

MINUTES OF MEETING
OF
SANITARY AND IMPROVEMENT DISTRICT NO. 1
OF CASS COUNTY, NEBRASKA

A meeting of the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, was convened in open and public session at 11:00 a.m. on the 4th day of February, 2021, and to be held at 10250 Regency Circle, 2nd Floor, Omaha, Nebraska.

Present: Jon Meyers, Wayne Breyfogle and Matt Burnham. Also, in attendance were Mark J. LaPuzza, attorney for the District, Kraig Thelen, Ed Hobza of Thompson, Dreessen & Dorner, Inc., and Jim Noerrlinger.

Absent: Peggy L. Lawton and Scott Pekarek.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on January 28, 2021, 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 Regency Center, Suite 300, 10250 Regency Circle, Omaha, Nebraska 68114.

It was first 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 Board was next presented with consideration of its outstanding bills and invoices.

There was next presented a statement from Kraig J. Thelen, for services rendered in connection with Federal Disaster DR 4420 NE, Statement dated January, 2021, in the amount of One Thousand Sixteen and 50/100 Dollars (\$1,016.50).

There was next presented a statement from Harness LLC, for Appraisal Report on the property located at 4120 Bull Frog Bay, Invoice #L20MB 12, in the amount of Five Hundred Fifty and no/100 Dollars (\$550.00).

There was next presented a statement from Thompson, Dreessen & Dorner, Inc., engineers for the District, for services rendered in connection with the USACE Levee Project, Invoice #141879, in the amount of Eight Thousand Nine Hundred Sixteen and 85/100 Dollars (\$8,916.85).

There was next presented a statement from Nebraska Public Power District, for lighting at Highway 75, Account #211010041398, **having a credit balance in the amount of One Hundred Thirty-One and 12/100 Dollars (\$131.12), so no payment is due at this time.**

There was next presented a statement from Nebraska Public Health Environmental Lab, for water testing, Invoice #535378, having a zero balance.

There was next presented email correspondence from Jim Noerrlinger, presenting and requesting payment to be made to Eagle Nursery, for the relocation of six (6) trees, Invoice #15586, in the amount of Nine Hundred Eighteen and 75/100 Dollars (\$918.75).

There was next presented a statement from Builders Supply Co., for miscellaneous District purchases, Invoice #0001907420-001, in the amount of Ninety-Two and 45/100 Dollars (\$92.45).

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 on a 3-0 vote.

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 5858 through 5861, of the District, dated the date of this meeting, to the following payees and in the following amount, said Warrants to be drawn on the **BOND** Fund of the District and to draw interest at the rate of five percent (5%) per annum (interest to be payable on February 10 of each year) and to be redeemed no later than February 4, 2026, subject to extension of said maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 5858, for the amount of One Thousand Sixteen and 50/100 Dollars (\$1,016.50), payable to Kraig J. Thelen.

Warrant No. 5859, for the amount of Five Hundred Fifty and no/100 Dollars (\$550.00), payable to Harness LLC.

Warrant No. 5860, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5861, for the amount of Three Thousand Nine Hundred Sixteen and 85/100 Dollars (\$3,916.85), payable to Thompson, Dreessen & Dorner, Inc.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 5862 and 5863, 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 February 4, 2024, subject to extension of said maturity date by order of the District Court of Cass County, Nebraska, after notice is given as required by law, to-wit:

Warrant No. 5862, for the amount of Nine Hundred Eighteen and 75/100 Dollars (\$918.75), payable to Eagle Nursery.

Warrant No. 5863, for the amount of Ninety-Two and 45/100 Dollars (\$92.45), payable to Builders Supply Co.

FURTHER RESOLVED by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass 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. 1 of Cass 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.

FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass 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 Cass 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.

The next order of business was discussion regarding FEMA and NEMA payment for certain flood fighting expenses of the District. Kraig Thelen provided updated information regarding his continued efforts to work with new representatives of FEMA and NEMA to obtain funding approval.

The next order of business was discussion regarding the Bull Frog Bay property located at 4120 Bullfrog Bay Drive. Jon Meyers informed the other trustees that he had negotiated with Dana Altman under the terms previously approved by the Board. While the price and structure of the transaction was agreeable to Mr. Altman, Mr. Altman asked that the District perform certain limited items of work related to the seawall and landscaping improvements, as well as clarify the interaction of the District with respect to closing items. All of these are contained in Paragraph No. 27 of a newly executed Purchase Agreement. It was noted that Jon's execution of the Purchase Agreement would not be binding upon the District, pursuant to the terms of the Agreement itself unless the Agreement was ratified by the Board. It was offered that the Board could go into executive session if there was a reason to discuss the strategy and negotiations with respect to the sale of the Bullfrog Bay property. Hearing no motion, the meeting continuing in its public form. Upon motion duly made and seconded with Jon Meyers, Wayne Breyfogle and Matt Burnham voting "Aye" and none voting "Nay", the Board approved and ratified the Purchase Agreement dated January 20, 2021 for the sale of the Bullfrog Bay property to Dana Altman a/k/a Image Arts, LLC.

The next order of discussion related to the form of title required by the United States Army Corp of Engineers (USACE) with respect to properties required for improvement of flood protection matters. Ed Hobza noted that recent discussions with USACE representatives indicated that either Fee Title or an appropriate easement would be acceptable to the Corp. The Trustees discussed that if an easement was acceptable to USACE, there would be a need to consider whether the Bullfrog Bay property would be better sold under a recorded easement or if the property should be subdivided. Discussion also turned to acquisition of property by the District from Noerrlinger Farms, noting that some of the Noerrlinger Farms property is outside of the District and the District has no ability to hold title to such property, but would instead have a strong preference towards the use of an easement. Ed Hobza reported that he would confirm the position of USACE, the means for approval of easement language, if applicable, and continue working to obtain proper legal descriptions.

Discussion then turned to the ability of the District, if necessary, to annex additional property into its boundaries. Mark LaPuzza noted that the age of the District is such that research would have to be performed to determine applicable standards for annexation and also noted that Noerrlinger Farms may be required to participate in subdivision of its property if fee title is to be granted.

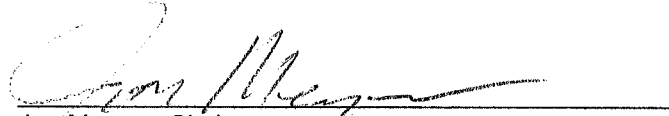
The next order of business was discussion regarding the location of water lines servicing properties within the District. Ed Hobza and Jim Noerrlinger reported that the water lines appear to be in a significantly different location than expected and, in some circumstances, ran below buildings and other improvements owned by individual property owners.

It was also discussed that the District would need to continue negotiations with Noerrlinger Farms regarding both the acquisition of the property (by fee title or easement) as well as acquisition of dirt and sand required for the USACE levy improvement project. The Trustees were reminded that the District is responsible for 100 percent of the cost of obtaining materials required for the levy improvement project but the costs for transportation of such materials would be a cost share with USACE, with the District responsible for only 20 percent of that cost.

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SIGNATURES APPEAR ON THE FOLLOWING PAGE]**

There was 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.

Jon Meyers, as Clerk for Sanitary and Improvement District No. 1 of Cass 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 February 4, 2021, meeting.



Jon Meyers, Clerk