

MINUTES OF MEETING
OF
SANITARY AND IMPROVEMENT DISTRICT NO. 255
OF SARPY COUNTY, NEBRASKA

A meeting of the Board of Trustees of Sanitary and Improvement District No. 255 of Sarpy County, Nebraska, was convened in open and public session at 3:00 p.m. on the 19th day of March, 2013, at 17809 Pacific Street, Omaha, Nebraska.

Present were: Herbert L. Freeman, Marcy Knobbe, Mordaunt Brabner and William Kaplan, Jr. Also present were John Q. Bachman, attorney for the District and John E. Kuehl of D.A. Davidson & Co., fiscal agent for the District.

Absent: Michael L. Riedmann.

Notice of the meeting was given in advance thereof by publication in the Bellevue Leader on March 13, 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 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.

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 11, 2012. Such certificate indicated that Mordaunt Brabner, William Kaplan, Jr., Herbert L. Freeman, Marcy Knobbe and Michael L. Riedmann 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: Mordaunt Brabner and William Kaplan, Jr. voting "Aye", with none voting "Nay", and Herbert L. Freeman and Marcy Knobbe abstaining, thereby adopting and approving the following resolution:

RESOLVED, that Herbert L. Freeman be hereby elected to serve in the capacity of Chairman for Sanitary and Improvement District No. 255 of Sarpy County, Nebraska, until the next regularly scheduled election of the Board of Trustees.

FURTHER RESOLVED, that Marcy Knobbe be hereby elected to serve in the capacity of Clerk for Sanitary and Improvement District No. 255 of Sarpy County, Nebraska, until the next regularly scheduled election of the Board of Trustees.

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 PeopleService, Inc. for sanitary sewer lift station maintenance for the months of July, August and September, 2012, Invoice No. 0019691 in the amount of Nine Hundred and no/100 Dollars (\$900.00).

There was next presented correspondence from Lamp, Rynearson & Associates, Inc., engineers for the District, presenting and recommending payment in favor of Royal Lawns Inc. for green area maintenance 2012 as follows: (i) Invoice No. 1059 in the amount of Four Hundred Sixty and no/100 Dollars (\$460.00); (ii) Invoice No. 1086 in the amount of One Thousand Eight Hundred Fifty-Five and no/100 Dollars (\$1,855.00); (iii) Invoice No. 1117 in the amount of Two Hundred Thirty and no/100 Dollars (\$230.00); and (iv) Invoice No. 1141 in the amount of Two Hundred Thirty and no/100 Dollars (\$230.00); said invoices being in the aggregate amount of Two Thousand Seven Hundred Seventy-Five and no/100 Dollars (\$2,775.00).

There were next presented statements from Great Plains One Call Services Inc. for line locating services as follows: (i) Invoice No. 812SD255 in the amount of Three and 52/100 Dollars (\$3.52); (ii) Invoice No. 912SD255 in the amount of Five and 28/100 Dollars (\$5.28); and (iii) Invoice No. 1012SD255 in the amount of Twenty-Four and 64/100 Dollars (\$24.64); said statements being in the aggregate amount of Thirty-Three and 44/100 Dollars (\$33.44).

There were next presented statements from One Call Concepts, Inc. for line locating services as follows: (i) for the month of November, 2012, Invoice No. 2110696 in the amount of Nine and 20/100 Dollars (\$9.20); (ii) for the month of December, 2012, Invoice No. 2120657 in the amount of Seven and 80/100 Dollars (\$7.80); (iii) for the month of January, 2013, Invoice No. 3010644 in the amount of Eleven and 80/100 Dollars (\$11.80); and (iv) for the month of February, 2013, Invoice No. 3020643 in the amount of One and 10/100 Dollars (\$1.10); said statements being in the aggregate amount of Twenty-Nine and 90/100 Dollars (\$29.90).

There was next presented a statement from Michael Obbink for bookkeeping services for the fiscal year ended June 30, 2012, Invoice No. 178 in the amount of Two Hundred Five and no/100 Dollars (\$205.00).

There were next presented statements from Lutz & Company, PC, accountants for the District as follows: (i) completion of annual budget document and progress bill related to the June 30, 2012 audited financial statement, Invoice No. 143474 in the amount of Three Thousand and no/100 Dollars (\$3,000.00); (ii) final billing related to the completion of the audited financial statement for the year ended June 30, 2012, Invoice No. 146864 in the amount of Two Thousand Three Hundred and no/100 Dollars (\$2,300.00); and (iii) preparation of payroll tax returns and IRS Forms 1099 and 1096, Invoice No. 147548 in the amount of Five Hundred Ten and no/100 Dollars (\$510.00); said statements being in the aggregate amount of Five Thousand Eight Hundred Ten and no/100 Dollars (\$5,810.00).

There were next presented statements from Lamp, Rynearson & Associates, Inc., engineers for the District for miscellaneous engineering services rendered as follows: (i) through July 21, 2012, Invoice No. 0103071.90-0000054 in the amount of One Thousand Fifty-Nine and 05/100 Dollars (\$1,059.05); (ii) through

August 18, 2012, Invoice No. 0103071.90-0000055 in the amount of Three Hundred Forty-One and 63/100 Dollars (\$341.63); (iii) through October 20, 2013, Invoice No. 0103071.90-0000056 in the amount of Seven Hundred Sixty and 29/100 Dollars (\$760.29); (iv) through November 17, 2012, Invoice No. 0103071.90-0000057 in the amount of Four Hundred Eighty and 72/100 Dollars (\$480.72); (v) through December 15, 2012, Invoice No. 0103071.90-0000058 in the amount of Nine Hundred Fifty-Five and 89/100 Dollars (\$955.89); (vi) through January 19, 2013, Invoice No. 0103071.90-0000059 in the amount of One Thousand Eighty-Six and 79/100 Dollars (\$1,086.79); and (vii) through February 16, 2013, Invoice No. 0103071.90-0000060 in the amount of Four Hundred Eight and 87/100 Dollars (\$408.87); said invoices being in the aggregate amount of Five Thousand Ninety-Three and 24/100 Dollars (\$5,093.24).

There were next presented statements from Black Hills Energy for gas service at the 10105 South 163rd Street location through February 25, 2013, Account No. 4564641257 indicating a **credit balance** in the amount of Sixty-One and 67/100 Dollars (\$61.67). **The Board directed advance payment to be made in the amount of Fifty and no/100 Dollars (\$50.00).**

There were next presented statements from Metropolitan Utilities District for service at the 16749 Canyon Trail location through March 4, 2013, indicating a **credit balance** in the amount of Two Hundred Twenty-Two and 89/100 Dollars (\$222.89). **The Board directed advance payment to be made in the amount of Three Hundred Fifty and no/100 Dollars (\$350.00).**

There were next presented statements from Omaha Public Power District for general service with respect to Account No. 0844508449 through February 26, 2013, in the aggregate amount of Eleven Thousand Two Hundred Seventy-Two and 29/100 Dollars (\$11,272.29).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Twenty-Six Thousand Five Hundred Eighteen and 87/100 Dollars (\$26,518.87) in warrants at this time and that the contracted charge for such purchase of warrants is five percent (5%) or One Thousand Three Hundred Twenty-Five and 95/100 Dollars (\$1,325.95) in accordance with the financing agreement previously adopted by the Board. The Chairman recommended the issuance of a warrant for such amount to D.A. Davidson & Co.

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. 255 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 1886 through 1900 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 six percent (6%) per annum and to be redeemed no later than March 19, 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. 1886, for the amount of Nine Hundred and no/100 Dollars (\$900.00), payable to PeopleService, Inc.

Warrant No. 1887, for the amount of Two Thousand Seven Hundred Seventy-Five and no/100 Dollars (\$2,775.00), payable to Royal Lawns Inc.

Warrant No. 1888, for the amount of Thirty-Three and 44/100 Dollars (\$33.44), payable to Great Plains One Call.

Warrant No. 1889, for the amount of Twenty-Nine and 90/100 Dollars (\$29.90), payable to One Call Concepts, Inc.

Warrant No. 1890, for the amount of Two Hundred Five and no/100 Dollars (\$205.00), payable to Michael Obbink.

Warrant No. 1891, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 1892, for the amount of Eight Hundred Ten and no/100 Dollars (\$810.00), payable to Lutz & Company, PC.

Warrant No. 1893, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 1894, for the amount of Ninety-Three and 24/100 Dollars (\$93.24), payable to Lamp, Ryneanson & Associates, Inc.

Warrant No. 1895, for the amount of Fifty and no/100 Dollars (\$50.00), payable to Black Hills Energy, Acct. No. 4564 6412 57.

Warrant No. 1896, for the amount of Three Hundred Fifty and no/100 Dollars (\$350.00), payable to Metropolitan Utilities District, Acct. No. 336996-1356956.

Warrant Nos. 1897 and 1898, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 1899, for the amount of One Thousand Two Hundred Seventy-Two and 29/100 Dollars (\$1,272.29), payable to Omaha Public Power District, Acct. No. 0844508449.

Warrant No. 1900, for the amount of One Thousand Three Hundred Twenty-Five and 95/100 Dollars (\$1,325.95), payable to D.A. Davidson & Co.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 255 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. 255 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. 255 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 Sarpy County Treasurer's office representing deposits to the District's Bond Fund of various sewer connection fees from June 20, 2011 through October 30, 2012, in the aggregate amount of Three Thousand Three Hundred Sixty and no/100 Dollars (\$3,360.00).

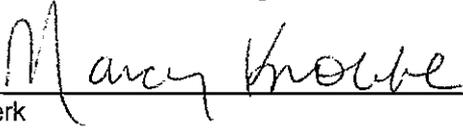
Trustee Mordaunt Brabner indicated that there was broken concrete and gravel in certain areas of the District. Trustee Knobbe indicated that she would coordinate with a contractor for appropriate clean-up. The Trustees also requested that the engineers provide a street review for any maintenance issues or street cracks.

The attorney for the District provided copies of the most recent drafts of the proposed Disclosure Statement and Plan of Adjustment for the District's anticipated bankruptcy. There was a discussion regarding the basic parameters of each document. The attorney indicated that both documents were close to final form. John Kuehl also provided details regarding the Plan presentation and approval process with respect to the current warrant holders. The attorney for the District indicated that upon completion of the Disclosure Statement and Plan, it would be necessary for the District to hold another meeting to approve their final form and prepare for the warrant holders' consideration and vote.

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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. 255 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 19, 2013, meeting.


Clerk