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 March 7, 2016, at 11550 I Street, Suite 200, Omaha, Nebraska. Present were: Trustees Paul S. McCune, Michelle Zimmerman, Susan McCune, Stacey Holt and Jason McCune; Absent: None. Also present were Attorney Robert J. Huck and Robert Wood of Kuehl Capital Corporation, Muncipal Advisor for the District.

Notice of the meeting was given in advance thereof by publication in *The Gretna Breeze*, Gretna, Nebraska, on March 2, 2016, 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 called on Rob Wood of Kuehl Capital Corporation. Mr. Wood reviewed the District's financial status with the Board and explained that the District should consider issuing bonds, Series 2016, which would provide for the issuance of bonds in the principal amount of $1,400,000 to pay for the construction of certain public improvements in the District. Mr. Wood submitted a proposed bond payout schedule, which the Board reviewed in detail.

The Board then reviewed, in some detail, the Bond Resolution presented by Kuehl Capital Corporation providing for the issuance and sale by the District of $1,400,000 of Sanitary and Improvement District Bonds to obtain funds to retire Construction Fund warrants issued during the course of construction of various improvements, to pay the accrued interest thereon, and to provide a bond sinking fund reserve. After careful review and full consideration of the resolution attached to these minutes, identified as "BOND RESOLUTION", and by this reference incorporated herein, 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

> Bond Resolution presented by Kuehl Capital Corporation (copy of same being attached to these minutes for identification purposes), providing for the issuance and sale of general obligation bonds of the District in the total principal amount of $1,400,000 be and hereby is approved and adopted; that Robert J. Huck, Attorney for the District, be and hereby is authorized on behalf of the District to file the necessary Petition in the District Court of Sarpy County, Nebraska, for court approval of the issuance and sale of said Bonds, and to do all other things on behalf of the District necessary or proper to effect the issuance and sale of said bonds in the manner provided by law.

On 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 declared said resolution to be duly carried and adopted.

In connection with the above-noted Bond Resolution, Mr. Wood of Kuehl Capital Corporation noted that it authorizes the Chairman and Clerk to execute and deliver an agreement with the Paying Agent and Registrar, Bankers Trust Company, of Des Moines, Iowa. He then presented for the Board's consideration such an agreement. After discussion, it was duly moved and seconded that the District enter into said agreement with Bankers Trust Company.

On 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 declared said resolution to be duly carried and adopted.

The Chairman then noted that it would be necessary for the Board of Trustees to certify to the County Treasurer the necessary authorization for the County Treasurer to pay to the Paying Agent the amounts of principal and interest on the bonds to be issued on April 15, 2016, as they become due. After further discussion, the following resolution was duly moved and seconded:

> RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that Bankers Trust Company, Des Moines, Iowa, has been appointed as Paying Agent for payment of principal and interest on bonds of this District issued April 15, 2016, which appointment is hereby confirmed and ratified, and the County Treasurer of Sarpy County, Nebraska, as ex officio treasurer of this District, is hereby authorized and directed to pay, from time to time, to said Paying

> Agent, from funds of the District, such amounts of money as such Paying Agent shall certify in writing to the County Treasurer as shall be needed for payment of principal or interest on bonds of the District, such certificate of the Paying Agent to show the amounts needed for payment of principal or interest, the date upon which such amount is due, and the date when such transfer shall be made to the Paying Agent by the County Treasurer for each transfer of funds requested by the Paying Agent.
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> BE IT FURTHER RESOLVED, that the Chairman and Clerk of this District shall certify this resolution to said County Treasurer who may deem this resolution to be a continuing resolution and authorization to make transfers to such Paying Agent, until and unless the County Treasurer is notified of termination of such authority.

On 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 declared said resolution to be duly carried and adopted.

The Chairman then directed the Board's attention to Agenda Item No. 4, Ratify Approval of Minutes of Meeting held on December 14, 2015. 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 Nos. 5 and 6, and stated that it would be appropriate to take up the matter of the proposal of a resolution of necessity for the SID 278 Park Acquisition for Tiburon Ridge Phases 1 & 2, as well as for reimbursement for the payment by JMF, LLC for the purchase of trees for the park. The Chairman presented the Resolution dated March 1, 2016 whereby Sarpy County approved the Park Acquisition as required by the Subdivision Agreement. A copy of said Resolution is attached to these minutes for reference. The Chairman then presented for the Board's consideration the engineer's estimates of the total costs (including soft costs) thereof in the sum of $164,700.00 for the Subdivision Agreement Park Acquisition – Tiburon Ridge Phases 1 & 2, and $16,800.00 for the Park Improvements – Reimbursement for Trees. Attorney Huck reminded the Board that the reimbursement for the purchase of the park property will take place when Kuehl Capital Corporation, the municipal advisor for SID 278, determines that the SID is financially able to do so. However, the reimbursement for the purchase of the trees for the park will take place as soon as the Resolution of Necessity has been adopted. The Chairman then presented for the Board's

consideration a proposed Resolution of Necessity for said reimbursements, a copy of which is attached to these minutes and by this reference made a part hereof. After full discussion, the following resolutions were duly moved and seconded:

> BE IT RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that said Board does offer and propose the Resolution of Necessity presented by the Chairman of said Board for the Park Acquisition from JMF, LLC; as well as for reimbursement for payment by JMF, LLC for the trees in the park. The park acquisition reimbursement will be made when Kuehl Capital Corporation, the municipal advisor for SID 278, determines that the SID is financially able to repay said funds. The reimbursement for the purchase of the trees for the park will take place upon adoption of said Resolution of Necessity.
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> BE IT FURTHER RESOLVED that said proposed Resolution of Necessity is hereby set for consideration and hearing before said Board of Trustees' meeting at **19806 Maple Street, Gretna, Nebraska**, at **10:00 a.m.** on **March 28, 2016**, and that notice of the time and place of said hearing be given by publication in *The Gretna Breeze* of Gretna, Nebraska, for two consecutive weeks, on March 16 and 23, 2016, which publication shall contain the entire wording of said Resolution of Necessity and be posted in three conspicuous places in the District.

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 to be duly carried and adopted.

The Chairman directed the Board's attention to Agenda Item No. 7, and Attorney Huck reminded the Board that, at the request of the District's Engineers, he had prepared a Second Addendum to Interlocal Cooperation Agreement between SID 240 and SID 278, which included a new exhibit prepared by the engineers to correct the number of SID 278 residential lots to 133, and the size of the commercial lot to 3.42 acres. Attorney Huck reported the District's Engineer is following up with the attorney for SID 240 to check whether SID 240 has approved the Second Addendum. The Engineer will update the Board at a later date.

The Chairman then directed the Board's attention to Agenda Item No. 8.a., Street Sweeping, and reported that the District's Engineer had obtained a bid from Clean Sweep Commercial, Inc. to perform street sweeping in the District this spring for $275. The Chairman

stated that he had accepted the bid on behalf of the District and requested that the street sweeping be performed in late March or early April. A copy of the Engineer's letter to Clean Sweep Commercial, Inc. is attached to these minutes for reference. 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 actions of the District's Chairman in accepting the proposal from Clean Sweep Commercial Inc. in the amount of $275.00 to perform street sweeping services in the District 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. 9, 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. 10, 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 the Clerk be and they hereby are authorized and directed to execute and deliver Warrant Nos. 588 through 595, of the District, dated the date of this meeting, to the following payees, for the following services and in the following amounts, said warrants to draw interest at the rate of 7% per annum: Warrant Nos. 588 through 595, inclusive, to be payable from the General Fund Account of the District and to be redeemed no later than three (3) years of the date hereof, being March 7, 2019 (the "**General Fund Warrants**"), and no warrants to be payable from the Construction Fund Account of the District (interest payable on September 1 of each year) and to be redeemed no later than five (5) years of the date hereof being March 7, 2021 (the "**Construction Fund Warrants**"), 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:

General Fund
(Due March 7, 2019)

No	Payee	Amount	Description
588	Omaha Public Power District	79.60	Sprinklers in ROW, Acct. No. 1347205762, 11-5-15 thru 2/5/16
589	Metropolitan Utilities District	209.74	Sprinklers in ROW, Acct. No. 110000071573, 11/12/15 to 2/12/16
590	Lutz & Company, PC	3,000.00	Inv. No. 183874 dated 12/31/15
591	Lutz & Company, PC	200.00	Inv. No. 183874 dated 12/31/15
592	Lamp Rynearson & Associates	1,744.48	Inv. No. 107018.90-25 and -26, engineering services
593	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	3,000.00	Legal services and costs; Inv. No. 109486, Acct. No. 488-0
594	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	288.80	Legal services and costs; Inv. No. 109486, Acct. No. 488-0
595	Kuehl Capital Corporation	170.45	Warrant Structuring Fee, GF Warrant Nos. 588 – 594

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska, that the District hereby finds and determines and covenants, warrants and agrees as follows in connection with the issuance of the Construction Fund Warrants: (i) the improvements being financed by the Construction Fund Warrants are for essential governmental functions of the District and are designed to serve members of the general public on an equal basis; (ii) 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; (iii) 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; (iv) 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; (v) 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; (vi) none of the proceeds of said Construction Fund Warrants have been or will be loaned to any private person or entity; and (vii) and the District does not reasonably expect to sell or otherwise dispose of said improvements, in whole or in part, prior to the last maturity of the Construction Fund 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 and agrees as follows in connection with the issuance of the Construction Fund Warrants: (i) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Construction Fund Warrants and (ii) it will not use or permit the use of any proceeds of the Construction Fund Warrants or any other funds of the District nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Construction Fund Warrants. In addition, the District will adopt such other resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Construction Fund Warrants will remain excluded from federal gross income, to the extent any such actions can be taken by the District.

The District covenants and agrees that (i) it will comply with all requirements of Section 148 of the Code to the extent applicable to the Construction Fund Warrants, (ii) it will use the proceeds of the Construction Fund Warrants as soon as practicable and with all reasonable dispatch for the purposes for which the Construction Fund Warrants are issued, and (iii) it will not invest or directly or indirectly use or permit the use of any proceeds of the Construction Fund Warrants or any other funds of the District in any manner, or take or omit to take any action, that would cause the Construction Fund Warrants to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

The District covenants and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to

the United States pursuant to Section 148(f) of the Code and any Regulations applicable to the Construction Fund Warrants from time to time. This covenant shall survive payment in full of the Construction Fund Warrants. The District specifically covenants to pay or cause to be paid to the United States, the required amounts of rebatable arbitrage at the times and in the amounts as determined by reference to the Code and the Regulations. Pursuant to the "small issuer exception" set forth below, the District does not believe the Construction Fund Warrants will be subject to rebate.

The District covenants and agrees that (to the extent within its power or direction) it will not use any portion of the proceeds of the Construction Fund Warrants, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Construction Fund Warrant to be a "private activity bond".

The District makes the following representations in connection with the exception for small governmental units from the arbitrage rebate requirements under Section 148(f)(4)(D) of the Code:

(i) the District is a governmental unit under Nebraska law with general taxing powers;

(ii) none of the Construction Fund Warrants is a private activity bond as defined in Section 141 of the Code;

(iii) ninety-five percent or more of the net proceeds of the Construction Fund Warrants are to be used for local governmental activities of the District;

(iv) the aggregate face amount of all tax-exempt obligations (other than "private activity bonds," but including any tax-exempt lease-purchase agreements) to be issued by the District during the current calendar year is not reasonably expected to exceed $5,000,000; and

(v) the District (including all subordinate entities thereof) will not issue in excess of $5,000,000 of tax-exempt indebtedness (other than "private activity bonds" and certain refunding bonds, but including any tax-

exempt lease-purchase agreements) during the current calendar year without first obtaining an opinion of nationally recognized counsel in the area of municipal finance that the excludability of the interest on the Construction Fund Warrants from gross income for federal tax purposes will not be adversely affected thereby.

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska that the District hereby designates the Construction Fund Warrants as its "qualified tax exempt obligations" under Section 265(b)(3)(B)(i)(III) of the Code.

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 Construction Fund Warrants and the District hereby further certifies, as of the date of the registration of the Construction Fund Warrants with Sarpy County, Nebraska as follows:

1. The District reasonably anticipates that a portion of the monies in its Bond Fund will be expended for payment of principal of and interest on its bonds and/or construction fund warrants of the District within 12 months after receipt of such monies. The District hereby establishes a reserve fund within its Bond Fund in connection with the issuance of the Construction Fund Warrants in the amount equal to the least of (i) 10% of the stated principal amount of the Construction Fund Warrants, (ii) the maximum annual debt service due on the Construction Fund Warrants during any fiscal year, or (iii) 125% of the average annual debt service for the Construction Fund Warrants over the term of such warrants. That amount that is currently held in the District's Bond Fund which exceeds the amount to be expended for payment of principal and interest on the bonds and/or construction fund warrants of the District within 12 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 Construction Fund 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 debt.

4. This Certificate is being passed, executed and delivered pursuant to Section 1.148-2 (b) (2) of the Income Tax Regulations under the Code (the "**Regulations**").

BE IT FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 278 of Sarpy County, Nebraska that the District hereby authorizes and directs the Chairman 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 (the "**Code**"), pertaining to the Construction Fund Warrants and the General Fund Warrants;

No opinion of nationally recognized counsel in the area of municipal finance has been delivered with respect to the treatment of interest on the General Fund Warrants.

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

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