

MINUTES OF MEETING

OF

SANITARY AND IMPROVEMENT DISTRICT NO. 220
OF SARPY COUNTY, NEBRASKA

A meeting of the Board of Trustees of Sanitary and Improvement District No. 220 of Sarpy County, Nebraska, was convened in open and public session at 12:30 p.m. on the 21st day of March, 2012, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present were: Herbert L. Freeman, Marcy Knobbe, John R. Christiansen, Maurice Anderson and Craig Finnestad. Also present was John Q. Bachman, attorney for the District.

Absent: None.

Notice of the meeting was given in advance thereof by publication in the Bellevue Leader on March 14, 2012, a copy of the proof of publication being attached to these minutes. Notice of this 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 agenda was at all times available at the office for the District at 10250 Regency Circle, Suite 300, Omaha, Nebraska 68114.

The meeting was called to order by the undersigned presiding as Chairman. Upon roll call, all of the Trustees were present.

The Chairman 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.

There was next presented correspondence from Kuehl Capital Corporation, fiscal agent for the District, requesting that the Board adopt a resolution as a result of some changes to IRS Form 8038-G, regarding ongoing compliance issuances relating to outstanding bonds and/or warrants. After full and complete discussion and upon a motion duly made and seconded, and upon the following roll call vote, the Trustees, Herbert L. Freeman, Marcy Knobbe, John R. Christiansen, Maurice Anderson and Craig Finnestad voted "Aye" with none voting "Nay" thereby passing and adopting the following resolutions:

RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 220 of Sarpy County, Nebraska (the "District"), as follows:

Section 1. The Board of Trustees of the District hereby finds and determines:

(a) that the District was duly formed and remains in existence pursuant to the Constitution and applicable laws of the State of Nebraska;

(b) that the District has heretofore issued and there are now outstanding bonds and/or warrants of the District (collectively, the "Outstanding Tax-Exempt Obligation"); and

(c) that it is necessary and advisable for the District to adopt certain procedures to promote compliance with certain federal tax and securities laws relating to the Outstanding Tax-Exempt Obligation.

Section 2. Now therefore be it resolved that the policy and procedures attached hereto as Exhibit "A" are hereby adopted by the Board of Trustees of the District in all respects.

Section 3. This Resolution shall be in full force and effect, immediately upon its adoption by the Board of Trustees.

BE IT FURTHER RESOLVED that in connection with the issuance from time to time of its construction fund warrants and general fund warrants, the District hereby acknowledges receipt of written notice from Kuehl Capital Corporation ("**KCC**") in the form set forth below setting forth KCC's role solely in connection with such issuances:

Dear Sir/Madam:

*Kuehl Capital Corporation ("**KCC**"), along with all municipal finance firms participating in the issuance of municipal securities (including SID Fiscal Agents), must comply with changes made to Municipal Securities Rulemaking Board Rule G-23 (the "**Rule**"). The Rule requires KCC to make a declaration prior to any transaction as to the role KCC will serve, either as a "Financial Advisor" or as an "Underwriter".*

*By delivery of this letter, KCC hereby notifies Sanitary and Improvement District No. 220 of Sarpy County, Nebraska (the "**Issuer**") that for purposes of the issuance of the District's general fund or construction fund warrants (the "**Warrants**") it: (i) is an underwriter and not a financial advisor; (ii) that the primary role of an underwriter is to purchase or place securities, such as the Warrants, in an arm's-length transaction and that KCC has financial and other interests that may differ from those of the Issuer in regards to the sale or placement of the Warrants; and (iii) will not engage in a course of conduct that is inconsistent with an arm's length relationship with the Issuer in connection with the issuance of the Warrants.*

The District hereby acknowledges that KCC will act in such capacity when and if the District issues warrants from this date forth.

There were next presented miscellaneous bills, invoices, statements, and recommendations for the Board's consideration.

There were next presented statements from Great Western Bank for registrar and paying agent fees as follows: (i) with respect to the Series 2007 bonds for the period September 2, 2011 through March 1, 2012 in the amount of Two Hundred Fifty and no/100 Dollars (\$250.00); and (ii) with respect to the Series 2009 bonds for the period July 16, 2011 through January 15, 2012 in the amount of Two Hundred Fifty and no/100 Dollars (\$250.00); said statements being in the aggregate amount of Five Hundred and no/100 Dollars (\$500.00).

There was next presented a statement from Lamp, Rynearson & Associates, Inc., engineers for the District for services rendered in construction-related matters through February 25, 2012, Invoice No. 0110098.11-0000001 in the amount of Ten Thousand Four Hundred Sixty and 75/100 Dollars (\$10,460.75).

The Clerk next presented to the Board the final estimate with regard to the Paving Maintenance 2011 (Harrison Woods) project and its installation by Jerry Jensen Construction, Inc., which recommended that a final and complete payment be made in the total amount of Four Thousand Nine Hundred Four and 93/100 Dollars (\$4,904.93) with such being final payment and the final estimate for work completed on such project. The Clerk also presented the Certificate of Completion from the District's engineers, Lamp,

Rynearson & Associates, Inc., recommending that final payment and acceptance of such project be made by the District. Upon a motion duly made and seconded, and upon the following roll call vote, the Trustees, Herbert L. Freeman, Marcy Knobbe, John R. Christiansen, Maurice Anderson and Craig Finnestad voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 220 of Sarpy County, Nebraska, that the District's project entitled Paving Maintenance 2011 (Harrison Woods) be accepted as completed in accordance with recommendation of the District's engineers, Lamp, Rynearson & Associates, Inc. and that final payment be made in the following scheduled amount:

| <u>Contractor</u> | <u>Amount</u> |
|---------------------------------|---------------|
| Jerry Jensen Construction, Inc. | \$4,904.93 |

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of Annie's Nursery Co. for green area maintenance, Invoice No. 2012-0110 in the amount of Seven Hundred Ten and no/100 Dollars (\$710.00).

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of Robert's Lawn Care, Landscape & Nursery for tree maintenance, Invoice No. 54548 in the amount of One Thousand Four Hundred Fifty-One and no/100 Dollars (\$1,451.00).

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of Ground Effects for snow removal as follows: (i) Invoice No. 3468 in the amount of Nine Hundred and no/100 Dollars (\$900.00); and (ii) Invoice No. 3489 in the amount of Three Hundred and no/100 Dollars (\$300.00); said invoices being in the aggregate amount of One Thousand Two Hundred and no/100 Dollars (\$1,200.00).

There were next presented statements from Great Plains One-Call Services Inc. for line locating services as follows: (i) Invoice No. 1111SD220 in the amount of Ninety-Four and 87/100 Dollars (\$94.87); (ii) Invoice No. 1211SD220 in the amount of Thirty-Seven and 59/100 Dollars (\$37.59); (iii) Invoice No. 112SD220 in the amount of Twenty-Six and 85/100 Dollars (\$26.85); and (iv) Invoice No. 212SD220 in the amount of Thirty-Five and 80/100 Dollars (\$35.80); said invoices being in the aggregate amount of One Hundred Ninety-Five and 11/100 Dollars (\$195.11).

There were next presented statements from Lutz & Company, PC, accountants for the District as follows: (i) final billing related to the completion of the audited financial statement for the year ended June 30, 2011, Invoice No. 135267 in the amount of Two Thousand Six Hundred Fifty and no/100 Dollars (\$2,650.00); and (ii) preparation of quarterly payroll tax returns and IRS forms 1099 and 1096, Invoice No. 136220 in the amount of Five Hundred Fifty and no/100 Dollars (\$550.00); said statements being in the aggregate amount of Three Thousand Two Hundred and no/100 Dollars (\$3,200.00).

There were next presented statements from Lamp, Rynearson & Associates, Inc., engineers for the District for miscellaneous engineering services rendered as follows: (i) through July 23, 2011, Invoice No. 0110098.90-0000010 in the amount of Two Thousand Nine Hundred Forty-Eight and 16/100 Dollars (\$2,948.16); (ii) through October 22, 2011, Invoice No. 0110098.90-0000013 in the amount of Twelve Thousand Five Hundred Ninety-One and 30/100 Dollars (\$12,591.30); (iii) through November 19, 2011, Invoice No. 0110098.90-0000014 in the amount of Six Thousand Nine Hundred Thirty-Eight and 52/100 Dollars (\$6,938.52); (iv) through December 17, 2011, Invoice No. 0110098.90-0000015 in the amount of Two Thousand Two Hundred Eighty-One and 79/100 Dollars (\$2,281.79); (v) through January 21, 2012, Invoice No. 0110098.90-0000016 in the amount of Two Thousand Four Hundred Thirty-Seven and 13/100

Dollars (\$2,437.13); and (vi) through February 18, 2012, Invoice No. 0110098.90-0000017 in the amount of One Thousand Fifty-Nine and 34/100 Dollars (\$1,059.34); said invoices being in the aggregate amount of Twenty-Eight Thousand Two Hundred Fifty-Six and 24/100 Dollars (\$28,256.24).

There were next presented statements from Metropolitan Utilities District for service at the 7006 S. 173rd Street location through March 6, 2012 indicating a **credit balance** in the amount of One Hundred Twenty-Six and 50/100 Dollars (\$126.50). **The Board directed advance payment to be made in the amount of Five Hundred and no/100 Dollars (\$500.00).**

There were next presented statements from Metropolitan Utilities District for service at the 16802 Edna Street location through March 6, 2012, indicating a **credit balance** in the amount of Three Hundred Twenty and 19/100 Dollars (\$320.19).

There were next presented statements from Omaha Public Power District, for power service at the 17300 Emiline Street, 16802 Edna Street and 6904 South 173rd Street locations through February 27, 2012 in the aggregate amount of Nine Thousand Five Hundred Twelve and 12/100 Dollars (\$9,512.12).

The previously described bills, invoices, recommendations and statements having been presented for the Board's consideration and after review and discussion of such items, the following resolution was duly moved and passed:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 220 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1636 through 1640 of the District, dated the date of this meeting, to the following payees and in the following amounts, said Warrants to be drawn on the Construction Fund of the District and to draw interest at the rate of seven percent (7%) per annum (interest to be payable on June 1 of each year) and to be redeemed no later than March 21, 2017, subject to extension of said maturity date by order of the District Court of Sarpy County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 1636, for the amount of Five Hundred and no/100 Dollars (\$500.00), payable to Great Western Bank.

Warrant Nos. 1637 through 1639, each for the amount of Three Thousand and no/100 Dollars (\$3,000.00), and Warrant No. 1640, for the amount of One Thousand Four Hundred Sixty and 75/100 Dollars (\$1,460.75), payable to Lamp, Rynearson & Associates, Inc.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 220 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1641 through 1663 of the District, dated the date of this meeting, to the following payees and in the following amounts, said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of seven percent (7%) per annum and to be redeemed no later than March 21, 2015, subject to extension of said maturity date by order of the District Court of Sarpy County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 1641, for the amount of Three Thousand and no/100 Dollars (\$3,000.00), and Warrant No. 1642, for the amount of One

Thousand Nine Hundred Four and 93/100 Dollars (\$1,904.93), payable to Jerry Jensen Construction, Inc.

Warrant No. 1643, for the amount of Seven Hundred Ten and no/100 Dollars (\$710.00), payable to Annie's Nursery Co.

Warrant No. 1644, for the amount of One Thousand Four Hundred Fifty-One and no/100 Dollars (\$1,451.00), payable to Robert's Lawn Care, Landscape & Nursery.

Warrant No. 1645, for the amount of One Thousand Two Hundred and no/100 Dollars (\$1,200.00), payable to Ground Effects.

Warrant No. 1646, for the amount of One Hundred Ninety-Five and 11/100 Dollars (\$195.11), payable to Great Plains One Call.

Warrant No. 1647, for the amount of Three Thousand and no/100 Dollars (\$3,000.00), and Warrant No. 1648, for the amount of Two Hundred and no/100 Dollars (\$200.00), payable to Lutz & Company, PC.

Warrant Nos. 1649 through 1657, each for the amount of Three Thousand and no/100 Dollars (\$3,000.00), and Warrant No. 1658, for the amount of One Thousand Two Hundred Fifty-Six and 24/100 Dollars (\$1,256.24), payable to Lamp, Ryneanson & Associates, Inc.

Warrant No. 1659, for the amount of Five Hundred and no/100 Dollars (\$500.00), payable to Metropolitan Utilities District, Acct. No. 173240-1350509.

Warrant Nos. 1660 through 1662, each for the amount of Three Thousand and no/100 Dollar (\$3,000.00), and Warrant No. 1663, for the amount of Five Hundred Twelve and 12/100 Dollars (\$512.12), payable to Omaha Public Power District, Acct. No. 4031256681.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 220 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 benefited 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.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 220 of Sarpy County, Nebraska, that the District hereby covenants, warrants and agrees as follows: (a) to take all actions necessary under current federal law to maintain the tax exempt status (as to taxpayers generally) of interest on the above Warrants; and (b) to the extent that it may lawfully do so, the District hereby designates the above Warrants as its "qualified tax exempt obligations" under Section 265(b)(3)(B)(i)(III) of the Internal Revenue Code of 1986, as amended, and covenants and warrants that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$5,000,000 during the calendar year in which the above Warrants are to be issued.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 220 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 Treasurer 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 lesser of: (a) ten percent (10%) of the net principal proceeds of the above Warrants, (b) the maximum annual debt service due on the above Warrants, or (c) one hundred twenty-five percent (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 thirteen (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 thirteen (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 expectations 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 Section 1.148-2(b)(2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended.

There were next presented receipts from the Douglas County Treasurer's office representing deposits to the District's Bond Fund of various sewer connection fees from December 27, 2010 through December 6, 2011, in the aggregate amount of Twenty-Seven Thousand Two Hundred Seventeen and no/100 Dollars (\$27,217.00).

The Trustees decided to take no further action with respect to the alleged improper sidewalk handicap ramp construction on Lot 105.

The Trustees next reviewed the bids received for 2012 irrigation maintenance. The bids having been individually reviewed by Lamp, Rynearson & Associates, Inc., the District's engineers, and upon completion of such review, the engineers have submitted their Letter of Recommendation which the Clerk was directed to attach along with a copy of the bid tabulations to these minutes.

After considerable discussion by the Board, the following resolution was duly moved and seconded upon a roll call vote of the Trustees, Herbert L. Freeman, Marcy Knobbe, John R. Christiansen, Maurice Anderson and Craig Finnestad voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 220 of Sarpy County, Nebraska, that all bids for the 2012 irrigation maintenance project be rejected.

Maurice Anderson reported that issues with the Omaha Electric Company installation of power in the islands had been resolved.

The Trustees then discussed the possible forgiveness of interest with respect to the special assessments on Lot 75 and 76. The homeowners association had recently purchased those lots which adjoin the current homeowners association property and pool facilities.

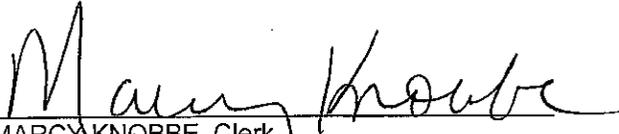
After considerable discussion by the Board, the following resolution was duly moved by John R. Christiansen and seconded by Craig Finnestad, with Herbert L. Freeman, Marcy Knobbe and Maurice Anderson voting "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 220 of Sarpy County, Nebraska, that The District forgives the accrued interest on the special assessments for Lots 75 and 76 in Harrison Woods, provided that the principal on the special assessments is immediately paid in full.

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SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

The Clerk next reviewed the Agenda which had been available for public inspection in accordance with the law prior to this meeting of the Board of Trustees and reported that all matters considered by the Board at this meeting appeared on the Agenda.

Marcy Knobbe, as Clerk for Sanitary and Improvement District No. 220 of Sarpy County, Nebraska (the "District") does hereby certify that the above proceedings are a true and accurate statement of the proceedings had by the District at its March 21, 2012, meeting.


MARCY KNOBBE, Clerk