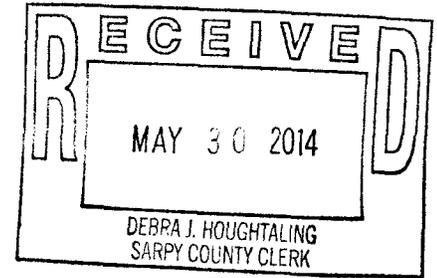


MINUTES OF MEETING  
OF  
SANITARY AND IMPROVEMENT DISTRICT NO. 240  
OF SARPY COUNTY, NEBRASKA



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 5:00 p.m. on the 19th day of May, 2014, 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 May 14, 2014 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 a statement from Bankers Trust, for flat fee, disclosure fee, Invoice #13455, in the amount of Two Hundred Fifty and no/100 Dollars (\$250.00).

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 #13-30180-3, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00), (ii) Invoice #13-30180-4, in the amount of Three Thousand One Hundred Five and no/100 Dollars (\$3,105.00), (iii) Invoice #13-30180-5, in the amount of One Thousand Five Hundred Thirty-Five and 46/100 Dollars (\$1,535.46), (iv) Invoice #13-30180-6, in the amount of Four Hundred Eighty-Seven and 50/100 Dollars (\$487.50), (v) Invoice #14-30425-1, in the amount of One Hundred Forty-Five and 65/100 Dollars (\$145.65), (vi) Invoice #14-30425-2, in the amount of One Thousand Fifty and no/100 Dollars (\$1,050.00), (vii) Invoice #14-30641-1, in the amount of One Hundred Fifty and 45/100 Dollars (\$150.45), (viii) Invoice #14-30760-1, in the amount of One Hundred Fifty-Five and 25/100 Dollars (\$155.25), and (ix) Invoice #14-30760-2, in the amount of One Hundred Seventy-Nine and 38/100 Dollars (\$179.38); said statements being in the aggregate amount of Six Thousand Nine Hundred Fifty-Eight and 69/100 Dollars (\$6,958.69).

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of NMC, for sanitary sewer lift station maintenance, Invoice #SERV1142633, in the amount of Two Thousand Nine Hundred Forty-Five and 31/100 Dollars (\$2,945.31).

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of Utilities Service Group, for sanitary sewer maintenance, Invoice #10276, in the amount of Four Hundred Fifty and no/100 Dollars (\$450.00).

There was next presented a statement from Tim's Lawn Care LLC, for repair of vinyl fence and spring clean-up, Invoice #1, in the amount of Seven Hundred Seventy-Five and no/100 Dollars (\$775.00).

There was next presented a statement from Hancock & Dana, PC, accountants for the District, for final billing in preparation and review of audited financial statements and preparation and review of Forms 1096 and 1099, Invoice #67012, in the amount of Two Thousand Six Hundred Thirty-Six and no/100 Dollars (\$2,636.00).

There were next presented statements from Lamp, Rynearson & Associates, Inc., engineers for the District, for services rendered in miscellaneous District matters through March 15, 2014, as follows: (i) Invoice dated January 21, 2014, in the amount of One Thousand Seven Hundred Eighty-Eight and 69/100 Dollars (\$1,788.69), (ii) Invoice dated February 14, 2014, in the amount of Eight Hundred Seventy-Five and 11/100 Dollars (\$875.11), (iii) Invoice dated February 28, 2014, in the amount of Five Hundred Sixteen and 63/100 Dollars (\$516.63), and (iv) Invoice dated April 2, 2014, in the amount of Five Hundred Forty-One and 39/100 Dollars (\$541.39); said statements being in the aggregate amount of Three Thousand Seven Hundred Twenty-One and 82/100 Dollars (\$3,721.82).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in the amount of Eleven Thousand Seven Hundred Fifty and 50/100 Dollars (\$11,750.50), and costs advanced in the amount of Three Hundred Nineteen and 84/100 Dollars (\$319.84); said statement being in the aggregate amount of Twelve Thousand Seventy and 34/100 Dollars (\$12,070.34).

There were next presented statements from Omaha Public Power District, for lighting at the location 11205 Morgan Circle, from December 5, 2013, through May 6, 2013, in the aggregate amount of Eighty-Seven and 20/100 Dollars (\$87.20).

There were next presented statements from Omaha Public Power District, for lift station and street lights, for Account #4672971253, from December 5, 2013, through May 6, 2014, in the aggregate amount of Six Thousand Four Hundred Thirty-Three and 55/100 Dollars (\$6,433.55).

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 No. 1897 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 August 1st of each year) and to be redeemed no later than May 19, 2019, 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. 1897, for the amount of Two Hundred Fifty and no/100 Dollars (\$250.00), payable to Bankers Trust.

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 1898 through 1910 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 May 19, 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. 1898, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 1899, for the amount of One Thousand Nine Hundred Fifty-Eight and 69/100 Dollars (\$1,958.69), payable to HTM Sales, Inc.

Warrant No. 1900, for the amount of Two Thousand Nine Hundred Forty-Five and 31/100 Dollars (\$2,945.31), payable to NMC.

Warrant No. 1901, for the amount of Four Hundred Fifty and no/100 Dollars (\$450.00), payable to Utilities Service Group.

Warrant No. 1902, for the amount of Seven Hundred Seventy-Five and no/100 Dollars (\$775.00), payable to Tim's Lawn Care LLC.

Warrant No. 1903, for the amount of Two Thousand Six Hundred Thirty-Six and no/100 Dollars (\$2,636.00), payable to Hancock & Dana, PC.

Warrant No. 1904, for the amount of Three Thousand Seven Hundred Twenty-One and 82/100 Dollars (\$3,721.82), payable to Lamp, Rynearson & Associates, Inc.

Warrant Nos. 1905 and 1906, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 1907, for the amount Two Thousand Seventy and 34/100 Dollars (\$2,070.34), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 1908, for the amount of Eighty-Seven and 20/100 Dollars (\$87.20), payable to Omaha Public Power District, Account #8891923592.

Warrant No. 1909, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 1910, for the amount of One Thousand Four Hundred Thirty-Three and 55/100 Dollars (\$1,433.55), 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 \$10,000,000 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 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 November 13, 2012, through November 6, 2013, in the aggregate amount of Fifty Thousand Five Hundred Ninety and no/100 Dollars (\$50,590.00).

There was then presented for the consideration of the Trustees the Addendum to 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 (***the Addendum allows seven (7) additional lots due to the revised plat of SID 278***). The Clerk was directed to attach a copy of the Addendum 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 Addendum to 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 (***the Addendum allows seven (7) additional lots due to the revised plat of SID 278***), be ratified and approved.

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 Addendum, for and on behalf of the District.

The Board undertook an extensive discussion regarding the sanitary sewer maintenance issue. The Board agreed that at the fall budgetary meeting it would review awarding a partial or full maintenance contract for sanitary sewer maintenance, based upon activity in the District and the recommendations of its engineers.

The Board also undertook an extensive discussion of the Samantha Street flooding. At the conclusion of such discussion, they authorized the reestablishment of storm water grading features that had

been compromised or disappeared over the years consistent with the recommendation of Lamp, Ryneerson & Associates, Inc., engineers for the District.

Discussion was next had concerning a proposed warrant extension to be prepared by the District's Counsel in conjunction with the District's fiscal agent, Ameritas Investment Corp. A full and complete discussion was had of the advantages and disadvantages of the warrant extension by the District at this time. Correspondence submitted by Rich Harman of Ameritas Investment Corp., as to the financial details of such warrant extension and his firm's recommendation for such warrant extension as being to the advantage of the District. The full and complete listing of warrants to be extended is attached to these minutes as Exhibit "A" and, for ease of reference, the warrants for extension shall be hereinafter referred to as "Construction Fund Warrant Nos. 86 through 1877 " and by this reference made a part hereof as if fully incorporated and set forth herein. Therefore the following resolution was duly moved for adoption which motion was thereafter seconded. Upon a roll call vote taken on such resolution the following 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 District extend Construction Fund Warrant Nos. 86 through 1877, inclusive such warrant extension to be in the aggregate amount of \$6,929,100.73, through its fiscal agent, Ameritas Investment Corp., in accordance with the terms of its financing agreement with such fiscal agent and in accordance with Nebraska law.

FURTHER RESOLVED, that the full and complete listing of warrants to be extended referred to herein as "Construction Fund Warrant Nos. 86 through 1877" is attached hereto as Exhibit "A" and incorporated herein by reference as if fully set forth.

FURTHER RESOLVED, that the Chairman, Clerk and Trustees be, and hereby are authorized and directed to execute such documents and take such steps as are necessary to implement this resolution.

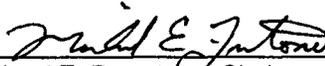
FURTHER RESOLVED, that counsel for the District is directed to take appropriate steps as are necessary to place the question of the warrant extension before the District Court of Sarpy County, Nebraska for its approval.

Discussion was next had concerning correspondence from Nebraska 811 concerning the requirement of one-call notification center participation. After the conclusion of such discussion, counsel for the District was directed to coordinate the situation with Brett Wawers of Lamp, Ryneerson & Associates, Inc., engineers for the District, so the matter was tabled until more information was acquired.

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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 May 19, 2014, meeting.

  
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Michael E. Freestone, Clerk