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 10:00 a.m. on March 28, 2016, at 19806 Maple Street, Gretna, 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*, Gretna, Nebraska, on March 16 and 23, 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, Ratify Approval of Minutes of Meeting held on March 7, 2016. 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 directed the Board's attention to Agenda Item No. 4, Audit Report for the year ended June 30, 2015. The Clerk presented the audit report which had been prepared by the District's accountants. Following review, it was duly moved and seconded that said report be accepted and that the Clerk retain a copy for the District's records.

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 resolutions duly carried and adopted.

The Chairman then directed the Board's attention to Agenda Item No. 5, public hearing on resolution of necessity for Subdivision Agreement Park Acquisition – Tiburon Ridge Phases 1

& 2. Attorney Huck reported that the District's Engineer had obtained Sarpy County's approval of the park acquisition for SID 278. A copy of said approval is attached to these minutes for reference. The Chairman then presented for the Board's consideration the Proof of Publication of the proposed resolution of necessity, together with a Certification of the Clerk on posting said resolution in three conspicuous places within the District, all as authorized by the Board at its meeting held on March 7, 2016. The Clerk certified to the Board that no petition signed by any owners of property within the District opposing the proposed resolution had been filed with her as Clerk. No owner or owners of property appeared at the meeting to object to the proposed Subdivision Agreement Park Acquisition – Tiburon Ridge Phases 1 & 2. After full discussion, the following resolution was duly moved and seconded as follows, to-wit:

> RESOLVED that the resolution of necessity proposed by the Board at its meeting held on March 7, 2016, for Subdivision Agreement Park Acquisition – Tiburon Ridge Phases 1 & 2, be and hereby is passed.
>
> FURTHER RESOLVED that said Board does herewith authorize and approve the reimbursement to JMF, LLC as set forth in the resolution of necessity, as well as payment of the soft costs also set forth in said resolution of necessity.
>
> RESOLVED FURTHER that said reimbursements and payments of authorized soft costs will be made when Kuehl Capital Corporation, the municipal advisor for SID 278, determines that the SID is financially able to repay said funds.

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. 6, public hearing on resolution of necessity for Park Improvements – Reimbursement for Trees. He presented for the Board's consideration the Proof of Publication of the proposed resolution, together with a Certification of the Clerk on posting said resolution in three conspicuous places within the District, all as authorized by the Board at its meeting held on March 7, 2016. The Clerk certified to the Board that no petition signed by any owners of property within the District opposing the proposed resolution had been filed with her as Clerk. No owner or owners of property appeared at the meeting to object to the proposed Park Improvements – Reimbursement for Trees. After full discussion, the following resolution was duly moved and seconded as follows, to-wit:

> RESOLVED that the resolution of necessity proposed by the Board at its meeting held on March 7, 2016, for Park

> Improvements – Reimbursement for Trees, be and hereby is passed.
>
> FURTHER RESOLVED that said Board does herewith authorize and approve the reimbursement to JMF, LLC as set forth in the resolution of necessity, as well as payment of the soft costs also set forth in said resolution of necessity.

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 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 that he and the District's Engineer have followed up on this matter with the attorney for SID 240, and was informed that SID 240 will sign the Second Addendum to Interlocal Cooperation Agreement when SID 278 pays its share of the Pebblebrooke lift station maintenance costs. Pebblebrook has not yet submitted those costs to SID 278. A board meeting will be scheduled to review and approve those costs as soon as they have been received.

With regard to Agenda Item No. 8, the Chairman reported that the District's Engineer has requested the repair or replacement of several signs in the District. A copy of correspondence related to this matter is attached to these minutes for reference. These repairs/replacements have been completed and an invoice will be presented for payment with the other bills of the District at this meeting.

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. 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. 596 through 606, 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. 596 through 601, 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 28, 2019 (the "**General Fund Warrants**"), and Warrant Nos. 602 through 606, inclusive, 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 28, 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 28, 2019)

No	Payee	Amount	Description
596	Omaha Public Power District	24.28	Sprinklers in ROW, Acct. No. 1347205762, 2/5/16 through 3/7/16
597	Metropolitan Utilities District	58.87	Sprinklers in ROW, Acct. No. 110000071573 2/13/16 to 3/15/16
598	Skyline Sign Co.	686.29	Invoice dated 3/21/16 for street sign repairs
599	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	3,000.00	Inv. Nos. 109487 and 109729; Acct. No. 488-000; Legal Services and Costs
600	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	568.83	Inv. Nos. 109487 and 109729; Acct. No. 488-000; Legal Services and Costs
601	Kuehl Capital Corporation	108.46	Warrant Structuring Fee, GF Warrant Nos. 596 through 600, inclusive
	Construction Fund (Due March 28, 2021)		
602	Ambassador Title Services	300.00	Inv. No. 672; Property Owner Seach for 2016 Bond Issue
603	JMF, LLC	10,000.00	Inv. No. 100; Park Improvements (Trees) Project Reimbursement
604	JMF, LLC	2,000.00	Inv. No. 100; Park Improvements (Trees) Project Reimbursement
605	Croker Huck Kasher DeWitt Anderson & Gonderinger, LLC	600.00	Legal services; Inv. No. 109484; Acct. No. 488-001
606	Kuehl Capital Corporation	322.50	Warrant Structuring Fee; CF Warrant Nos. 602 through 605, inclusive

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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