

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 28th day of January, 2015, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Gary Kaplan, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson.

Absent: Jon Meyers.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on January 22, 2015, 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.

Discussion was first had concerning the fact that the Clerk of the District was unable to attend this meeting due to Jon Meyers being out of the country. Consideration was next given to appointing an Acting Clerk to serve for this meeting only. Upon conclusion of such discussion, the following roll call vote was taken during which the Trustees, Gary Kaplan, Wayne Breyfogle and Hugh Abrahamson voting "Aye," with none voting "Nay," and Phillip G. Wright abstaining, thereby adopting and approving the following resolution:

RESOLVED, that Phillip G. Wright be hereby appointed to serve in the capacity of Acting Clerk for Sanitary and Improvement District No. 1 of Cass County, Nebraska, for this meeting only.

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

There was next presented correspondence from D.A. Davidson & Co. requesting the District to issue warrants payable to D.A. Davidson & Co. in the total amount of Fifty-Six Thousand Six Hundred Thirty-Eight and 90/100 Dollars (\$56,638.90). After a full and complete discussion and upon a motion duly made and seconded, and upon a roll call vote, the Trustees, Gary Kaplan, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye" with none voting "Nay" with the following resolution being thereby adopted and approved:

RESOLVED, that the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, find and determine that on February 10, 2015, there will be due and payable interest on the construction fund warrants for the District in the amount of Fifty-Six Thousand Six Hundred Thirty-Eight and 90/100 Dollars (\$56,638.90) and that to pay such interest it is advisable to authorize the issuance of warrants

to be drawn from the District's construction fund payable to D.A. Davidson & Co.

FURTHER RESOLVED, that the following warrants, to be drawn on the construction fund of the District, draw interest at the rate of seven percent (7%) from the date of presentation until paid; such interest to be payable on February 10th of each year and such warrants shall be due and payable on January 28, 2020 (unless redeemed prior to such date), subject to extension of such maturity date by order of the District Court of Cass County, Nebraska, after notice as required by law, to be issued as follows:

<u>WARRANT NO.</u>	<u>AMOUNT</u>
4923	\$5,000.00
4924	5,000.00
4925	5,000.00
4926	5,000.00
4927	5,000.00
4928	5,000.00
4929	5,000.00
4930	5,000.00
4931	5,000.00
4932	5,000.00
4933	5,000.00
4934	1,638.90

FURTHER RESOLVED, that the County Treasurer of Cass County, Nebraska, the ex officio Treasurer of the District is hereby directed and authorized on February 10, 2015, to pay the interest due on the construction warrants of the District and is hereby directed that such proceeds of the above warrants hereby are authorized and may only be used for the payment of such specified interest.

FURTHER RESOLVED, that the Chairman and Clerk be, and they hereby are authorized and directed to execute such warrants on behalf of the District and deliver the same, along with a copy of this and the preceding resolutions to the County Treasurer of Cass County, Nebraska, the ex officio Treasurer of the District.

There was next presented a revised statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in FEMA Appeal matters over the past several years, in the amount of Twenty-Eight Thousand Eight Hundred Forty-Nine and 20/100 Dollars (\$28,849.20). Members of the Board expressed their appreciation to Pansing Hogan for the reduction of the total amount of these bills.

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Eighty-Five Thousand Four Hundred Eighty-Eight and 10/100 Dollars (\$85,488.10) in warrants at this time and that the contracted charge for such purchase of warrants is three percent (3%) or Two Thousand Five Hundred Sixty-Four and 64/100 Dollars (\$2,564.64) in accordance with the financing agreement previously adopted by the Board. The Chairman recommended the issuance of a warrant for such amount to D.A. Davidson & Co.

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, from December 15, 2014, through February 15, 2015, having a credit balance in the amount of Forty-Five and 85/100 Dollars (\$45.85).

There was next presented a statement of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the amount of Two Thousand One Hundred Seventy and 51/100 Dollars (\$2,170.51).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Lakeview Construction, for reconstructing the portion of the P.C.C. drive at Lot 210, Invoice #62, in the amount of Six Hundred Fifty and no/100 Dollars (\$650.00).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Utilities Service Group, for televising existing sewer lines, Invoice #10627, in the amount of Four Hundred Twenty-Seven and 50/100 Dollars (\$427.50).

There was next presented a statement from Meeske Ace Hardware, for miscellaneous purchases for the District, statement dated December 31, 2014, in the amount of Twenty-Five and 51/100 Dollars (\$25.51).

There was next presented a statement from Masimore Magnuson & Associates, P.C., accountants for the District, for accounting services performed, Invoice dated January 16, 2015, Invoice #41908, in the amount of Seven Thousand Five Hundred Twenty-Five and no/100 Dollars (\$7,525.00).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for well water testing, as follows: (i) Invoice #458460, in the amount of One and no/100 Dollars (\$1.00), and (ii) Invoice #459447, in the amount of One Hundred Fifty and no/100 Dollars (\$150.00); said statements being in the aggregate amount of One Hundred Fifty-One and no/100 Dollars (\$151.00).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through December 31, 2014, in the amount of Two Thousand Five Hundred Sixty-Seven and 50/100 Dollars (\$2,567.50), and costs advanced in the amount of Seventy-Five and no/100 Dollars (\$75.00); said statement being in the aggregate amount of Two Thousand Six Hundred Forty-Two and 50/100 Dollars (\$2,642.50).

The Clerk next directed the attention of the Board of Trustees to the fact that D.A. Davidson & Co. will purchase Thirteen Thousand Five Hundred Ninety-Two and 02/100 Dollars (\$13,592.02) in general fund warrants at this time and that the contracted charge for such purchase of warrants is two percent (2%) or Two Hundred Seventy-One and 84/100 Dollars (\$271.84), in accordance with the financing agreement previously adopted by the Board. The Chairman recommended the issuance of a warrant for such amount to D.A. Davidson & Co.

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 4-0 vote, with any other exceptions duly noted above:

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. 4923 through 4941, of the District, dated the date of this meeting, to the following payee and in the following amounts, said Warrants to be drawn on the **BOND** Fund of the District and to draw interest at the rate of seven percent (7%) per annum (interest to be payable on February 10 of each year) and to be redeemed no later than January 28, 2020, 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 Nos. 4923 through 4933, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4934, for the amount of One Thousand Six Hundred Thirty-Eight and 90/100 Dollars (\$1,638.90), payable to D.A. Davidson & Co.

Warrant Nos. 4935 through 4939, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4940, for the amount of Three Thousand Eight Hundred Forty-Nine and 20/100 Dollars (\$3,849.20), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4941, for the amount of Two Thousand Five Hundred Sixty-Four and 64/100 Dollars (\$2,564.64), payable to D.A. Davidson & Co.

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. 4942 through 4950, 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 January 28, 2018, 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. 4942, for the amount of Two Thousand One Hundred Seventy and 51/100 Dollars (\$2,170.51), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 4943, for the amount of Six Hundred and Fifty and no/100 Dollars (\$650.00), payable to Lakeview Construction.

Warrant No. 4944, for the amount of Four Hundred Twenty-Seven and 50/100 Dollars (\$427.50), payable to Utilities Service Group.

Warrant No. 4945, for the amount of Twenty-Five and 51/100 Dollars (\$25.51), payable to Meeske Ace Hardware.

Warrant No. 4946, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 4947, for the amount of Two Thousand Five Hundred Twenty-Five and no/100 Dollars (\$2,525.00), payable to Masimore, Magnuson & Associates, P.C.

Warrant No. 4948, for the amount of One Hundred Fifty-One and no/100 Dollars (\$151.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 4949, for the amount of Two Thousand Six Hundred Forty-Two and 50/100 Dollars (\$2,642.50), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 4950, for the amount of Two Hundred Seventy-One and 84/100 Dollars (\$271.84), payable to D.A. Davidson & 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 Board discussed and renewed its policy that any time Noerrlinger Construction would undertake work for the District, that Daren Konda, the District's engineer, would solicit bids from other parties to insure objective and fair pricing, with such documentation to be maintained in the District's records.

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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.

Phillip G. Wright, as Acting 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 January 28, 2015, meeting.


Phillip G. Wright, Acting Clerk