

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 16th day of November, 2016, at 10250 Regency Circle, Suite 300, Omaha, Nebraska.

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

Absent: None.

Notice of the meeting was given in advance thereof by publication in The Plattsmouth Journal on November 10, 2016, 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.

Counsel for the District first presented the Certificate of Results of the Election from the Cass County Election Commissioner with respect to the District's election of September 13, 2016. Such certificate indicated that Jon Meyers, Wayne Breyfogle, Hugh I. Abrahamson, Phil Wright and Gary Kaplan had been elected to serve for a two (2) year term for the Board. It was indicated that each of such individuals were owners or designees of owners of real estate within the District boundaries (*as defined by Section 31-727(3) Reissue Rev. Stat. of Neb. 1943*) and, as a consequence, qualified to serve in such capacity. Each individual being in attendance at the meeting indicated a willingness to accept the position of Trustee on the Board.

Discussion was next had with respect to the outstanding matters of the District and the powers and responsibilities of the Board in general. Discussion was also had with respect to the powers and responsibilities of the positions of Chairman and Clerk of the District. Upon conclusion of such discussion, the following roll call vote was taken during which the Trustees: Wayne Breyfogle, Hugh Abrahamson and Phil Wright voting "Aye", with none voting "Nay", and Gary Kaplan and Jon Meyers abstaining, thereby adopting and approving the following resolution:

RESOLVED, that Gary Kaplan be hereby elected to serve in the capacity of Chairman for Sanitary and Improvement District No. 1 of Cass County, Nebraska, until the next regularly scheduled election of the Board of Trustees.

FURTHER RESOLVED, that Jon Meyers be hereby elected to serve in the capacity of Clerk for Sanitary and Improvement District No. 1 of Cass County, Nebraska, until the next regularly scheduled election of the Board of Trustees.

The Board was next presented with consideration of its outstanding bills and invoices. A question developed regarding the cost associated with the District's recent refinancing of its outstanding bond issue, in particular, regarding the legal fees for such refinancing. After lengthy discussion, a motion was made by Phil Wright and seconded by Hugh Abrahamson to pay all bills except the legal bills until further review could occur. The motion carried.

Jon Meyers made and Wayne Breyfogle seconded a motion to pay the legal bills. Discussion included how the bill was calculated, the separate duties and obligations of the District Counsel and Bond Counsel, and that the amount is in line with amounts shown in the September refinancing proposal. The following roll call was taken, during which Trustees, Phil Wright and Hugh Abrahamson voted "Nay" and Wayne Breyfogle, Jon Meyers and Gary Kaplan voted "Aye", thereby adopting the payment of such legal fees.

There were next presented statements from First National Bank of Omaha, for Paying Agent Fee and opening fee in connection with 2016 General Obligation Bonds, as follows: (i) Series 2011 and Series 2012, in the amount of Four Hundred Sixty-Six and no/100 Dollars (\$466.00), and (ii) 2016 General Obligation Refunding Bonds, in the amount of Eight Hundred and no/100 Dollars (\$800.00); said statements being in the aggregate amount of One Thousand Two Hundred Sixty-Six and no/100 Dollars (\$1,266.00).

There was next presented a statement from Baird Holm LLP, bond counsel for the fiscal agent of the District, for services in connection with the 2016 General Obligation Refunding Bond issue, Sixteen Thousand Five Hundred and no/100 Dollars (\$16,500.00).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed in connection with the 2016 General Obligation Refunding Bond Issue, in the amount of Twenty Thousand Six Hundred Twenty-Five and no/100 Dollars (\$20,625.00).

There were next presented statements from Nebraska Public Power District, for lighting at Highway 75, from August, 2016, through October, 2016, **having a credit balance in the amount of Sixty-Nine and 74/100 Dollars (\$69.74).**

There were next presented statements of Summary Account #5843000090 from Omaha Public Power District, for street lights and other electrical services, in the aggregate amount of Four Thousand One Hundred Forty-Seven and 94/100 Dollars (\$4,147.94).

There were next presented statements from Schmader Electric Const. Co., for 2016 siren preventative maintenance and testing, as follows: (i) Invoice #33, in the amount of One Thousand Nine Hundred Sixty-Two and no/100 Dollars (\$1,962.00), and (ii) Invoice #94, in the amount of One Thousand Twenty and no/100 Dollars (\$1,020.00); said statements being in the aggregate amount of Two Thousand Nine Hundred Eighty-Two and no/100 Dollars (\$2,982.00).

There was next presented a statement from Midwest Farmers Cooperative, for the purchase of Aquastar, Invoice #012078, in the amount of One Hundred Seventy-Eight and 45/100 Dollars (\$178.45).

There were next presented statements from Nebraska Public Health Environmental Laboratory, for testing of water, as follows: (i) Invoice #480192, in the amount of One Hundred Thirty-Two and no/100 Dollars (\$132.00), and (ii) Invoice #481338, in the amount of Eighty-Three and no/100 Dollars (\$83.00); said statements being in the aggregate amount of Two Hundred Fifteen and no/100 Dollars (\$215.00).

There were next presented statements from One Call Concepts, Inc., for line locates within the District, as follows: (i) Invoice #6090573, in the amount of Two and 64/100 Dollars (\$2.64), and (ii) Invoice #6100567, in the amount of Two and 28/100 Dollars (\$2.28); said statements being in the aggregate amount of Four and 92/100 Dollars (\$4.92). **The Board was next reminded that it has a credit balance at this time.**

There was next presented a statement from Layne Christensen Company, for annual pump testing and maintenance, Invoice Order #107229117, in the amount of Eight Hundred Twenty-Nine and 13/100 Dollars (\$829.13).

There were next presented statements from Builders Supply Co., for miscellaneous purchases, as follows: (i) Invoice #00811526-001, in the amount of Four Thousand Two Hundred Fifty-One and 56/100 Dollars (\$4,251.56), (ii) Invoice #00821154-001, in the amount of One Hundred and 56/100 Dollars (\$100.56), (iii) Invoice #00822839-001, in the amount of Two Hundred Twenty-Eight and 31/100 Dollars (\$228.31), and (iv) Invoice #00831706-001, in the amount of One Hundred Fourteen and 18/100 Dollars (\$114.18); said statements being in the aggregate amount of Four Thousand Six Hundred Ninety-Four and 61/100 Dollars (\$4,694.61).

There was next presented a statement from DBA Natural Habitats, for stocking the lake with 500 (6-8") Largemouth Bass, Invoice #5979, in the amount of One Thousand Three Hundred Seventy-Five and no/100 Dollars (\$1,375.00).

There were next presented statements from Wiles Bros. Fertilizer, Inc., for purchase of MecamineD, as follows: (i) Invoice #7052, in the amount of Five Hundred Sixty-Five and 95/100 Dollars (\$565.95), and (ii) Invoice #7059, in the amount of Three Hundred Seventy-Seven and 30/100 Dollars (\$377.30); said statements being in the aggregate amount of Nine Hundred Forty-Three and 25/100 Dollars (\$943.25).

There was next presented a statement from Murray Building and Supply, for miscellaneous District maintenance purchases, Invoice #102011186, in the amount of One Hundred Ninety-Four and 22/100 Dollars (\$194.22).

There was next presented correspondence from Thompson, Dreessen & Dörner, Inc., engineers for the District, presenting and recommending payment in favor of Noerrlinger Construction, Inc., for equipment rental for miscellaneous District maintenance, Invoice #575, in the amount of Four Hundred Thirty-Six and no/100 Dollars (\$436.00).

There was next presented a statement from Pansing Hogan Ernst & Bachman LLP, attorneys for the District, for legal services performed through October 31, 2016, in the amount of Two Thousand Four Hundred Forty-Three and no/100 Dollars (\$2,443.00), and costs advanced in the amount of Nine Hundred Sixty-Five and 99/100 Dollars (\$965.99); said statement being in the aggregate amount of Three Thousand Four Hundred Eight and 99/100 Dollars (\$3,408.99).

There was next presented correspondence from Jim Noerrlinger, requesting reimbursement to Lake Waconda Association for payments made to the following for repairs to siding on the lake house: (i) Receipt from Menards, in the amount of Ninety-One and 89/100 Dollars (\$91.89), (ii) Receipt from Bomgaars, in the amount of Twenty-Six and 72/100 Dollars (\$26.72), and (iii) Invoice #0370746-IN, from General Roofing and Siding Supply Co., in the amount of One Hundred Ten and 27/100 Dollars (\$110.27); said receipts being in the aggregate amount of Two Hundred Twenty-Eight and 88/100 Dollars (\$228.88).

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 **5-0** 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 No. 5128 through 5137, 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

BOND Fund of the District and to draw interest at the rate of six and a half percent (6.5%) per annum (interest to be payable on February 10 of each year) and to be redeemed no later than November 16, 2021, 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. 5128, for the amount of One Thousand Two Hundred Sixty-Six and no/100 Dollars (\$1,266.00), payable to First National Bank of Omaha.

Warrant Nos. 5129 through 5131, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5132, for the amount of One Thousand Five Hundred and no/100 Dollars (\$1,500.00), payable to Baird Holm LLP.

Warrant Nos. 5133 through 5136, each for the amount of Five Thousand and no/100 Dollars (\$5,000.00), and Warrant No. 5137, for the amount of Six Hundred Twenty-Five and no/100 Dollars (\$625.00), 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 the Chairman and Clerk be and they hereby authorized and directed to execute and deliver Warrant Nos. 5138 through 5149, 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 November 16, 2019, 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. 5138, for the amount of Four Thousand One Hundred Forty-Seven and 94/100 Dollars (\$4,147.94), payable to Omaha Public Power District, Account #5843000090.

Warrant No. 5139, for the amount of Two Thousand Nine Hundred Eighty-Two and no/100 Dollars (\$2,982.00), payable to Schmader Electric Constr. Co.

Warrant No. 5140, for the amount of One Hundred Seventy-Eight and 45/100 Dollars (\$178.45), payable to Midwest Farmers Cooperative.

Warrant No. 5141, for the amount of Two Hundred Fifteen and no/100 Dollars (\$215.00), payable to Nebraska Public Health Environmental Laboratory.

Warrant No. 5142, for the amount of Eight Hundred Twenty-Nine and 13/100 Dollars (\$829.13), payable to Layne Christensen Company.

Warrant No. 5143, for the amount of Four Thousand Six Hundred Ninety-Four and 61/100 Dollars (\$4,694.61), payable to Builders Supply Co.

Warrant No. 5144, for the amount of One Thousand Three Hundred Seventy-Five and no/100 Dollars (\$1,375.00), payable to DBA Natural Habitats.

Warrant No. 5145, for the amount of Nine Hundred Forty-Three and 25/100 Dollars (\$943.25), payable to Wiles Bros. Fertilizer, Inc.

Warrant No. 5146, for the amount of One Hundred Ninety-Four and 22/100 Dollars (\$194.22), payable to Murray Building and Supply.

Warrant No. 5147, for the amount of Four Hundred Thirty-Six and no/100 Dollars (\$436.00), payable to Noerrlinger Construction, Inc.

Warrant No. 5148, for the amount of Three Thousand Four Hundred Eight and 99/100 Dollars (\$3,408.99), payable to Pansing Hogan Ernst & Bachman LLP.

Warrant No. 5149, for the amount of Two Hundred Twenty-Eight and 88/100 Dollars (\$228.88), payable to Lake Waconda Association.

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.

There was next presented a receipt from Cass County Treasurer representing a deposit to the District's general fund for insurance premium refund from Traveler's Property Casualty, in the amount of Six Hundred Forty-Seven and no/100 Dollars (\$647.00).

There was next presented a proposed septic tank easement for a lateral being installed on District property. The District's standard easement form was presented, as well as the standard fee for such easement. It was noted that no exhibit was attached to the easement so that the Board could determine the location of the proposed lateral. The Board unanimously approved such easement subject to receiving an appropriate exhibit for such lateral.

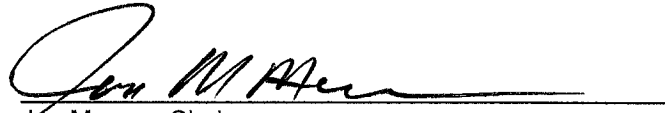
The Board next had an informal discussion as to the status of sea walls in the District and certain controversies that had developed regarding the type and integrity of certain installed sea walls. The Board

elected, at this time, not to become directly involved, as it felt that it was a homeowners or property owners issue, as opposed to a sanitary and improvement district issue.

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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 November 16, 2016, meeting.



Jon Meyers, Clerk