

MINUTES OF MEETING OF SANITARY AND
IMPROVEMENT DISTRICT NO. 278 OF
SARPY COUNTY, NEBRASKA

A meeting of the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, was convened in open and public session at 11:00 a.m. on September 30, 2013, at 2120 South 72nd Street, Suite 1200, Omaha, Nebraska. Present were: Trustees Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; Absent: None. Also present was Attorney Robert J. Huck.

Notice of the meeting was given in advance thereof by publication in *The Gretna Breeze* of Gretna, Sarpy County, Nebraska, on September 25, 2013, a copy of the Proof of Publication being attached to these minutes. Notice of this meeting was sent to the Sarpy County Clerk, Papillion, Nebraska, not less than seven (7) days prior to the date of this meeting. 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 undersigned Clerk hereby certifies that these minutes were written and available for public inspection within ten (10) working days after the date of said meeting.

After calling the meeting to order and completion of roll call, 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.

The Chairman directed the Board's attention to Agenda Item No. 3 and presented a proposed Offering Circular which had been prepared by Kuehl Capital Corporation and bond counsel, and reviewed by Attorney Huck. After discussion, the following resolution was duly moved and seconded, to-wit:

BE IT RESOLVED that the Offering Circular dated September 30, 2013 (including the Addendum attached thereto, the "Offering Circular") pertaining to the offering by the District from time to time of its construction fund warrants and general fund warrants is: (1) hereby approved in substantially the form attached hereto, (2) the Chairman of the Board of Trustees is hereby authorized and directed to execute the Offering Circular in substantially the form and content attached hereto, but with such changes, modifications, deletions or additions therein as shall to the Chairman seem necessary, desirable or appropriate (provided that Kuehl Capital Corporation, acting as municipal advisor to the

District, and without further approving action by the Chairman or this Board, is hereby authorized to insert on behalf of the District into each Addendum relating to an offering of construction fund warrants or general fund warrants, the numerical and statistical information specific to each such offering); (3) the Offering Circular as of its date is hereby deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule") (except for any one or more of the permitted omissions specified by paragraph (b) of the Rule); and (4) the distribution of the Offering Circular by First National Capital Markets, Inc. as underwriter (the "Underwriter"), with respect to each offering of construction fund warrants or general fund warrants described by an Addendum is hereby authorized and approved.

The District hereby approves and enters into the continuing disclosure undertaking for the benefit of the holders of the District's warrants, as required by the Rule and as set forth in Appendix D of the Offering Circular which is hereby incorporated by reference into this resolution as if set forth herein.

On roll call on said resolution, the following Trustees voted aye: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution to be duly carried and adopted.

The Chairman directed the Board's attention to Agenda Item No. 4, and reminded the Board that, due to a misallocation in the letter/invoice provided by Kuehl Capital Corporation with regard to the annual interest paid at the August 13, 2013 board meeting, Kuehl Capital had requested authorization to correct the amounts paid on Construction Fund Warrant Nos. 137 (from \$5,670.90 to \$5,497.56) and 138 (from \$109.84 to \$283.18), as well as changing the payee of Construction Fund Warrant No. 137 from "Rod Roden" to "RBC Capital Markets", as outlined in their correspondence dated September 26, 2013 and attached to these minutes for reference. The total amount paid under the two warrants stayed the same (\$5,497.56). The Chairman reminded the Board that he had authorized these changes to be made so the annual interest payment could be processed in a timely manner. After discussion, the following resolution was duly moved and seconded, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the the Chairman's actions in authorizing Kuehl Capital Corporation to correct the amounts paid on Construction Fund Warrant Nos. 137 (from \$5,670.90 to \$5,497.56) and 138 (from \$109.84 to \$283.18);

as well as changing the payee of Construction Fund Warrant No. 137 from "Rod Roden" to "RBC Capital Markets", all as outlined in Kuehl Capital Corporation's correspondence dated September 26, 2013, be and hereby are ratified and confirmed in all respects.

On roll call on the foregoing resolution, the following Trustees voted aye: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution duly carried and adopted.

The Chairman then directed the Board's attention to Agenda Item No. 5, Interlocal Cooperation Agreement with SID 192 of Sarpy County, Nebraska. The Chairman presented a proposed Interlocal Cooperation Agreement for SID 278 to perform and pay for all work necessary to accomplish the pavement work to construct a reconfiguration of the shared connection to Highway 370 from SID 278 and from SID 192. The Chairman noted that SID 192 has agreed to and executed the Interlocal Cooperation Agreement. After a review of the agreement and full discussion on the matter, the following resolution was duly moved and seconded, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the Chairman and Clerk of the District be, and hereby are, authorized and directed to execute the Interlocal Cooperation Agreement with SID 192 of Sarpy County, Nebraska on behalf of the District.

FURTHER RESOLVED, that a copy of said Interlocal Cooperation Agreement be made a part of the records of the District by attaching same to these minutes.

On roll call on said resolution, the following Trustees voted aye: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; voting nay thereon were the following Trustees: None. The Chairman then declared said resolution to be duly carried and adopted.

With respect to Agenda Item No. 6, Update on Status of Interlocal Agreements, Attorney Huck reported the following:

a.) The Amendment to Interlocal Cooperation Agreement (SID 176, SID 192, SID 240 and SID 278) for Sewer Connection (authorized by the Board at the August 13, 2013 meeting) has been executed on behalf of SID 278 and SID 176. Attorney Huck is following up with the attorneys for SID 192 and SID 240 regarding their approval and execution of the agreement.

b.) The Second Amendment to Interlocal Cooperation Agreement (SID 240, SID 255, SID 260 and SID 278) for Sewer connection Fees, Sanitary Sewer Section II (Outfall) (authorized by the Board at the August 13, 2013 meeting) has been signed on behalf of SID 255 and SID 278.

The Chairman directed the Board's attention to Agenda Item No. 7, Payment of Bills of the District, and presented for the Board's consideration the following bills, statements and invoices. Thereupon, the following resolutions were duly moved and seconded, to-wit:

BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the Chairman and Clerk be and they hereby are authorized and directed to execute and deliver Warrant Nos. 140 through 151 of the District, dated the date of this meeting, to the following payees and in the following amounts, no 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 Warrant Nos. 140 through 151, inclusive, 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 September 1 of each year, as to the Construction Fund Warrants only), and to be redeemed no later than the dates noted below, subject to extension of said maturity date, (for Construction Fund Warrants only), by order of the District Court of Sarpy County, Nebraska, after notice is given as required by law, to-wit:

GENERAL FUND
 (Payable September 30, 2016)

Number	Payee	Amount	Description
140 and 141	Luxa Construction Co., Inc.	50,000.00 each	Sanitary Sewer, Outfall Sewer, Storm Sewer and Paving Project - Section I, EST. No. 3
142	Luxa Construction Co., Inc.	6,215.00	Sanitary Sewer, Outfall Sewer, Storm Sewer and Paving Project - Section I, EST. No. 3
143 thru 146	Luxa Construction Co., Inc.	50,000.00 each	Sanitary Sewer, Outfall Sewer, Storm Sewer and Paving Project - Section I, EST. No. 4
147	Luxa Construction Co., Inc.	47,194.15	Sanitary Sewer, Outfall Sewer, Storm Sewer and Paving Project - Section I, EST. No. 4

148	Lamp Rynearson & Associates	13,044.94	Sanitary Sewer, Outfall Sewer, Storm Sewer and Paving Project - Section I, Inv. No. 0107018.11-4
149	Lamp Rynearson & Associates	24,743.50	Sanitary Sewer, Outfall Sewer, Storm Sewer and Paving Project - Section I, Inv. No. 0107018.11-5
150	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	19,573.44	Legal services & costs, Inv. 97755, dated 9-30-13, Acct. 488-001
151	Kuehl Capital Corporation	10,269.28	Municipal Advisor Structuring Fee; Warrants 140 thru 150, inclusive

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 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 benefitted 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.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 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.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 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) 10% of the net principal proceeds of the above Warrants, (b) the maximum annual debt service due on the above Warrants, or (c) 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 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 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.

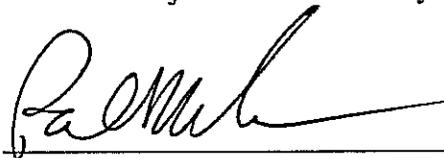
2. To the best of their knowledge, information and belief, the above expectations are reasonable.

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.

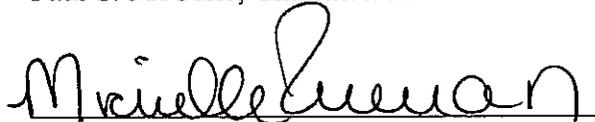
4. This Certificate is being passed, executed and delivered pursuant to Section 1.148-2(b)(2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended.

On roll call on the foregoing resolutions, the following Trustees voted aye: Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; voting nay thereon were the following Trustees: None. The Chairman then declared said resolutions to be duly carried and adopted.

There being no further business, a motion for adjournment was duly moved, seconded and unanimously carried.



Paul S. McCune, Chairman and Trustee



Michelle Zimmerman, Clerk and Trustee