

MINUTES OF MEETING

OF

SANITARY AND IMPROVEMENT DISTRICT NO. 240
OF SARPY COUNTY, NEBRASKA

A meeting of the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, was convened in open and public session at 3:15 p.m. on the 9th day of December, 2013, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present were: Michael F. Rogers, Michael E. Freestone, Timothy A. Reick, Mike Palmisano and Bob Mitchell. Also present were: Bryan Kratky and Terry Atkins from Lamp, Rynearson & Associates, Inc., engineers for the District, Roger Pike from HTM Sales, Inc., and Marc Stodola from Charleston Homes.

Absent: None.

Notice of the meeting was given in advance thereof by publication in Gretna Breeze on December 4, 2013 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. Upon roll call, all of the above referenced Trustees were present.

It was first 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 Board first undertook an extensive discussion regarding the condition of the District's lift station. Roger Pike of HTM Sales, as well as Terry Atkins and Bryan Kratky of Lamp, Rynearson & Associates, Inc., indicated that the lift station was in less than desirable condition, and in many respects not operating correctly. They strongly directed that corrective actions be taken immediately in order to restore the integrity of the lift station, including rehabbing the lift station generator, the replacement of the general operating condition of the lift station, a thorough cleaning and restorative work, and the installation of a hard telephone line for more accurate monitoring purposes. Upon completion of this discussion, the Board unanimously authorized the expenditure of up to \$8,000.00. HFE the original contractor/fabricator for the lift station was authorized to do such work under the direction of Lamp, Rynearson & Associates, as well as HTM Sales.

The Board next undertook a lengthy review of the proposed agreements relating to the request to connect to the District's lift station and interceptor sewer facilities, as follows: (i) Amendment to Interlocal Cooperation Agreement between SID 176, SID 192, SID 240 and SID 278; (ii) Second Amendment to Interlocal Cooperation Agreement between SID 240, SID 255, SID 260 and SID 278; and (iii) Interlocal Cooperation Agreement between SID 240 and SID 278. The Board reviewed with Lamp, Rynearson the capacity of particularly the lift station as such related to Phases I, II and III, and the contiguous mixed-use areas of Pebblebrooke. The Board did not wish to allow connections which would preclude the development of such phases without proper measures being taken to assure that both capacity and payment for such capacity was available to the Pebblebrooke phases. Lamp, Rynearson indicated that need for additional capacity in the District's lift station would not exist prior to the development of the third phase of Pebblebrooke. Lamp, Rynearson also indicated that the current lift station design could accommodate the first phase of Tiburon Ridge and, with increased capacity, the second phase of Tiburon Ridge. Upon

conclusion of such discussion, the Board generally agreed to modify the proposed contract in order to assure that all phases of Pebblebrooke would be accommodated, that any phases beyond the first for Tiburon Ridge would be required to totally pay for upgrades and increased capacity to the District's lift station before such additional connection would be authorized. The Board did not want to hold up the development of Tiburon Ridge, but wanted to make sure that appropriate payment for increasing the capacity of such lift station be provided for. As a result, at the conclusion of such discussion, the Board directed that the approval of the Interlocal agreements before it be tabled until changes to such agreements could be made to address the issues of the Board. The Board directed that a meeting be scheduled yet this calendar year to review an amended contract to address such issues. Counsel was directed to prepare such an agreement.

There was next presented correspondence from Ameritas Investment Corp, the District's fiscal agent, indicating that Pershing LLC, needs the amount on the original Warrant broken down into two amounts and issue two new warrants in the aggregate amount of Ten Thousand and no/100 Dollars (\$10,000.00). Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Michael F. Rogers, Michael E. Freestone, Timothy A. Reick, Mike Palmisano and Bob Mitchell voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that Construction Fund Warrant No. 1407 assigned to, be hereby is canceled.

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Sarpy County Treasurer of such cancellation so that such warrant may be reflected on his records as well as noting such cancellation on the records of the District.

FURTHER RESOLVED, Construction Fund Warrant No. 1874, for the amount of Three Thousand Five Hundred and no/100 Dollars (\$3,500.00), and Warrant No. 1875, for the amount of Six Thousand Five Hundred and no/100 Dollars (\$6,500.00), be hereby issued to Pershing LLC.

There was next presented correspondence from Ameritas Investment Corp, the District's fiscal agent, indicating that Pershing LLC, needs the amount on the original Warrant broken down into two amounts and issue two new warrants in the aggregate amount of Ten Thousand and no/100 Dollars (\$10,000.00). Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Michael F. Rogers, Michael E. Freestone, Timothy A. Reick, Mike Palmisano and Bob Mitchell voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that Construction Fund Warrant No. 1487 assigned to, be hereby is canceled.

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Sarpy County Treasurer of such cancellation so that such warrant may be reflected on his records as well as noting such cancellation on the records of the District.

FURTHER RESOLVED, Construction Fund Warrant No. 1876, for the amount of Three Thousand Seven Hundred Forty-Five and no/100 Dollars (\$3,745.00), and Warrant No. 1877, for the amount of Six Thousand Two Hundred Fifty-Five and no/100 Dollars (\$6,255.00), be hereby issued to Pershing LLC.

There was next presented correspondence from Ameritas Investment Corp, the District's fiscal agent, indicating that Pershing LLC, needs the amount on the original Warrant broken down into two amounts and issue two new warrants in the aggregate amount of Ten Thousand and no/100 Dollars (\$10,000.00). Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Michael F. Rogers, Michael E. Freestone, Timothy A. Reick, Mike Palmisano and Bob Mitchell voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that Construction Fund Warrant No. 1565 assigned to, be hereby is canceled.

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Sarpy County Treasurer of such cancellation so that such warrant may be reflected on his records as well as noting such cancellation on the records of the District.

FURTHER RESOLVED, Construction Fund Warrant No. 1878, for the amount of Four Thousand Seven and 15/100 Dollars (\$4,007.15), and Warrant No. 1879, for the amount of Five Thousand Nine Hundred Ninety-Two and 85/100 Dollars (\$5,992.85), be hereby issued to Pershing LLC.

There was next presented correspondence from Ameritas Investment Corp, the District's fiscal agent, indicating that Pershing LLC, needs the amount on the original Warrant broken down into two amounts and issue two new warrants in the aggregate amount of Ten Thousand and no/100 Dollars (\$10,000.00). Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Michael F. Rogers, Michael E. Freestone, Timothy A. Reick, Mike Palmisano and Bob Mitchell voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that Construction Fund Warrant No. 1667 assigned to, be hereby is canceled.

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Sarpy County Treasurer of such cancellation so that such warrant may be reflected on his records as well as noting such cancellation on the records of the District.

FURTHER RESOLVED, Construction Fund Warrant No. 1880, for the amount of Four Thousand Two Hundred Eighty-Seven and 66/100 Dollars (\$4,287.66), and Warrant No. 1881, for the amount of Five Thousand Seven Hundred Twelve and 34/100 Dollars (\$5,712.34), be hereby issued to Pershing LLC.

There was next presented correspondence from Ameritas Investment Corp, the District's fiscal agent, indicating that Pershing LLC, needs the amount on the original Warrant broken down into two amounts and issue two new warrants in the aggregate amount of Ten Thousand and no/100 Dollars (\$10,000.00). Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Michael F. Rogers, Michael E. Freestone, Timothy A. Reick, Mike Palmisano and Bob Mitchell voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that Construction Fund Warrant No. 1772 assigned to, be hereby is canceled.

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Sarpy County Treasurer of such cancellation so that such warrant may be reflected on his records as well as noting such cancellation on the records of the District.

FURTHER RESOLVED, Construction Fund Warrant No. 1882, for the amount of Four Thousand Five Hundred Eighty-Seven and 79/100 Dollars (\$4,587.79), and Warrant No. 1883, for the amount of Five Thousand Four Hundred Twelve and 21/100 Dollars (\$5,412.21), be hereby issued to Pershing LLC.

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

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of HTM Sales, Inc., for lift station maintenance, as follows: (i) Invoice #13-30154-1, in the amount of Nine Hundred Eighty-Eight and 20/100 Dollars (\$988.20), and (ii) Invoice #13-30154-2, in the amount of Four Hundred Eight and 29/100 Dollars (\$408.29); said statements being in the aggregate amount of One Thousand Three Hundred Ninety-Six and 49/100 Dollars (\$1,396.49).

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of PeopleService, Inc., for lift station maintenance, Invoice #0021685, in the amount of One Thousand Five Hundred Eighty-Five and 75/100 Dollars (\$1,585.75).

There were next presented statements from Cornerstone Insurance Group, for renewal of Chairman and Clerk bonds, as follows: (i) Invoice #4456, in the amount of One Hundred Seventy and no/100 Dollars (\$170.00), and (ii) Invoice #4457, in the amount of One Hundred Seventy and no/100 Dollars (\$170.00); said statements being in the aggregate amount of Three Hundred Forty and no/100 Dollars (\$340.00).

There was next presented a statement to Tim's Lawn Care, for repairs and maintenance of vinyl fence along Highway 370, Invoice #1, in the amount of Seven Hundred Fifty and no/100 Dollars (\$750.00).

There was next presented a statement from Lamp, Rynearson & Associates, Inc., engineers for the District, for services rendered in miscellaneous District matters through October 19, 2013, Invoice dated November 14, 2013, in the amount of One Thousand Three Hundred Fifty-Five and 02/100 Dollars (\$1,355.02).

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of Commercial Seeding Contractors, for erosion control maintenance, Invoice #12679, in the amount of One Hundred Eighty-Eight and 99/100 Dollars (\$188.99).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services rendered in miscellaneous District matters, in the amount of Three Thousand Nine Hundred Eight and 50/100 Dollars (\$3,908.50), and costs advanced in the amount of Two Hundred Fifteen and 54/100 Dollars (\$215.54); said statement being in the aggregate amount of Four Thousand One Hundred Twenty-Four and 04/100 Dollars (\$4,124.04).

There was next presented a statement from Omaha Public Power District, for lighting at the location 11205 Morgan Circle, from October 7, 2013, through November 6, 2013, in the amount of Seventeen and 44/100 Dollars (\$17.44).

There was next presented a statement from Omaha Public Power District, for lift station and street lights, for Account #4672971253, from October 7, 2013, through November 6, 2013, in the amount of One Thousand Two Hundred Seventy-Six and 93/100 Dollars (\$1,276.93).

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. 240 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1874 and 1875 of the District, dated July 10, 2009, to the following payee 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 August 1st of each year) and to be redeemed no later than July 10, 2014, 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. 1874, for the amount of Three Thousand Five Hundred and no/100 Dollars (\$3,500.00), payable to Pershing LLC.

Warrant No. 1875, for the amount of Six Thousand Five Hundred and no/100 Dollars (\$6,500.00), payable to Pershing LLC.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1876 and 1877 of the District, dated July 19, 2010, to the following payee 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 August 1st of each year) and to be redeemed no later than July 19, 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. 1876, for the amount of Three Thousand Seven Hundred Forty-Five and no/100 Dollars (\$3,745.00), payable to Pershing LLC.

Warrant No. 1877, for the amount of Six Thousand Two Hundred Fifty-Five and no/100 Dollars (\$6,255.00), payable to Pershing LLC.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1878 and 1879 of the District, dated June 27, 2011, to the following payee 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 August 1st of each year) and to be redeemed no later than June 27, 2016, 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. 1878, for the amount of Four Thousand Seven and 15/100 Dollars (\$4,007.15), payable to Pershing LLC.

Warrant No. 1879, for the amount of Five Thousand Nine Hundred Ninety-Two and 85/100 Dollars (\$5,992.85), payable to Pershing LLC.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1880 and 1871 of the District, dated July 16, 2012, to the following payee 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 August 1st of each year) and to be redeemed no later than July 16, 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. 1880, for the amount of Four Thousand Two Hundred Eighty-Seven and 66/100 Dollars (\$4,287.66), payable to Pershing LLC.

Warrant No. 1881, for the amount of Five Thousand Seven Hundred Twelve and 34/100 Dollars (\$5,712.34), payable to Pershing LLC.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1882 and 1883 of the District, dated July 15, 2013, to the following payee 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 August 1st of each year) and to be redeemed no later than July 15, 2018, 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. 1882, for the amount of Four Thousand Five Hundred Eighty-Seven and 79/100 Dollars (\$4,587.79), payable to Pershing LLC.

Warrant No. 1883, for the amount of Five Thousand Four Hundred Twelve and 21/100 Dollars (\$5,412.21), payable to Pershing LLC.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1884 through 1892 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 December 9, 2016, 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. 1884, for the amount of One Thousand Three Hundred Ninety-Six and 49/100 Dollars (\$1,396.49), payable to HTM Sales, Inc.

Warrant No. 1885, for the amount of One Thousand Five Hundred Eighty-Five and 75/100 Dollars (\$1,585.75), payable to PeopleService, Inc.

Warrant No. 1886, for the amount of Three Hundred Forty and no/100 Dollars (\$340.00), payable to Cornerstone Insurance Group.

Warrant No. 1887, for the amount of Seven Hundred Fifty and no/100 Dollars (\$750.00), payable to Tim's Lawn Care.

Warrant No. 1888, for the amount of One Thousand Three Hundred Fifty-Five and 02/100 Dollars (\$1,355.02), payable to Lamp, Rynearson & Associates, Inc.

Warrant No. 1889, for the amount of One Hundred Eighty-Eight and 99/100 Dollars (\$188.99) payable to Commercial Seeding Contractors.

Warrant No. 1890, for the amount of Four Thousand One Hundred Twenty-Four and 04/100 Dollars (\$4,124.04), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 1891, for the amount of Seventeen and 44/100 Dollars (\$17.44), payable to Omaha Public Power District, Account #8891923592.

Warrant No. 1892, for the amount of One Thousand Two Hundred Seventy-Six and 93/100 Dollars (\$1,276.93), payable to Omaha Public Power District, Account #4672971253.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 240 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. 240 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. 240 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.

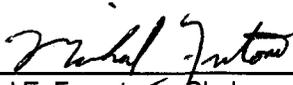
3. The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its bonds.

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.

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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.

Michael E. Freestone, as Clerk for Sanitary and Improvement District No. 240 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 December 9, 2013, meeting.



Michael E. Freestone, Clerk