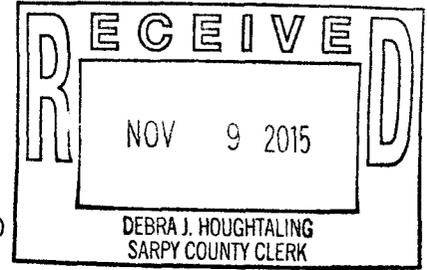


MINUTES OF MEETING  
OF  
SANITARY AND IMPROVEMENT DISTRICT NO. 240  
OF SARPY COUNTY, NEBRASKA



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 4:30 p.m. on the 22nd day of October, 2015, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present were: Mike Palmisano, Michael E. Freestone, Bob Mitchell, Timothy A. Reick and Marc D. Stodola. Also present: Dave McIvor of Lamp, Rynearson & Associates, Inc.

Absent: None.

Notice of the meeting was given in advance thereof by publication in the Gretna Breeze on October 14, 2015 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.

Counsel for the District first presented the Certificate of Results of the Election from the Sarpy County Election Commissioner with respect to the District's election of September 15, 2015. Such certificate indicated that Robert W. Mitchell, Michael A. Palmisano, Timothy A. Reick, Marc D. Stodola and Michael E. Freestone had been elected to serve for a two (2) year term for the Board. It was indicated that each of such individuals were owners or designees of owners of real estate within the District boundaries (as defined by Section 31-727(3) *Reissue Rev. Stat. of Neb. 1943*) and, as a consequence, qualified to serve in such capacity. Each individual being in attendance at the meeting indicated a willingness to accept the position of Trustee on the Board.

Discussion was next had with respect to the outstanding matters of the District and the powers and responsibilities of the Board in general. Discussion was also had with respect to the powers and responsibilities of the positions of Chairman and Clerk of the District. Upon conclusion of such discussion, the following roll call vote was taken during which the Trustees, Mike Palmisano, Michael E. Freestone, Bob Mitchell, Timothy A. Reick and Marc D. Stodola voting "Aye", with none voting "Nay", thereby adopting and approving the following resolution:

RESOLVED, that Mike Palmisano be hereby elected to serve in the capacity of Chairman for Sanitary and Improvement District No. 240 of Sarpy County, Nebraska, until the next regularly scheduled election of the Board of Trustees.

FURTHER RESOLVED, that Michael E. Freestone be hereby elected to serve in the capacity of Clerk for Sanitary and Improvement District No. 240

of Sarpy County, Nebraska, until the next regularly scheduled election of the Board of Trustees.

The Chairman next presented the proof of publication of the Notice to Contractors for the construction of the improvements entitled Paving Maintenance 2015 (Pebblebrooke).

The Clerk then presented the list of bids and bidders for such work specified within the Notice to Contractors with such bids having been taken on October 14, 2015, in accordance with the provisions of such Notice to Contractors. 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 the Trustees had received the Letter of Recommendation directed to the District, the Clerk reported that the recommendation of the engineers was the bid of Jerry Jensen Construction, Inc. for Paving Maintenance 2015 (Pebblebrooke) in the amount of Forty Thousand Five Hundred Ninety and no/100 Dollars (\$40,590.00) and that such amount be accepted. The Clerk reminded the Board that the Engineer's estimate of the construction cost of this project was Fifty-One Thousand Seven Hundred Forty-Two and 50/100 Dollars (\$51,742.50). The District's engineers then indicated that it was their opinion that the rebidding of such project would yield no more beneficial pricing to the District than that presented by the previously specified bid and again recommended acceptance of such bid. The Clerk further reported that the bid of Jerry Jensen Construction, Inc. was accompanied by the required bid bond, contract and maintenance bond in the amount of 100% of the contract price.

After considerable discussion by the Board, the following resolution was duly moved and seconded upon a roll call vote of the Trustees, Mike Palmisano, Michael E. Freestone, Bob Mitchell, Timothy A. Reick and Marc D. Stodola 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 bid of Jerry Jensen Construction, Inc. in the total amount of \$40,590.00 for the construction of Paving Maintenance 2015 (Pebblebrooke) be accepted and approved and that the Clerk and Chairman of the District be and they hereby are authorized and directed to execute the contract of Jerry Jensen Construction, Inc. for and on behalf of the District.

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

There was next presented a statement from Cornerstone Insurance Group, for renewal of general liability insurance, Invoice #514, in the amount of Six Hundred Sixty-Three and no/100 Dollars (\$663.00).

There was next presented a statement from HTM Sales Inc., for lift station repairs due to loss of utility power on September 21, 2015, Invoice #15-31824-4, in the amount of Three Hundred and no/100 Dollars (\$300.00).

There was next presented a statement from One Call Concepts, Inc., for line locates within the District, Invoice #5090570, in the amount of Thirty-Six and 50/100 Dollars (\$36.50). ***The Board next directed advance payment to be made in the amount of One Hundred and no/100 Dollars (\$100.00).***

There was next presented a statement from HSMC Orizon, accountants for the District, for services rendered in connection with preparation of the 2015-2016 budget and audit for fiscal year ending June 30, 2015, Invoice #160879, in the amount of Two Thousand Five Hundred and no/100 Dollars (\$2,500.00).

There was next presented a statement from Lamp, Rynearson & Associates, Inc., engineers for the District, for services rendered in miscellaneous District maintenance matters through September 12, 2015, Invoice dated September 29, 2015, in the amount of Nine Hundred Ninety and 25/100 Dollars (\$990.25).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in miscellaneous District matters through September 30, 2015, in the amount of Two Thousand Four Hundred Twenty-Two and 50/100 Dollars (\$2,422.50), and costs advanced in the amount of Two Hundred Forty-One and 94/100 Dollars (\$241.94); said statement being in the aggregate amount of Two Thousand Six Hundred Sixty-Four and 44/100 Dollars (\$2,664.44).

There were next presented statements from Omaha Public Power District, for lighting at the location 11205 Morgan Circle, from August 6, 2015, through October 7, 2015, in the aggregate amount of Thirty-Five and 94/100 Dollars (\$34.94).

There were next presented statements from Omaha Public Power District, for lift station and street lights, for Account #4672971253, from August 6, 2015, through October 7, 2015, in the aggregate amount of Two Thousand Five Hundred Fifty-Three and 19/100 Dollars (\$2,553.19).

The Clerk next directed the attention of the Board of Trustees to the fact that Ameritas Investment Corp. will purchase Nine Thousand Eight Hundred Five and 82/100 Dollars (\$9,805.82) in general fund warrants at this time and that the contracted charge for such purchase of warrants is five percent (5%) or Four Hundred Ninety and 29/100 Dollars (\$490.29), and **Twelve and 50/100 Dollars (\$12.50) due from the September 14, 2015 meeting**, for a total due in the amount of Five Hundred Two and 79/100 Dollars (\$502.79) in accordance with the financing agreement previously adopted by the Board. The Clerk recommended issuance of a warrant in such amount to Ameritas Investment Corp.

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. 2020 through 2028 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 October 22, 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. 2020, for the amount of Six Hundred Sixty-Three and no/100 Dollars (\$663.00), payable to Cornerstone Insurance Group.

Warrant No. 2021, for the amount of Three Hundred and no/100 Dollars (\$300.00), payable to HTM Sales Inc.

Warrant No. 2022, for the amount of One Hundred and no/100 Dollars (\$100.00), payable to One Call Concepts, Inc.

Warrant No. 2023, for the amount of Two Thousand Five Hundred and no/100 Dollars (\$2,500.000), payable to HSMC Orizon.

Warrant No. 2024, for the amount of Nine Hundred Ninety and 25/100 Dollars (\$990.25), payable to Lamp, Rynearson & Associates, Inc.

Warrant No. 2025, for the amount of Two Thousand Six Hundred Sixty-Four and 44/100 Dollars (\$2,664.44), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 2026, for the amount of Thirty-Four and 94/100 Dollars (\$34.94), payable to Omaha Public Power District, Account #8891923592.

Warrant No. 2027, for the amount of Two Thousand Five Hundred Fifty-Three and 19/100 Dollars (\$2,553.19), payable to Omaha Public Power District, Account #4672971253.

Warrant No. 2028, for the amount of Five Hundred Two and 79/100 Dollars (\$502.79), payable to Ameritas Investment Corp.

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.

The Board spent an extensive period of time discussing a sink hole issue located at 17096 Christensen Road. Pictures were shown. The owner of the property, Phil DeNomme appeared and explained to the Board circumstances as they developed with the sink hole. Dave Mclvor of the District's engineering firm, Lamp, Ryneerson & Associates, Inc., also appeared. Mr. Mclvor indicated that his engineering firm had investigated the matter and concluded that the sink hole may have been caused by a water line shown in the hole itself. Both Mr. DeNomme, as well as Dave Mclvor, indicated that demands had been made upon MUD to correct the situation, but MUD had consistently denied responsibility for the sink hole. The Board discussed potential legal action that it may take, and concluded that in view of the emergency nature of this, it would proceed with correcting the situation itself by way of mud jack and other repair options after notifying MUD of the situation.

The Board next discussed the status of a curb cut located at Lot 203, which had not been authorized by the Board.

The Board also discussed the handicap warning station which had been removed due to repair work by Metropolitan Utilities District in the area of Lot 35 and had not been replaced. Counsel for the District was requested to also make such situation known to MUD for appropriate replacement.

Discussion was had regarding the possibility of the Board entertaining a bond issue for the District's warrant debt in view of the rapid growth in valuation the District had experienced in the last two (2) years. Counsel for the District was requested to arrange for Bruce Lefler of Ameritas Investment Corp. to appear at the next Board meeting to discuss the Board's options for a bond issue to retire warrants of the District.

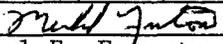
The Board also reviewed an Interlocal Cooperation Agreement with Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, regarding the payment of a portion of the District's maintenance and operational expenses for its lift station. Counsel for the District was instructed to review the Agreement, as well as expenditures of the District since the time of the Agreement in order to prepare the appropriate invoice for SID 278 and present such for payment.

Finally, the Board considered the status of SID 308 (Pebblebrooke 2). The Board was interested in receiving a fair allocation of the cost of such lift station and related improvements as it related to this improvement which had originally been contemplated to be within the District boundaries and now would not be. It was indicated that the engineers were in the process of preparing such documentation to be presented to the Board, hopefully by its next meeting.

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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 October 22, 2015, meeting.

  
\_\_\_\_\_, Clerk  
Michael E. Freestone