

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 11:30 a.m. on August 18, 2015, at 14747 California, Suite 1, Omaha, Nebraska. Present were: Trustees Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; Absent: None. Also present were Robert J. Huck, Attorney for the District, and Robert A. Wood of Kuehl Capital Corporation.

Notice of the meeting was given in advance thereof by publication in *The Gretna Breeze* of Gretna, Sarpy County, Nebraska, on August 12, 2015, 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. 4, Ratify Approval of Minutes of May 26, 2015 Board Meeting. It was duly moved and seconded that said minutes are approved as written and the actions of the Chairman and Clerk in executing the minutes be, and hereby are, ratified and confirmed. Upon roll call vote thereon, 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 directed the Board's attention to Agenda Item No. 4, and presented documentation received from Lutz & Company, P.C., the District's Auditor, concerning the preparation of the audit for fiscal year ended June 30, 2015. The documentation included the following: an engagement letter for the audit of the District prepared by Lutz & Company, PC for execution by the Board of Trustees regarding the Auditor's responsibilities, as well as the Board's responsibilities concerning providing information to the Auditor; a memo to the Board of Trustees from Lutz & Company, PC concerning the planned timing and scope of audit (Planning SAS 114 Letter), and a copy of the Auditor's most recent Peer Review Report. Copies of all of these documents are attached to these minutes for reference. After full review of said

documents and discussion thereon, the following resolution was duly moved and seconded, to-wit:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the District's Chairman be, and hereby is, authorized and directed to execute the engagement letter of Lutz & Company, PC with regard to the audit for the year ended June 30, 2015 on behalf of the District.

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 duly carried and adopted.

The Chairman then directed the Board's attention to Agenda Item No. 5, Kuehl Capital Corp. Quarterly Financial Report. The Board reviewed the quarterly financial report which had been prepared for the Board by Kuehl Capital Corporation. A copy of the report is attached to these minutes for reference.

The Chairman directed the Board's attention to Agenda Item No. 6, Propose 2015-2016 Budget and Tax Levy, and presented the proposed budget statement for the District, which had previously been prepared with the assistance of the District's auditors, all in accordance with the Nebraska statutes. The Board reviewed the proposed dollar requirement and the proposed budget documents.

The Chairman also noted that the Board has until October 13 to vote to establish a tax request different from the prior year, provided that a majority of the Board votes for such approval at a special public hearing, notice of which must be published at least five days prior to the hearing.

After full discussion, the following resolutions were duly moved and seconded, to-wit:

RESOLVED, that the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, does herewith propose the budget heretofore filed with the Clerk of the District; that a hearing on such proposed budget be held on September 9, 2015, at 9:00 a.m. at 11550 "I" Street, Suite 200, Omaha, Nebraska; that public notice of the place and time of such hearing, together with the summary of the proposed budget statement, be published in *The Gretna Breeze* of Gretna, Nebraska, on or before September 2, 2015.

Further resolved, that a special public hearing be held on September 9, 2015, at 9:15 a.m. at 11550 "I" Street, Suite 200, Omaha, Nebraska, for the purpose of establishing a tax request which is different from that of the prior year; that public notice of the place and time of such hearing be published in *The Gretna Breeze* of Gretna, Nebraska, on or before September 2, 2015.

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 duly carried and adopted.

With respect to Agenda Item No. 7, Renewal of General Liability Insurance, Attorney Huck reviewed briefly with the Board the proposed renewal of the District's general liability insurance coverage as provided by Cornerstone Insurance Group. The premium for the renewal of the coverage is \$470.00, which is slightly higher than last year's premium of \$467.00. After further discussion, the following resolution was moved and seconded, to-wit:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the policy of general liability insurance for the period 5/10/15 through 5/10/16 be and hereby is approved; and further, that the Clerk is directed to retain said policy for the District's records.

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 duly carried and adopted.

The Chairman directed the Board's attention to Agenda Item No. 8 and Attorney Huck informed the Board the Kuehl Capital Corp. had notified his office that Construction Fund Warrant No. 377, issued to Ambassador Title Services on September 10, 2014 in the amount of \$600, has been lost. Further, this warrant had been issued in payment of Invoice No. 1385567, which showed that \$600 was due to Ambassador Title Services for two outstanding title certificates. This was incorrect. A copy of Invoice No. 1385567 is attached to these minutes for reference. The title certificate dated 2/11/13 had previously been paid for by the District with Construction Fund Warrant No. 2. Ambassador Title Services is only due \$300 for the title certificate dated 8/21/14. The Chairman then stated it would therefore be appropriate to cancel Construction Fund Warrant No. 377 and issue Ambassador Title Services a new warrant in the amount of \$300 for the title certificate dated 8/21/14. After full 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 Construction Fund Warrant No. 377, payable to Ambassador Title Services in the amount of \$600, which was issued at the meeting of the Board on September 10, 2014, but not registered with Sarpy County Treasurer, be and hereby is canceled.

RESOLVED FURTHER that the amount due to Ambassador Title Services for the title certificate dated August 21, 2014 will be addressed with the other bills presented for payment by the District at this meeting.

On roll call on said 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.

The Chairman directed the Board's attention to Agenda Item No. 9, Payment of Bills of the District, and presented for the Board's consideration the following bills, statements and invoices. Also presented for the Board's consideration was a letter/invoice from Kuehl Capital Corporation, the District's Fiscal Agent, dated August 3, 2015, reflecting that the District owes \$146,600.07 of interest on its outstanding Construction Fund warrants. Attached to the letter/invoice was a computer printout reflecting the computation of interest on all of such outstanding warrants to September 1, 2015. He stated that this interest should be paid by issuing warrants payable as noted in the letter, such warrants to bear interest at the rate of seven percent per annum with an interest payment date of September 1. 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. 533 through 568, inclusive, of the District, dated the date of this meeting, to the following payees and in the following amounts, and said Warrant Nos. 533 through 546, inclusive, to be drawn on the General Fund of the District and to draw interest at the rate of seven percent (7%) per annum, and said Warrant Nos. 547 through 568, 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
(Due August 18, 2018)

No	Payee	Amount	Description
533	Omaha Public Power District	106.16	Sprinklers in ROW, Acct. No. 1347205762, 5-6-15 thru 8-6-15
534	Cornerstone Insurance Group	470.00	Inv. No. 11929 for renewal of general liability policy no. CGSNE0000014708
535	Metropolitan Utilities District	133.20	Sprinklers in ROW, Acct. No. 110000071573, Invs. Dated 6/17/15 and 7/28/15
536	Skyline Sign Co.	267.69	Pay Recommendation Letter dated 2/4/15 for street sign repairs
537	McArdle Grading Co.	3,000.00	Inv. No. 12551 for silt basin cleanout and seeding
538	McArdle Grading Co.	3,000.00	Inv. No. 12551 for silt basin cleanout and seeding
539	McArdle Grading Co.	3,000.00	Inv. No. 12551 for silt basin cleanout and seeding
540	McArdle Grading Co.	3,000.00	Inv. No. 12551 for silt basin cleanout and seeding
541	McArdle Grading Co.	3,000.00	Inv. No. 12551 for silt basin cleanout and seeding
542	McArdle Grading Co.	2,697.00	Inv. No. 12551 for silt basin cleanout and seeding
543	Lamp Rynearson & Associates	2,444.35	Inv. Nos. 0107018.90-16 and -17, engineering services
544	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	3,000.00	Inv. Nos. 106258, 106527 & 106945, Acct. No. 488-000
545	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	2,089.42	Inv. Nos. 106258, 106527 & 106945, Acct. No. 488-000
546	Kuehl Capital Corporation	655.20	Warrant Structuring Fee, Warrants 533 thru 545, inclusive
Construction Fund (Due August 18, 2020)			
547	Lamp Rynearson & Associates	6,277.50	Inv. No. 0107018.22-10, San. Sewer, Sec. 2 (Pebblebrooke Lift Station)
548	Todco Barricade Company	1,854.48	Inv. #s 117016, 117232, 117390, 117494, 117565, 117672, 117844, 118038, 118108, Phase 2, Paving Section 1
549	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	406.60	Inv. No. 106946, Acct No. 488-001

550	Ambassador Title Services	300.00	Title Certificate dated 8/21/14
551	RBC Capital Markets LLC	10,000.00	Annual Interest on CF Warrants
552	RBC Capital Markets LLC	10,000.00	Annual Interest on CF Warrants
553	RBC Capital Markets LLC	10,000.00	Annual Interest on CF Warrants
554	RBC Capital Markets LLC	10,000.00	Annual Interest on CF Warrants
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561	RBC Capital Markets LLC	10,000.00	Annual Interest on CF Warrants
562	RBC Capital Markets LLC	10,000.00	Annual Interest on CF Warrants
563	RBC Capital Markets LLC	10,000.00	Annual Interest on CF Warrants
564	RBC Capital Markets LLC	8,206.84	Annual Interest on CF Warrants
565	Robert J. Huck	8,066.46	Annual Interest on CF Warrants
566	Lamp Rynearson & Associates	152.11	Annual Interest on CF Warrants
567	Lanoha Nurseries Inc.	174.66	Annual Interest on CF Warrants
568	Kuehl Capital Corporation	3,885.97	Warrant Structuring Fee, Warrants 547 thru 567, 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 \$10,000,000 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.

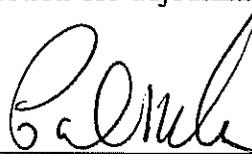
2. To the best of their knowledge, information and belief, the above expectations are reasonable.

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.

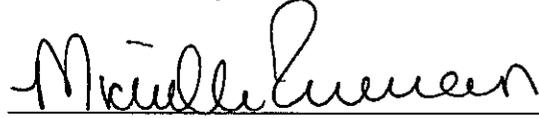
4. This Certificate is being passed, executed and delivered pursuant to Section 1.148-2(b)(2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended.

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