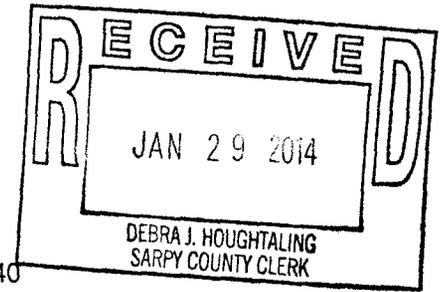


MINUTES OF MEETING
OF
SANITARY AND IMPROVEMENT DISTRICT NO. 240
OF SARPY COUNTY, NEBRASKA



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 4:00 p.m. on the 30th day of December, 2013, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present were: Mike Palmisano, Michael E. Freestone, Michael F. Rogers, Timothy A. Reick, and Bob Mitchell.

Absent: None.

Notice of the meeting was given in advance thereof by publication in Gretna Breeze on December 25, 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.

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 and monitoring, as follows: (i) Invoice #13-30180-1, in the amount One Thousand Fifty and no/100 Dollars (\$1,050.00), and (ii) Invoice #13-30180-2, in the amount of One Thousand Two Hundred Ninety-Three and 75/100 Dollars (\$1,293.75); said statements being in the aggregate amount of Two Thousand Three Hundred Forty-Three and 75/100 Dollars (\$2,343.75).

There was next presented a statement from Lamp, Rynearson & Associates, Inc., engineers for the District, for services rendered in miscellaneous District matters through November 16, 2013, Invoice dated December 5, 2013, in the amount of One Thousand Two Hundred Ninety-One and 88/100 Dollars (\$1,291.88).

There was next presented a statement from Omaha Public Power District, for lighting at the location 11205 Morgan Circle, from November 6, 2013, through December 5, 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 November 6, 2013, through December 5, 2013, in the amount of One Thousand Two Hundred Ninety-Nine and 71/100 Dollars (\$1,299.71).

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:

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. 1893 through 1896 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 30, 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. 1893, for the amount of Two Thousand Three Hundred Forty-Three and 75/100 Dollars (\$2,343.75), payable to HTM Sales, Inc.

Warrant No. 1894, for the amount of One Thousand Two Hundred Ninety-One and 88/100 Dollars (\$1,291.88), payable to Lamp, Rynearson & Associates, Inc.

Warrant No. 1895, for the amount of Seventeen and 44/100 Dollars (\$17.44), payable to Omaha Public Power District, Account #8891923592.

Warrant No. 1896, for the amount of One Thousand Two Hundred Ninety-Nine and 71/100 Dollars (\$1,299.71), 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.

There was then presented for the consideration of the Trustees the Interlocal Cooperation Agreement between **Sanitary and Improvement District No. 278 of Sarpy County, Nebraska (Tiburon Ridge)** (hereinafter "SID 278") and **Sanitary and Improvement District No. 240 of Sarpy County, Nebraska (Pebblebrooke)** (hereinafter SID 240") to allow the connection of the outfall sanitary sewer line of SID 278 into the sanitary sewer system of SID 240 and transmit sewage from the lots within SID 278. Discussion followed concerning the need for SID 278 to share in the maintenance, electrical and operational costs of the lift station. The Board directed counsel for the District to contact the attorney for SID 278 and direct the Agreement to be amended to include sharing the maintenance costs. The Clerk was directed to attach a copy of the **AMENDED** Agreement to the minutes of these proceedings. After discussion of the Board, the following resolution was duly moved and seconded and upon a roll call vote the Trustees, Mike Palmisano, Michael E. Freestone, Michael F. Rogers, Timothy A. Reick, and Bob Mitchell 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. 240 of Sarpy County, Nebraska, that the Interlocal Cooperation Agreement between **Sanitary and Improvement District No. 278 of Sarpy County, Nebraska (Tiburon Ridge)** and **Sanitary and Improvement District No. 240 of Sarpy County, Nebraska (Pebblebrooke)** to allow the connection of the outfall sanitary sewer line of SID 278 into the sanitary sewer system of SID 240 and transmit sewage from the lots within SID 278, be ratified and approved as **AMENDED** to include cost sharing for maintenance, electrical and operational costs of the lift station.

FURTHER RESOLVED, that the Chairman and Clerk be, and hereby are, authorized and directed to take such steps as are necessary to implement this resolution, including the execution of such agreement, **as amended**, for and on behalf of the District.

There was next presented for the consideration of the Trustees the Amendment to Interlocal Cooperation Agreement between **Sanitary and Improvement District No. 176 of Sarpy County, Nebraska (Lakeridge Estates)** (hereinafter "SID 176"), **Sanitary and Improvement District No. 192 of Sarpy County, Nebraska (Ballena)** (hereinafter "SID 192"), **Sanitary and Improvement District No. 278 of Sarpy County, Nebraska (Tiburon Ridge)** (hereinafter "SID 278") and **Sanitary and Improvement District No. 240 of Sarpy County, Nebraska (Pebblebrooke)** (hereinafter SID 240") for the purpose of permitting SID 278 to connect into the sanitary sewer of SID 240 which will in turn discharge sewage from SID 240 boundaries through the force main, as well as SID 278's agreement to share in the cost of any maintenance, repair and reconstruction of the force main. After discussion, the resolution attached hereto and by this reference made a part hereof was duly introduced and upon a motion properly made and seconded, a roll call vote was had upon such motion during which the Trustees, Mike Palmisano, Michael E. Freestone, Michael F. Rogers, Timothy A. Reick, and Bob Mitchell voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that the Amendment to Interlocal Cooperation Agreement between **Sanitary and Improvement District No. 176 of Sarpy County, Nebraska (Lakeridge Estates)** (hereinafter "SID 176"), **Sanitary and Improvement District No. 192 of Sarpy County, Nebraska (Ballena)** (hereinafter "SID 192"), **Sanitary and Improvement District No. 278 of Sarpy County, Nebraska (Tiburon Ridge)** (hereinafter "SID 278") and **Sanitary and Improvement District No. 240 of Sarpy County, Nebraska (Pebblebrooke)** (hereinafter SID 240") for the purpose of permitting SID 278 to connect into the sanitary

sewer of SID 240 which will in turn discharge sewage from SID 240 boundaries through the force main, as well as SID 278's agreement to share in the cost of any maintenance, repair and reconstruction of the force main, be ratified and approved as proposed.

FURTHER RESOLVED, that the Chairman and Clerk be, and hereby are, authorized and directed to take such steps as are necessary to implement this resolution, including the execution of such agreement for and on behalf of the District.

There was next presented for the consideration of the Trustees the Second Amendment to Interlocal Cooperation Agreement between ***Sanitary and Improvement District No. 255 of Sarpy County, Nebraska (Cheyenne Country Estates)*** (hereinafter "SID 255"), ***Sanitary and Improvement District No. 260 of Sarpy County, Nebraska (Palisades)*** (hereinafter "SID 260"), ***Sanitary and Improvement District No. 240 of Sarpy County, Nebraska (Pebblebrooke)*** (hereinafter "SID 240"), and ***Sanitary and Improvement District No. 278 of Sarpy County, Nebraska (Tiburon Ridge)*** (hereinafter "SID 278") relating to the Pebblebrooke Outfall Sewer for the purpose of permitting SID 278 to use and transmit sewage through the outfall sewer and force main constructed by SID 240, SID 255 and SID 260. After discussion, the resolution attached hereto and by this reference made apart thereof was duly introduced and upon a motion properly made and seconded, a roll call vote was had upon such motion during which the Trustees, Mike Palmisano, Michael E. Freestone, Michael F. Rogers, Timothy A. Reick, and Bob Mitchell voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that the Second Amendment to Interlocal Cooperation Agreement between ***Sanitary and Improvement District No. 255 of Sarpy County, Nebraska (Cheyenne Country Estates)*** (hereinafter "SID 255"), ***Sanitary and Improvement District No. 260 of Sarpy County, Nebraska (Palisades)*** (hereinafter "SID 260"), ***Sanitary and Improvement District No. 240 of Sarpy County, Nebraska (Pebblebrooke)*** (hereinafter "SID 240"), and ***Sanitary and Improvement District No. 278 of Sarpy County, Nebraska (Tiburon Ridge)*** (hereinafter "SID 278") relating to the Pebblebrooke Outfall Sewer for the purpose of permitting SID 278 to use and transmit sewage through the outfall sewer and force main constructed by SID 240, SID 255 and SID 260, be ratified and approved as proposed.

FURTHER RESOLVED, that the Chairman and Clerk be, and hereby are, authorized and directed to take such steps as are necessary to implement this resolution, including the execution of such agreement for and on behalf of the District.

There was next presented for the consideration of the Trustees the Agreement for Lift Station Maintenance between the District and HTM Sales, Inc. The Clerk was directed to attach a copy of the Agreement to the minutes of these proceedings. After discussion of the Board, the following resolution was duly moved and seconded and upon a roll call vote the Trustees, Mike Palmisano, Michael E. Freestone, Michael F. Rogers, Timothy A. Reick, and Bob Mitchell 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. 240 of Sarpy County, Nebraska, that the Agreement for Lift Station Maintenance between the District and HTM Sales, Inc., concerning the maintenance of the lift station, be ratified and approved as proposed.

FURTHER RESOLVED, that the Chairman and Clerk be, and hereby are, authorized and directed to take such steps as are necessary to implement this resolution, including the execution of such agreement for and on behalf of the District.

There was next presented correspondence from Ameritas Investment Corp., fiscal agent for the District, presenting for the consideration of the Trustees the Dissemination Agent Agreement concerning appointing Bankers Trust Company as the Dissemination Agent in order for the District to comply with all federal securities laws with respect to disclosure of outstanding debt obligations of the District. The Clerk was directed to attach a copy of the Dissemination Agent Agreement to the minutes of these proceedings. After discussion of the Board, the following resolution was duly moved and seconded and upon a roll call vote the Trustees, Mike Palmisano, Michael E. Freestone, Michael F. Rogers, Timothy A. Reick, and Bob Mitchell voted "Aye" with none voting "Nay" thereby passing and adopting the following resolution:

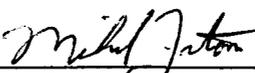
RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, that the Dissemination Agent Agreement between the District and Bankers Trust Company, be ratified and approved as proposed.

FURTHER RESOLVED, that the Chairman and Clerk be, and hereby are, authorized and directed to take such steps as are necessary to implement this resolution, including the execution of such agreement for and on behalf of the District.

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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 30, 2013, meeting.



Michael E. Freestone, Clerk