maximum annual debt service due on the above Warrants, or (c) 125% of average annual debt service due on the above Warrants will be expended for payment of principal of and interest on the above Warrants within 13 months after receipt of such monies. That amount which is currently held in the District's Bond Fund which exceeds the amount which is to be expended for payment of principal and interest on the above Warrants within 13 months after receipt of such monies, plus that amount arrived at pursuant to the immediately preceding sentence, will not be invested in any securities or any other investment obligations which bear a yield, as computed in accordance with the actuarial method, in excess of the yield on the above Warrants.
2. To the best of their knowledge, information and belief, the above exceptions are reasonable.
3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its Bonds.

4. This Certificate is being passed, executed and delivered pursuant to Sections 1.148-2 (b) (2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended, and under the Internal Revenue Code of 1986.

Rob Wood of Kuehl Capital Corporation, the District's fiscal agent presented a letter he prepared and sent to the SID Attorney dated November 14, 2012, along with their SID services document. Both documents were directed to be attached and made a part of the minutes. After the presentation and discussion, the Board upon motion duly made, seconded and unanimously adopted, approved the proposal to make Kuehl Capital Corporation the District's Municipal Financial Advisors, subject to the terms and conditions of the Municipal Financial Services Agreement to be approved at the next meeting, and upon terms and condition acceptable to the Board.

There being no further business to come before the meeting, the meeting was adjourned.


Chairman

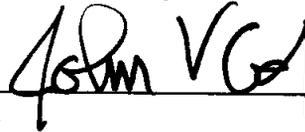

Clerk

CERTIFICATE

The undersigned being Clerk of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska hereby certifies that Notice of a Meeting of the Board of Trustees of said District held on November 16, 2012 was mailed to the Sarpy County Clerk at least seven days prior to the date of said meeting.

The undersigned further certifies that the agenda for the meeting of the Board of Trustees of said District was prepared and available for public inspection at the address designed in the notice of meeting published in The Bellevue Leader on October 31, 2012 and that no items were added to the agenda after the commencement of the meeting; and further, that the minutes for the meeting were available for public inspection within ten (10) days of the date of said meeting and that a copy of the minutes of this meeting were sent to the Sarpy County Clerk within thirty days from the date of this meeting.

Clerk

A handwritten signature in black ink, appearing to read "Adam Vogel", is written over a horizontal line. The signature is stylized and cursive.

ACKNOWLEDGMENT OF RECEIPT OF
NOTICE OF MEETING

The undersigned Trustees of Sanitary and Improvement District No. 165 of Sarpy County, Nebraska do hereby acknowledge receipt of advance notice of a meeting of the Board of Trustees of said District and the agenda for such meeting held at 11:30 P.M. on November 16, 2012 at 11440 West Center Road, Omaha, Nebraska.

DATED this 16th day of November, 2012

James W. Shippard
~~_____~~
John V. G.
D. K. M.



Account Number	Due Date	Total Amount Due
0523000010	Nov 19, 2012	\$222.35CR

For bill inquiries call the
 Summary Billing Coordinator Omaha Office
 (402) 346-4636 during the hours of 8-5.

Customer Name: SID 165 SARPY
 Statement Date: October 29, 2012

SUMMARY OF CHARGES

ACCT ID	Other/ adj.	Prod. & Srv.	Lighting	Energy/kWh	Demand/kW	Tax	Net Amount
NO ACCT ID	\$0.00	\$0.00	\$0.00	\$194.97 199	\$0.00 0	\$10.73	\$205.70
	\$0.00	\$0.00	\$0.00	\$194.97 199	\$0.00 0	\$10.73	\$205.70

Total Charges \$205.70 x3
 Previous Balance 428.05CR
 Total Amount Due \$222.35CR

\$617.10

Please return this portion with payment

If all customers switched to paperless billing, OPPD would save more than \$1.5 million annually in paper, postage and supplies. Sign up now at oppd.com/MyAccount.

Statement Date: October 29, 2012

No Payment Due

Account Number	Due Date	Total Amount Due
0523000010	Nov 19, 2012	\$222.35CR

A current phone number on our record simplifies outage reporting. Your service address is identified by the phone number: (402) 334-0700

Check Here to indicate name, address or phone changes on back of this statement


 SID 165 SARPY
 11440 W CENTER RD
 OMAHA NE 68144-4421

PO BOX 3995
 OMAHA NE 68103-0995



ACCT ID: NO ACCT ID

Statement Date:

Account Number: 0523000010
 October 29, 2012

Service Address	15029 1/2 CHALCO FOL	15029 CHALCO FORTHE ST LT	ACCT ID Total
Rate	Gen Svc. Non-Demand	ST Light Method 61	
Meter Number	9500887		
Meter Reading	From 9-27-12	18730 From	
	To 10-25-12	18910 To	
	Actual	180	
	Multiplier	1 Multiplier	
	KWh	180 KWh	180
# of Days		28	
\$ per Days		\$1.09	\$0.00
Billing Demand	KW	0	0.00
		\$0.00	\$0.00
Actual Demand	KW	.00	.00
	KVA/PC%	.00	0.00
Basic Service		\$12.35	\$0.00
KWh Usage		\$16.25	\$180.85
Fuel and Purchased Power Adjustment		\$0.45	\$1.97
Product and Services			
Green Power		\$0.00	\$0.00
Surge Guard		\$0.00	\$0.00
IHEPP		\$0.00	\$0.00
Lighting		\$0.00	\$0.00
Sales Tax		\$1.60	\$10.73
Adjustment		\$0.00	\$0.00
Other		\$0.00	\$0.00
Net Amount Due		\$30.55	\$205.70

E & A Consulting Group, Inc.
Engineering Answers
330 North 117th Street
Omaha, NE 68154-2509
402-895-4700

Sarpy County SID #165
 c/o Mr. John Fullenkamp, Attorney
 11440 West Center Road
 Omaha, NE 68144

September 28, 2012
 Project No: P1976.023.008
 Invoice No: 118681

Project P1976.023.008 Chalco Point 1st Addition - District Maintenance

Professional Services from July 30, 2012 to September 02, 2012

Phase 112 District Maintenance for 2012
 Task 130 Culverts

Professional Personnel

	Hours	Rate	Amount
Erosion Control Specialist I	.25	64.00	16.00
Totals	.25		16.00
Total Labor			16.00
		Total this Task	\$16.00

Task 440 Repairs/Maintenance

Professional Personnel

	Hours	Rate	Amount
Administrative Assistant II	.50	59.00	29.50
Totals	.50		29.50
Total Labor			29.50
		Total this Task	\$29.50
		Total this Phase	\$45.50
		Total this Invoice	\$45.50

Approved:


 Robert Czerwinski

E & A Consulting Group, Inc.
Engineering Answers
330 North 117th Street
Omaha, NE 68154-2509
402-895-4700

Sarpy County SID #165
c/o Mr. John Fullenkamp, Attorney
11440 West Center Road
Omaha, NE 68144

October 23, 2012
Project No: P1976.023.008
Invoice No: 118855

Project P1976.023.008 Chalco Point 1st Addition - District Maintenance

Professional Services from September 03, 2012 to October 07, 2012

Phase 112 District Maintenance for 2012

Task 130 Culverts

Professional Personnel

	Hours	Rate	Amount
Erosion Control Specialist I	1.00	64.00	64.00
Totals	1.00		64.00
Total Labor			64.00
Total this Task			\$64.00

Task 135 Digger's Hotline

Professional Personnel

	Hours	Rate	Amount
Eng. Technician IV	.75	78.00	58.50
Totals	.75		58.50
Total Labor			58.50
Total this Task			\$58.50

Task 352 Meetings

Professional Personnel

	Hours	Rate	Amount
Const. Admin Tech II	1.50	64.00	96.00
Totals	1.50		96.00
Total Labor			96.00
Total this Task			\$96.00

Task 440 Repairs/Maintenance

Professional Personnel

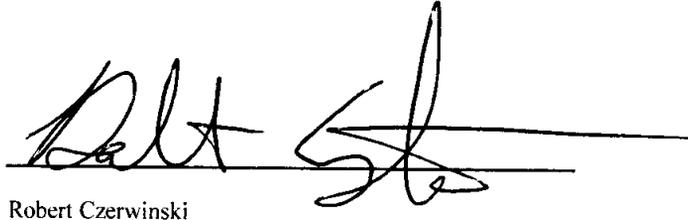
	Hours	Rate	Amount
Administrative Assistant II	.40	59.00	23.60
Totals	.40		23.60
Total Labor			23.60
Total this Task			\$23.60

Task 999 Expenses

Unit Billing

Project	P1976.023.008	165-Chalco Point 1st Addition-Dstret Mai	Invoice	118855
Mileage			9.44	
	Total Units		9.44	9.44
		Total this Task		\$9.44
		Total this Phase		\$251.54
		Total this Invoice		\$251.54

Approved:



Robert Czerwinski

HTM SALES INC.

P.O Box 24304 PH: 402-935-0300
Fax 402-935-0301
Omaha NE 68124
FED ID 47-0708758

INVOICE

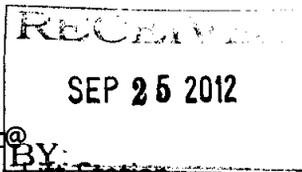
11-27384-13

Sep 24, 2012

YOUR P.O. # Bob

SHIPPED TO:

SID # 165 - Chalco Point
151 St. & Rock Creek Rd
Omaha Ne



SOLD TO:

SID #165 %E&A Consulting Group
330 North 117th Street
Omaha NE 68154

TERMS

Net 30 Days

F.O.B.

origin

SHIPPED VIA

service

DATE SHIPPED

9/24/12

ORDERED	PART #	DESCRIPTION	PRICE	AMOUNT
1		SID # 165 Chalco Point Lift Station Inspection - Sep	305.00	305.00

Approved by E & A Consulting Group, Inc.
Date: 9/27/12
Initials: RM
SID No. 165
Project No. 76023.08

SUBTOTAL \$305.00
FREIGHT \$.00
STATE TAX \$.00
CITY TAX \$.00
TOTAL \$305.00

Sep 24, 2012

HTM Sales Inc.
Lift Station Inspection
Station name - SID = 165 Chalco Point

Date	Pump=1 hrs	Pump=2 hrs	VAC
7 4 12	9194.4	12629.5	
7 10 12	9200.3	12642.8	
7 21 12	9224.5	12669.3	
7 24 12	92218.	12674.6	

Comments

Roger Pike Service Manager- HTM Sales

HTM SALES INC.

P.O Box 24304 PH: 402-935-0300
 Fax 402-935-0301
 Omaha NE 68124
 FED ID 47-0708758

INVOICE

11-27384-14

Oct 23, 2012

YOUR P.O. # Bob

SHIPPED TO:

SID # 165 - Chalco Point
 151 St. & Rock Creek Rd - Lift Station
 Omaha Ne

RECEIVED
 OCT 24 2012
 BY: _____

SOLD TO:

SID #165 %E&A Consulting Group
 330 North 117th Street
 Omaha NE 68154

TERMS

Net 30 Days

F.O.B.

origin

SHIPPED VIA

service

DATE SHIPPED

10/23/12

ORDERED	PART #	DESCRIPTION	PRICE	AMOUNT
		10/23/12		
1	Labor	Pulled pump - diapers in impeller		
		Service Labor by HTM Sales per hour	75.00	75.00
0.75	Labor - Travel	Travel Labor To & From Jobsite	75.00	56.25
10	Miles	service miles to/from job per mile	.80	8.00
<div data-bbox="544 1060 1161 1312" data-label="Text"> <p>Approved by E & A Consulting Group, Inc. Date: <u>10/29/12</u> Initials: <u>ETA</u> SID No. <u>165</u> Project No. <u>76023.08</u></p> </div>				

SUBTOTAL \$139.25
 FREIGHT \$0.00
 STATE TAX \$0.00
 CITY TAX \$0.00
TOTAL \$139.25

Oct 23, 2012

HTM SALES INC.

P.O Box 24304 PH: 402-935-0300
 Fax 402-935-0301
 Omaha NE 68124
 FED ID 47-0708758

INVOICE

11-27384-15

Oct 23, 2012

YOUR P.O. # Bob

SHIPPED TO:

SID # 165 - Chalco Point@
 151 St. & Rock Creek Rd - Lift Station
 Omaha Ne

RECEIVED
OCT 25 2012
 BY:

SOLD TO:

SID #165 %E&A Consulting Group
 330 North 117th Street
 Omaha NE 68154

TERMS

Net 30 Days

F.O.B.

origin

SHIPPED VIA

service

DATE SHIPPED

10/23/12

ORDERED	PART #	DESCRIPTION	PRICE	AMOUNT
1.5		10/16/12 Lift station pump & cleaned	482.00	482.00
1.5	Labor	Service Labor by HTM Sales per hour	75.00	112.50

Approved by E & A Consulting Group, Inc.
 Date: 10/29/12
 Initials: RTA
 SID No. 165
 Project No. 76023.08

SUBTOTAL \$594.50
 FREIGHT \$0.00
 STATE TAX \$0.00
 CITY TAX \$0.00
 TOTAL \$594.50

Oct 24, 2012

HTM SALES INC.

P.O Box 24304 PH: 402-935-0300
Fax 402-935-0301
Omaha NE 68124
FED ID 47-0708758

INVOICE

11-27384-16

Oct 30, 2012

YOUR P.O. # Bob

OCT 31 2012

SOLD TO:

SID #165 %E&A Consulting Group
330 North 117th Street
Omaha NE 68154

SHIPPED TO:

SID # 165 - Chalco Point@
151 St. & Rock Creek Rd - Lift Station
Omaha Ne

TERMS

Net 30 Days

F.O.B.

origin

SHIPPED VIA

service

DATE SHIPPED

10/30/12

ORDERED	PART #	DESCRIPTION	PRICE	AMOUNT
1		SID # 165 Chalco Point Lift Station Inspection - Oct	305.00	305.00

Approved by E & A Consulting Group, Inc.
Date: 11/7/12
Initials: BA
SID No. 165
Project No. 76023.08

SUBTOTAL \$305.00
FREIGHT \$.00
STATE TAX \$.00
CITY TAX \$.00
TOTAL \$305.00

Oct 30, 2012

HTM Sales Inc.
Lift Station Inspection
Station name - SID # 165 Chalco Point

Date	Pump#1 hrs	Pump#2 hrs	VAC
3	9230.2	12691	
8	9242.0	12695.6	
15	9258.0	12731.0	
29	9274.3	12731.4	

Comments

Roger Pike Service Manager- HTM Sales



Bankers Trust Company
 435 7th Street
 Des Moines, IA 50309

Invoice

SARPY CO NE SID 165 GO RFND BD 6/15/12
 FULLENKAMP, DOYLE & JOBEUN
 ATTN: DEBBIE LEACH
 11440 WEST CENTER ROAD, SUITE C
 OMAHA NE 68144-4482

Invoice No: 5263
 Invoice Date: 06/15/12

CATEGORY	QUANTITY	RATE	AMOUNT
BALANCE CARRIED FORWARD:			\$0.00
PREVIOUS AMOUNT BILLED:	\$0.00		
AMOUNT RECEIVED:	\$0.00		
FLAT FEE			
INITIAL FEE			\$200.00
TOTAL DUE			\$200.00

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
200.00	0.00	0.00	0.00	0.00	200.00

PLEASE DETACH AND RETURN WITH PAYMENT

SARPY CO NE SID 165 GO RFND BD 6/15/12
 FULLENKAMP, DOYLE & JOBEUN
 ATTN: DEBBIE LEACH
 11440 WEST CENTER ROAD, SUITE C
 OMAHA NE 68144-4482

Invoice #: 5263
 Invoice Date: 06/15/12
 Bill Code: 0185388600

Total Due: 200.00

Remit to:

Bankers Trust Company
Attn: Corporate Trust Department
PO Box 897
Des Moines, IA 50304

Amount Enclosed:





Municipal Financial Consultants

November 14, 2012

Mr. John Fullenkamp
Fullenkamp, Doyle & Jobeun
11440 West Center Road
Omaha, NE 68144

Re: Fiscal Agent Relationship

Dear John:

As you are aware, Congress recently enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), which constitutes the most significant regulatory reform to the financial services industry since the Great Depression. Among other things, Dodd-Frank directed the Municipal Securities Rulemaking Board (the "MSRB") to make changes to MSRB Rules G-23 and G-17, which define the activities of Municipal Financial Advisors ("F.A.") and Municipal Underwriters ("U/W"). Attached to this letter is a comparison of the services Kuehl Capital Corporation ("KCC") will provide as an F.A. against the services KCC will provide if it remains a U/W.

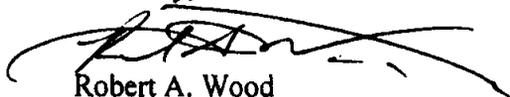
MSRB Rules G-23 and G-17 are designed to eliminate conflicts of interest between municipal issuers, underwriters and financial advisors and to ensure fair dealing among such market participants. In response to Dodd-Frank, the MSRB issued interpretative releases relating to such Rules to provide additional clarification and guidance. First and foremost, the Rules obligate a municipal securities firm to distinguish between and formally declare to a municipal issuer whether the firm's relationship with the issuer is that of a U/W or F.A. The Rules provide that a dealer acting as an F.A. to a municipal issuer in connection with an issuance of municipal debt is prohibited from acquiring, underwriting or placing all or any portion of such debt. Likewise, a dealer that clearly identifies itself, in writing, as a U/W with respect to an issuance of municipal debt by a municipal issuer will be limited in the financial advisory activities it can provide to a municipal issuer. The dealer must make clear to the municipal issuer at the very beginning of a debt issuance that the primary role of a U/W is to purchase securities in an arm's length commercial transaction and that due to inherent conflicts its interests will differ from those of the municipal issuer. Additionally, a dealer acting as an U/W, may only provide advice to a municipal issuer regarding the structure, timing and terms of a specific transaction, not advice deemed as strategic and in the best interests of the issuer or post issuance related.

The industry practice as it pertains to the SID business introduces the term "Fiscal Agent" which is defined in state statute and is unique to the SID industry. Fiscal agents have traditionally acted in both the role of F.A. and U/W to a SID. This is obviously problematic given the regulatory changes. Up to this point, KCC, like other fiscal agents, has been designated as a U/W for regulatory purposes. KCC recognized the inherent conflict of interest between the roles of F.A. and U/W and thus, has always subcontracted the role of U/W to a non-affiliated firm. This allowed us to provide unbiased advice and freed us to act in the best interest of the Districts we serve. The new regulatory changes have simply reinforced our long standing business model. KCC now, however, desires to formally change its designation to F.A from U/W for your Districts.

Over the course of the last several months, KCC has engaged in dialogue with both the MSRB and the Financial Industry Regulatory Authority (FINRA) with regards to our business model. Both of these agencies have confirmed that if we remain an underwriter, we cannot provide the range of strategic advisory services and post issuance services which we have traditionally provided. Our advisory services would be limited to those specific to the issuance of SID debt. **Thus, effective January 1, 2013, the services provided by KCC as Fiscal Agent will be limited to those U/W services that are transaction specific unless the District elects to redefine KCC's role as Financial Advisor.** It would be our desire to continue to provide all of the services that we have traditionally offered to our Districts. This newly defined F.A. contractual relationship will formally align our common interests as a fiduciary to the District. Districts that elect to have their Fiscal Agent remain an underwriter will need to retain outside consultants with subject matter expertise to provide the necessary strategic advisory services and post issuance services.

Understandably, you will have additional questions regarding this transition. Please call me at your convenience so that we may meet to discuss.

Sincerely,



Robert A. Wood
Managing Director

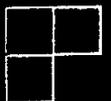
2012

Kuehl Capital Corp. SID Services

Financial / Municipal Advisory Services
vs.
Underwriting Services

Kuehl Capital Corporation
14747 California Street | Suite 1
Omaha | Nebraska | 68154

402-391-7977 (Office)





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Strategic related services generally consist of; a) analysis of and advice on structuring, b) assistance in the selection and negotiation of contracts related to financing and c) assistance in establishing and/or monitoring the implementation of financial controls related to the sources of repayments and uses of proceeds.

STRATEGIC SERVICES	
<i>Municipal/Financial Advisor</i>	<i>Underwriter</i>
<ul style="list-style-type: none"> • Project financial feasibility analysis. • Evaluate assumptions for feasibility analysis as provided by developer and engineer. Conduct qualitative analysis of subjective inputs to feasibility/debt structure discussion. • Upon request meet with the city/county planning officials to assist in negotiation on behalf of the District. • Conduct build-out analysis to analyze impact of scope and timing of improvements, quality and timing of reimbursables and to project timing/volume of bond issuance(s). • Conduct cash flow analysis based on proposed cost of public improvements taking into account anticipated special assessments to be levied. Project general obligation costs to determine the Bond Fund levy necessary to cash flow the debt of the District. 	<ul style="list-style-type: none"> • Not Applicable
<ul style="list-style-type: none"> • Identify funding alternatives (public vs. private, institutional vs. retail, negotiated vs. competitive). 	<ul style="list-style-type: none"> • Not Applicable
<ul style="list-style-type: none"> • Provide the District with an impact analysis on public improvement costs and changes. 	<ul style="list-style-type: none"> • Not Applicable
<ul style="list-style-type: none"> • Assist the District in determining the most appropriate method for receiving underwriting proposals and evaluating such proposals. 	<ul style="list-style-type: none"> • Not Applicable
<ul style="list-style-type: none"> • Negotiate initial warrant and bond fiscal commitment with underwriter and secure financing commitment on behalf of the District. 	<ul style="list-style-type: none"> • Not Applicable
<ul style="list-style-type: none"> • Assist the District in determining the most appropriate method for receiving underwriting proposals and evaluation such proposals. • Assist the District in the selection of an underwriter, paying agent and other finance team members as needed. • Contact underwriters to generate interest in submitting a proposal for a debt issuance. • Assist in the selection and designation of Bond Counsel and Disclosure Counsel on behalf of the District. 	<ul style="list-style-type: none"> • Not Applicable
<ul style="list-style-type: none"> • Conduct ongoing analysis of the outstanding debt of the District and identify opportunities to optimize structure and rates. • Meet with the District to establish timing parameters for a particular financing. • Attend meetings of the District, as requested. • Respond to the District's general or specific inquiries regarding its debt. 	<ul style="list-style-type: none"> • Not Applicable



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Transactional related services generally consist of; a) assisting Issuers with warrant and bond sales (which includes preparation of Offering Summary, obtaining CUSIP numbers, and planning and coordinating closings), b) negotiation of various deal documents with underwriters, obligated persons, fiduciaries (e.g. – Registrar and paying agent, County, etc.), c) coordination with DTC and d) providing cash flow calculations for verification of cash flows.

TRANSACTION-RELATED SERVICES	
<i>Municipal/Financial Advisor</i>	<i>Underwriter</i>
<ul style="list-style-type: none"> Assist the District and the Districts Attorney in addressing resident concerns related to proposed project and related financing. 	<ul style="list-style-type: none"> Assist the District and the Districts Attorney in addressing resident concerns related to proposed project and related financing.
<ul style="list-style-type: none"> Advise the District regarding the method of sale for particular transactions, taking into account market conditions and other relative factors. <ul style="list-style-type: none"> Discuss potential financing structures with the District and determine the best approach given the District's goals. Conduct analysis and size bond transaction appropriately for tax-exempt issuance compliance. Advise on the general timing of the sale of bonds and/or warrants taking into consideration major economic indicators, competing bond sales, changing economic conditions, length of approval processes, and District scheduling concerns. 	<ul style="list-style-type: none"> Advise the District regarding the method of sale for particular transactions, taking into account market conditions and other relative factors. <ul style="list-style-type: none"> Discuss potential financing structures with the District and determine the best approach given the District's goals. Conduct analysis and size bond transaction appropriately for tax-exempt issuance compliance. Advise on the general timing of the sale of bonds and/or warrants taking into consideration major economic indicators, competing bond sales, changing economic conditions, length of approval processes, and District scheduling concerns.
<ul style="list-style-type: none"> Disclosure (Initial): <ul style="list-style-type: none"> Work with Disclosure Counsel in the preparation of warrant Offering Circular, which includes coordinating updates from the District, and delivery to the underwriter in appropriate format. Prepare an 'Addendum' to the Warrant Offering Circular and deliver to the underwriter in appropriate format when new debt is issued. 	<ul style="list-style-type: none"> Disclosure (Initial): <ul style="list-style-type: none"> Work with Disclosure Counsel in the preparation of warrant Offering Circular, which includes coordinating updates from the District, and delivery to the underwriter in appropriate format. Prepare an 'Addendum' to the Warrant Offering Circular and deliver to the underwriter in appropriate format when new debt is issued.
<ul style="list-style-type: none"> Warrant Issuance <ul style="list-style-type: none"> Prepare IRS Form 8038-G and 0838-GC for registered warrants. Coordinate the registration of warrants with County Treasurer Coordinate endorsement of warrant payees. Coordinate purchase of warrants by underwriters and payment to contractors 	<ul style="list-style-type: none"> Warrant Issuance <ul style="list-style-type: none"> Prepare IRS Form 8038-G and 0838-GC for registered warrants. Coordinate the registration of warrants with County Treasurer Coordinate endorsement of warrant payees. Coordinate purchase of warrants by underwriters and payment to contractors
<ul style="list-style-type: none"> Bond Structuring and Issuance <ul style="list-style-type: none"> Prepare plan of finance and related transaction timetable. Model the debt using assumptions specific to the District and the current market environment and advise on the appropriate terms and conditions. Work with Bond Counsel to ensure all regulatory documentation is filed and assist in the closing process. Coordinate with Bond Counsel to prepare the authorizing resolution and other documents. Review all draft financing documents. 	<ul style="list-style-type: none"> Bond Structuring and Issuance <ul style="list-style-type: none"> Prepare plan of finance and related transaction timetable. Model the debt using assumptions specific to the District and the current market environment and advise on the appropriate terms and conditions. Work with Bond Counsel to ensure all regulatory documentation is filed and assist in the closing process. Coordinate with Bond Counsel to prepare the authorizing resolution and other documents. Review all draft financing documents.



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Transaction Related Services (cont'd)

<ul style="list-style-type: none"> • Review the official statement and all legal documents to ensure accuracy and completeness. • File "Blanket Letter of Representations" (BLOR) with the Depository Trust Company (DTC) on behalf of the District. • Structure debt issuance in manner complying with applicable Nebraska State statutory requirements, Internal Revenue Service (IRS) code, United States Securities Exchange Commission (SEC) regulations and Municipal Securities Rulemaking Board (MSRB) rules. • Prepare and present final analysis packet specific to transaction to the District • Coordinate closing activities between the District, underwriter and other involved parties (Registrar and Paying Agent, Bond Counsel, Disclosure Counsel, Depository Trust Company, etc.) and address any unforeseen issues that come up prior to settlement to ensure a timely closing. 	<ul style="list-style-type: none"> • Review the official statement and all legal documents to ensure accuracy and completeness. • File "Blanket Letter of Representations" (BLOR) with the Depository Trust Company (DTC) on behalf of the District. • Structure debt issuance in manner complying with applicable Nebraska State statutory requirements, Internal Revenue Service (IRS) code, United States Securities Exchange Commission (SEC) regulations and Municipal Securities Rulemaking Board (MSRB) rules. • Prepare and present final analysis packet specific to transaction to the District • Coordinate closing activities between the District, underwriter and other involved parties (Registrar and Paying Agent, Bond Counsel, Disclosure Counsel, Depository Trust Company, etc.) and address any unforeseen issues that come up prior to settlement to ensure a timely closing.
<ul style="list-style-type: none"> • Negotiated Sales <ul style="list-style-type: none"> • Identify qualified underwriters in the marketplace and advise the District as to which underwriter is the best fit for the specific needs of the transaction. • Consult with underwriter to determine the marketability of various alternatives and structures given current market conditions • Negotiate costs, interest rates, underwriter discount and specific terms on behalf of the District. • Explain to the District the risks associated with the transaction as disclosed in the G-23 and G-17 letters from the underwriter and acknowledge receipt and understanding on behalf of the District. 	<ul style="list-style-type: none"> • Negotiated Sales <ul style="list-style-type: none"> • Identify qualified underwriters in the marketplace and advise the District as to which underwriter is the best fit for the specific needs of the transaction. • Consult with underwriter to determine the marketability of various alternatives and structures given current market conditions • Negotiate costs, interest rates, underwriter discount and specific terms on behalf of the District. • Explain to the District the risks associated with the transaction as disclosed in the G-23 and G-17 letters from the underwriter and acknowledge receipt and understanding on behalf of the District.
<ul style="list-style-type: none"> • Competitive Sales <ul style="list-style-type: none"> • Identify active SID underwriters in the marketplace and advise the District as to what firms to approach with a request for a bid. • Develop bid request with terms and conditions specific to the District's needs and distribute requests of proposal to selected bidders. • Recommend the lowest cost, qualified and best bidder and award bonds to selected bidder. 	<ul style="list-style-type: none"> • Not Applicable



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Post-issuance related services generally consist of; a) assistance to issuer/obligated persons regarding compliance, b) assistance to issuers/obligated persons in preparing and submitting continuing disclosures as they relate to updated financials, c) monitoring of reserve fund levels and d) restructuring and bankruptcy services.

POST-ISSUANCE SERVICES	
<i>Municipal/Financial Advisor</i>	<i>Underwriter</i>
<ul style="list-style-type: none"> Assist the District in preparing and submitting continuing disclosures as they related to updated financial information, including the compilation of updated data and assisting Dissemination Agent with ongoing disclosure obligations of the District pursuant to Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934. Such information shall include annual operating data, annual audit and material event filings. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Research and advise the District concerning aspects of tax exemption and arbitrage on existing debt in cooperation with Bond Counsel, District Accountant and District's Attorney. This would include assisting coordination with post issuance compliance obligations of the District. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Manage SID fund balances. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Review minutes of District meetings 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Coordinate annual interest payment of construction fund warrants. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Scan all District minutes received from the District into electronic format and maintain archive. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Scan all warrant legal opinions from Bond Counsel into electronic format and maintain archive. Deliver the same to underwriter. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Maintain database of outstanding warrant debt to generate reports by payee, registration dates, maturity date and have the ability to calculate principal and interest payments. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Coordinate the periodic reconciliation of District warrant debt with Registrar, Paying Agent and County Treasurer. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Track District development by performing periodic site visits and keeping a journalized entry system containing house counts and other significant development events. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Track outstanding bond debt to identify and present refunding opportunities to the District. 	<ul style="list-style-type: none"> Not Applicable
<ul style="list-style-type: none"> Restructuring and Bankruptcy Services (Chapter 9) 	<ul style="list-style-type: none"> Not Applicable

AGENDA

Sanitary and Improvement District No. 165 of Sarpy County, Nebraska; Meeting to be held November 16, 2012.

1. Present statements, vote on and approve payment from the General Fund Account of the District for the following:

a) OPPD for lift station energy (#0523000010).	617.10
b) E&A Consulting Group for engineering services (118681, 118855).	297.04
c) HTM Sales, Inc., for lift station inspection (#27384-13, 14, 15, 16).	1,343.75
d) Sun Daze for mowing (#3500).	140.00
e) Bankers Trust for paying agent fees (#5263).	200.00

2. Discussion Re: Kuehl Capital Corporation November 14, 2012 letter.