

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 10th day of August, 2015, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

Present: Jon Meyers, Phillip G. Wright, Hugh I. Abrahamson and Wayne Breyfogle.

Absent: Gary Kaplan.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on August 6, 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.

There was next presented correspondence from D.A. Davidson & Co., the District's fiscal agent, indicating that Arthur J. Gallagher & Co., had lost, misplaced or mishandled General Fund Warrant No. 4983. Also presented was the Indemnity Agreement of such warrant holder as an inducement to reissue such warrants as an "R" warrant. Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that General Fund Warrant No. 4983, payable to Arthur J. Gallagher & Co. be and hereby is replaced with General Fund Warrant No. 4983"R".

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Cass County Treasurer of such cancellation so that such warrant may be reflected on his records as well as noting such cancellation on the records of the District.

1. Sanitary and Improvement District No. 1 of Cass County, Nebraska ("SID No. 1") hereby finds and determines that it has outstanding warrant which has been lost/misplaced or destroyed; this warrant being General Fund Warrant No. 4983, in the amount of \$2,150.00 which had previously been issued and was to be paid to Arthur J. Gallagher & Co. This warrant has been lost in the mail, misplaced or destroyed and that it is necessary for a replacement warrant to be issued. Said replacement warrant is to be issued for the same principal amount and

at the same rate of interest as the original warrant. This replacement warrant is to be issued with a letter "R" affixed after the warrant numbers. Said replacement warrant is to be re-registered by D.A. Davidson & Co. after proper documentation has been provided to include an affidavit evidencing the loss of said warrant and a satisfactory indemnification for any loss, liability, damage, or expense which the District, or the Cass County Treasurer may incur if said original warrant is later presented for payment and paid.

2. That satisfactory evidence of loss or misplacement or destruction of the aforesaid warrant and adequate indemnification agreement are to be delivered to D.A. Davidson & Co. and the Treasurer of Cass County, Nebraska as ex-officio Treasurer of the District and that the Cass County Treasurer be and hereby is authorized, instructed and directed to make payment of the amount due on said replacement Warrant No. 4983 "R" in lieu of the presentation of original Warrant No. 4983.

There was next presented correspondence from D.A. Davidson & Co., the District's fiscal agent, indicating that Lake Waconda Association, had lost, misplaced or mishandled General Fund Warrant No. 4989. Also presented was the Indemnity Agreement of such warrant holder as an inducement to reissue such warrants as an "R" warrant. Upon discussion of this matter, the following resolution was duly made and seconded, whereupon a roll call vote was taken during which the Trustees, Jon Meyers, Phillip G. Wright, Wayne Breyfogle and Hugh Abrahamson voted "Aye," with none voting "Nay," thereby approving the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 1 of Cass County, Nebraska, that General Fund Warrant No. 4989, payable to Lake Waconda Association be and hereby is replaced with General Fund Warrant No. 4989"R".

FURTHER RESOLVED, that the Clerk of the District be and hereby is authorized to notify the Cass County Treasurer of such cancellation so that such warrant may be reflected on his records as well as noting such cancellation on the records of the District.

1. Sanitary and Improvement District No. 1 of Cass County, Nebraska ("SID No. 1") hereby finds and determines that it has outstanding warrant which has been lost/misplaced or destroyed; this warrant being General Fund Warrant No. 4989, in the amount of \$2,300.56 which had previously been issued and was to be paid to Lake Waconda Association. This warrant has been lost in the mail, misplaced or destroyed and that it is necessary for a replacement warrant to be issued. Said replacement warrant is to be issued for the same principal amount and at the same rate of interest as the original warrant. This replacement warrant is to be issued with a letter "R" affixed after the warrant numbers. Said replacement warrant is to be re-registered by D.A. Davidson & Co. after proper documentation has been provided to include an affidavit evidencing the loss of said warrant and a satisfactory indemnification for any loss, liability, damage, or expense which the District, or the Cass County Treasurer may incur if said original warrant is later presented for payment and paid.
2. That satisfactory evidence of loss or misplacement or destruction of the aforesaid warrant and adequate indemnification agreement are to be

delivered to D.A. Davidson & Co. and the Treasurer of Cass County, Nebraska as ex-officio Treasurer of the District and that the Cass County Treasurer be and hereby is authorized, instructed and directed to make payment of the amount due on said replacement Warrant No. 4989 "R" in lieu of the presentation of original Warrant No. 4989.

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

There was next presented a statement Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Kerns Excavating Co., Inc., for services rendered in connection with the project entitled Lake Wa-Con-Da 2015 Chip Seal, Payment Recommendation No. 1, in the amount of One Hundred Thirty-Six Thousand Three Hundred Forty-Eight and 27/100 Dollars (\$136,348.27).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Hose & Handling, Inc., for replacement of discharge hoses, Invoice #97460, in the amount of Eight Thousand Eight Hundred Eighty-Eight and 37/100 Dollars (\$8,888.37).

There was next presented a statement from Nebraska Public Power District, for lighting at Highway 75, from June 15, 2015, through July 15, 2015, having a credit balance in the amount of One Hundred Thirty-Eight and 39/100 Dollars (\$138.39).

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 Three Hundred Seventy-Five and 42/100 Dollars (\$2,375.42).

There were next presented statements from Midwest Farmers Cooperative, for miscellaneous purchases made, as follows: (i) Invoice #007214, in the amount of Fifty-Four and 78/100 Dollars (\$54.78), and (ii) Invoice #007288, in the amount of Three Hundred Eight and 75/100 Dollars (\$308.75); said statements being in the aggregate amount of Three Hundred Sixty-Three and 53/100 Dollars (\$363.53).

There was next presented a statement from Nebraska Public Health Environmental Laboratory, for well water testing, Invoice #465480, in the amount of Fifteen and no/100 Dollars (\$15.00).

There was next presented a statement from Meeske Ace Hardware, for miscellaneous purchases for the District, statement dated July 31, 2015, in the amount of One Hundred Twenty-Three and 95/100 Dollars (\$123.95).

There was next presented a statement from Midwest Laboratories, Inc., for water samples at the lake, Invoice #770790, in the amount of Fifteen and 16/100 Dollars (\$15.16).

There was next presented correspondence from Thompson, Dreessen & Dorner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction, Inc., for equipment rental, Invoice #560, in the amount of Five Hundred Sixty-Two and no/100 Dollars (\$562.00).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through July 31, 2015, in the amount of One Thousand Seven Hundred Twenty-Six and no/100 Dollars (\$1,726.00), and costs advanced in the amount of Thirty-Two and 40/100 Dollars (\$32.40); said statement being in the aggregate amount of One Thousand Seven Hundred Fifty-Eight and 40/100 Dollars (\$1,758.40).

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. 5007 through 5043, 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 August 10, 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 Nos. 5007 through 5033, each for the amount of Five Thousand no/100 Dollars (\$5,000.00), and Warrant No. 5034, for the amount of One Thousand Three Hundred Forty-Eight and 27/100 Dollars (\$1,348.27), payable to Kerns Excavating Co., Inc.

Warrant No. 5035, for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5036, for the amount of Three Thousand Eight Hundred Eighty-Eight and 37/100 Dollars (\$3,888.37), payable to Hose & Handling, Inc.

Warrant No. 5037, for the amount of Two Thousand Three Hundred Seventy-Five and 42/100 Dollars (\$2,375.42), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5038, for the amount of Three Hundred Sixty-Three and 53/100 Dollars (\$363.53), payable to Midwest Farmers Cooperative.

Warrant No. 5039, for the amount of Fifteen and no/100 Dollars (\$15.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 5040, for the amount of One Hundred Twenty-Three and 95/100 Dollars (\$123.95), payable to Meeske Ace Hardware.

Warrant No. 5041, for the amount of Fifteen and 16/100 Dollars (\$15.16), payable to Midwest Laboratories, Inc.

Warrant No. 5042, for the amount of Five Hundred Sixty-Two and no/100 Dollars (\$562.00), payable to Noerrlinger Construction, Inc.

Warrant No. 5043, for the amount of One Thousand Seven Hundred Fifty-Eight and 40/100 Dollars (\$1,758.40), payable to Pansing Hogan Ernst & Bachman LLP.

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.

Kurt Kitson of D.A. Davidson & Co., appeared before the Board to review with it the status of its outstanding bond issues, as well as general fund status. During the course of such discussion, certain scenarios were presented to the Board for its review, which represented the various uses of cash for reducing the size of bond issues, extension of terms for bond issues refinancing and the effect of all scenarios upon the District's tax rate. The Board agreed to review such proposals, as well as the presentation in advance of the District's budget meeting in September.

The Board also reviewed with its counsel the discussion counsel had had with Clarence Mock regarding rock materials used in the trailer park area, and his suggestion that the District may have been overcompensated for such materials. The Board discussed the matter and elected to take no action at all at this time.

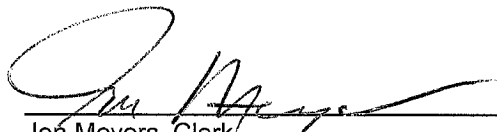
A motion was next made by Wayne Breyfogle and seconded by Jon Meyers for the Board to go into executive session to discuss potential personnel matters; the reason for executive session was to prevent injury to a potential employee's reputation. This motion was made and unanimously approved at 11:40 a.m. It was then restated that the sole purpose for the executive session was to discuss potential personnel matter. The Board came out of such executive session at 12:02 p.m. having taken no action.

The meeting was then adjourned.

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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 August 10, 2015, meeting.



Jon Meyers, Clerk