A meeting of the Board of Directors (the "Board") of the Papio-Missouri River Natural Resources District, in the State of Nebraska (the "District") was held at 7:00 p.m. on October 13, 2016, at the District's Omaha City Office, 8901 S. 154 Street, Omaha, Nebraska, in a publicly convened session, the same being open to the attendance of the public and having been preceded by advance publicized notice, said advance publicized notice having been given in strict accordance with the provisions of Article 14, Chapter 84, Reissue Revised Statutes of Nebraska, as amended, and having set forth (a) the time, date, and place of this meeting; (b) that this meeting would be open to the attendance of the public; and (c) that an agenda of then known subjects to be taken up at the meeting could be obtained from the office of the District. A copy of the affidavit of publication of said advance publicized notice was ordered annexed to the minutes of this meeting. Additionally, reasonable efforts were made to provide advance notification of the meeting to all news media requesting the same of the time, date, and place of the meeting. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

The following members were present: ______________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________

Absent were: ____________________________.

A quorum being present and the meeting duly commenced, the following proceedings were had and done. At the beginning of the meeting the Chairperson of the Board publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was posted for review and indicated the location of such copy in the room where the meeting was being held.

Board Member _______________ then introduced the following resolution and moved its adoption:
CALL RESOLUTION  
(2011A BONDS)

BE IT RESOLVED by the Board of Directors (the "Board") of the Papio-Missouri River Natural Resources District, in the State of Nebraska (the "District"), as follows:

Section 1. The following obligations of the District, in accordance with their option provisions are hereby authorized to be called for redemption on a date to be determined as provided in a Direction for Call (as defined below):

Water Project Revenue Refunding Bonds (Washington County Rural Water Project No. 2), Series 2011A, in the principal amount of One Million Two Hundred Thousand Dollars ($1,200,000), numbered as shown on the books of the Paying Agent and Registrar, in denomination of $5,000 each, becoming due and bearing interest as follows:

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Maturity Date</th>
<th>Interest Rate</th>
<th>CUSIP No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$140,000*</td>
<td>June 15, 2018</td>
<td>2.80%</td>
<td>69887E CC4</td>
</tr>
<tr>
<td>100,000</td>
<td>June 15, 2020</td>
<td>3.30</td>
<td>69887E CD2</td>
</tr>
<tr>
<td>110,000</td>
<td>June 15, 2022</td>
<td>3.70</td>
<td>69887E CE0</td>
</tr>
<tr>
<td>115,000</td>
<td>June 15, 2024</td>
<td>4.00</td>
<td>69887E CF7</td>
</tr>
<tr>
<td>125,000</td>
<td>June 15, 2026</td>
<td>4.30</td>
<td>69887E CG5</td>
</tr>
<tr>
<td>140,000</td>
<td>June 15, 2028</td>
<td>4.50</td>
<td>69887E CH3</td>
</tr>
<tr>
<td>515,000</td>
<td>June 15, 2032</td>
<td>5.00</td>
<td>69887E CJ9</td>
</tr>
</tbody>
</table>

*$95,000 outstanding after payment of 6/15/16 sinking fund installment.

Said bonds are hereinafter referred to as the "Refunded Bonds." The Refunded Bonds are subject to redemption at any time on or after June 10, 2016, at par and accrued interest.

Section 2. The Refunded Bonds are to be paid at the office of First National Bank of Omaha, Fremont, Nebraska (successor to The Fremont National Bank and Trust Company, in Fremont, Nebraska), as paying agent and registrar (the "Paying Agent").

Section 3. The Chairperson, Vice Chairperson, Treasurer and/or General Manager of the District, or any other officer designated by one of such officers (each, an "Authorized Officer") are each individually hereby authorized at any time on or after the date of this resolution to direct the redemption of the Refunded Bonds and to determine on behalf of the District the date on which the Refunded Bonds are to be called for redemption (the "Call Date") and such direction and determination, when made in writing (the "Direction for Call"), shall constitute the action of the District without further action of the Board. The Direction for Call shall include a description of that portion of the Refunded Bonds called for redemption as determined appropriate by the Authorized Officers. The Call Date shall be set for any date prior to March 31, 2017, and after such date the Authorized Officers shall have no authority to make any such determination hereunder without further action of the Board and this resolution shall be of no further force and effect.
Section 4. An executed Direction for Call shall be filed with the Paying Agent, whereupon the Paying Agent shall mail notice to each registered owner of the Refunded Bonds not less than thirty (30) days prior to the date fixed for redemption, all in accordance with the resolution authorizing the issuance of the Refunded Bonds.

ADOPTED October 13, 2016.

____________________________________ _________________________________
Secretary   Chairperson
The motion for adoption was seconded by Board Member ________________. The Chairperson then stated the question was, "Shall this Resolution be passed and adopted?" Upon roll call vote, the following Board Members voted YEA: ________________________________ 
_________________________________________; the following voted NAY: _________________________________. The passage and adoption of said resolution having been concurred in by two thirds of all members of the Board, the Chairperson declared the resolution adopted and the Chairperson, in the presence of the Board of Directors, signed and approved the resolution and the Secretary attested the passage and approval of the same and affixed his signature thereto.

Board Member ________________ then introduced the following resolution and moved its adoption:
CALL RESOLUTION  
(2014 BOND)

BE IT RESOLVED by the Board of Directors (the "Board") of the Papio-Missouri River Natural Resources District, in the State of Nebraska (the "District"), as follows:

Section 1. The following obligations of the District, in accordance with their option provisions are hereby authorized to be called for redemption on a date to be determined as provided in a Direction for Call (as defined below):

Junior Lien Water Project Revenue Refunding Bond (Washington County Rural Water Project), Series 2014, issued in the original principal amount of $550,000.

Said bond is hereinafter referred to as the "Refunded Bond." The Refunded Bond is subject to redemption and prepayment at any time, at par and accrued interest.

Section 2. The Refunded Bond is to be paid at the office of the Treasurer of the District, as paying agent and registrar (the "Paying Agent").

Section 3. The Chairperson, Vice Chairperson, Treasurer and/or General Manager of the District, or any other officer designated by one of such officers (each, an "Authorized Officer") are each individually hereby authorized at any time on or after the date of this resolution to direct the redemption and repayment of the Refunded Bond and to determine on behalf of the District the date on which the Refunded Bond is to be redeemed and prepaid (the "Call Date") and such direction and determination, when made in writing (the "Direction for Call"), shall constitute the action of the District without further action of the Board. The Direction for Call shall include a description of the portion of the Refunded Bond called for redemption as determined appropriate by the Authorized Officers. The Call Date shall be set for any date prior to March 31, 2017, and after such date the Authorized Officers shall have no authority to make any such determination hereunder without further action of the Board and this resolution shall be of no further force and effect.

Section 4. An executed Direction for Call shall be filed with the Paying Agent, whereupon the Paying Agent shall mail notice to each registered owner of the Refunded Bond not less than thirty (30) days prior to the date fixed for redemption, all in accordance with the resolution authorizing the issuance of the Refunded Bond. Each Authorized Officer may also give any other notice or take any other action required by the holder of the Refunded Bond in connection with the redemption and prepayment thereof.

ADOPTED this October 13, 2016.

____________________________________ _________________________________
Secretary   Chairperson
The motion for adoption was seconded by Board Member _______________. The Chairperson then stated the question was, "Shall this Resolution be passed and adopted?" Upon roll call vote, the following Board Members voted YEA: ________________________________________

__________________________________________

__________________________________________

_______________________________________________________________________________

_______________________________________________________________________________

________________; the following voted NAY:  ______________________________. The passage and adoption of said resolution having been concurred in by two thirds of all members of the Board, the Chairperson declared the resolution adopted and the Chairperson, in the presence of the Board of Directors, signed and approved the resolution and the Secretary attested the passage and approval of the same and affixed his signature thereto.

Board Member _________________ then introduced the following resolution and moved its adoption:
RESOLUTION AUTHORIZING ISSUANCE OF SERIES 2016A REFUNDING BONDS
(REFUNDING OF SERIES 2011A AND 2014 BONDS)

BE IT RESOLVED by the Board of Directors (the "Board") of the Papio-Missouri River Natural Resources District, in the State of Nebraska (the "District"), as follows:

Section 1. Findings and Determinations. The Board hereby finds and determines as follows:

(a) pursuant to Sections 2-3252 to 2-3255, R.R.S. Neb., as amended, the District previously established improvement project areas designated Washington County Rural Water Project No. 1 ("WC Project No. 1") and Washington County Rural Water Project No. 2 ("WC Project No. 2") to serve portions of Washington County; and

(b) the District has constructed rural water system improvements to serve WC Project No. 1 (such improvements, as presently existing and all additions, extensions and improvements thereto hereafter constructed by the District to serve WC Project No. 1 and for which revenue bonds may be issued under the terms of Section 2-3226, R.R.S. Neb., as amended [the "Act"] being herein referred to and collectively designated as the "WC1 Water System"), and has constructed rural water system improvements to serve WC Project No. 2 (such improvements, as presently existing and all additions, extensions and improvements thereto hereafter constructed by the District to serve WC Project No. 2 and for which revenue bonds may be issued under the terms of the Act, being herein referred to and collectively designated as the "WC2 Water System"); and

(c) the District has issued and there are now outstanding its Water Project Revenue Refunding Bonds (Washington County Rural Water Project No. 2), Series 2011A (the "2011A Bonds") presently outstanding in the principal amount of $1,200,000, maturing on June 15 of the years 2018 through 2032, inclusive, and in connection with the issuance of the 2011A Bonds the revenues of the WC2 Water System were pledged for repayment of the 2011A Bonds; and

(d) the District has issued and there is now outstanding its Junior Lien Water Project Revenue Refunding Bond (Washington County Rural Water Project), Series 2014 (the "2014 Bond"), and in connection with the issuance of the 2014 Bond the revenues of the WC2 Water System were pledged for repayment of the 2014 Bond; and

(e) the District has taken actions to extend the boundaries of both the WC1 Water System and the WC2 Water System and to effect a financial merger of the WC1 Water System and the WC2 Water System into a combined service area (together, the "Water System"); and

(f) the Water System constitutes and is determined to be a revenue producing facility for which revenue bonds may be issued under the terms of the Act; and

(g) the 2011A Bonds are subject to redemption at any time on or after June 10, 2016, and by resolution of this Board adopted contemporaneously with this resolution.
(the "2011A Call Resolution"), the 2011A Bonds maturing June 15 in the years 2018 through and including 2032 (the "2011A Refunded Bonds") have been authorized to be called for redemption on such date as determined by an authorized officer of the District (the "2011A Redemption Date"); and

(h) the 2014 Bond is subject to redemption at any time, and by resolution of this Board adopted contemporaneously with this resolution (the "2014 Call Resolution"), the 2014 Bond has been authorized to be called for redemption on such date as determined by an authorized officer of the District (the "2014 Redemption Date" and together with the 2011A Redemption Date, the "Redemption Date"); and

(i) other than the 2011A Bonds and the 2014 Bonds (together, the "Refunded Bonds"), there is presently no indebtedness of the District for which the revenues of the Water System have been pledged; and

(j) in connection with certain improvements to the Water System (the "NDEQ Project"), the District intends to issue contemporaneously with the issuance of the Bonds authorized herein its Water System Revenue Bond, Series 2016B (issued as a single promissory note to the Nebraska Department of Environmental Quality) (the "2016B Bond"), which is to be secured by a lien upon and a pledge of the revenues of the Water System on an equal and ratable basis with the Bonds herein authorized; and

(k) all conditions required to exist or to be done precedent to the issuance of the Water System Revenue Refunding Bonds, Series 2016A, herein authorized pursuant to the Act in the principal amount of not to exceed $2,000,000 do exist and have been done.

Section 2. Defined Terms. In addition to the definitions provided in parentheses elsewhere in this Resolution, the following definitions of terms shall apply, unless the context shall clearly indicate otherwise:

(a) The term "Additional Bonds" shall mean any and all bonds hereafter issued by the District pursuant to the terms of this Resolution which are equal in lien to the Bonds and the 2016B Bond, including all such bonds issued pursuant to Section 15 and refunding bonds issued pursuant to Section 16.

(b) The term "Average Annual Debt Service Requirements" shall mean that number computed by adding all of the principal and interest due when computed to the absolute maturity of the bonds for which such computation is required and dividing by the number of years remaining that the longest bond of any issue for which such computation is required has to run to maturity. In making such computation, (i) the principal of any bonds for which mandatory redemptions are scheduled shall be treated as maturing in accordance with such schedule of mandatory redemptions and (ii) the principal of the final maturity of any bonds for which a sub-account has been established in the Debt Service Reserve Account shall be treated as reduced by the amount required to be held in such sub-account, so long as the amounts in such sub-account are required to be applied to payment of the final principal maturity of such bonds at maturity.
(c) The term "Deposit Securities" shall mean obligations of the United States of America, direct or unconditionally guaranteed, including any such obligations issued in book entry form.

(d) The term "Net Revenues" shall mean the revenues (as defined below), not including any income from the sale or other disposition of any property belonging to or forming a part of the Water System, less the ordinary expenses for operating and maintaining the Water System payable from the Operation and Maintenance Account described in Section 13 of this Resolution. Operation and Maintenance expenses for purposes of determining "Net Revenues" shall not include depreciation, amortization of financing expenses or interest on any bonds or other indebtedness. Net Revenues for all purposes of this Resolution shall be shown by an audit for the fiscal year in question as conducted by an independent certified public accountant or firm of such accountants, provided that if (a) such audit has not yet been completed and (b) a period of not more than 120 days have elapsed from the ending date of such fiscal year, then the Net Revenues may be shown by the audit report for the fiscal year immediately preceding the fiscal year in question and confirmation given by the District's Treasurer that the unaudited information then available to the District for the fiscal year in question, if used as the basis for determining Net Revenues, would not result in a showing of Net Revenues insufficient to meet the test or tests for which Net Revenues are being determined.

(e) The term "Paying Agent and Registrar" shall mean the financial institution appointed to act as paying agent and registrar for the Bonds pursuant to Section 4 hereof, or any successor thereto.

(f) The term "revenues" shall mean all of the rates, rentals, fees and charges, earnings and other monies, including investment income, from any source derived by the District through its ownership and operation of the Water System, including any and all payments to be received by the District for such system under the terms of interlocal agreements related thereto.

Section 3. Authorization of Bonds. To provide for prepayment and redemption of the Refunded Bonds as described in Section 1 hereof and to pay costs of issuance, there shall be and there are hereby ordered issued negotiable bonds of the District to be designated as "Water System Revenue Refunding Bonds, Series 2016A" (the "Bonds") in the aggregate principal amount of not to exceed Two Million Dollars ($2,000,000). The Bonds shall bear interest at the rates per annum and mature on the dates and in such amounts as shall be determined in a written designation (the "Designation") signed by the Chairperson, Vice Chairperson, Treasurer and/or General Manager of the District, or any other officer designated by one of such officers (each, an "Authorized Officer") on behalf of the Board and which may be agreed to by D.A. Davidson & Co. (the "Underwriter"), which Designation may also determine or modify the series designation, principal amount for each maturity, redemption provisions, pricing and sale terms, and other terms applicable to the Bonds, all within the following limitations:

(a) the aggregate stated principal amount of the Bonds shall not exceed the amount set forth above in this Section 3;
(b) the bonds may be sold bearing original issue premium or discount; provided that the aggregate amount of original issue premium and original issue discount (if any) results in net proceeds sufficient to accomplish the intended refunding;

(c) the longest maturity of the Bonds may not be later than December 31, 2036;

(d) the true interest cost of the Bonds shall not exceed 3.75% per annum;

(e) the Bonds shall bear interest at such rates per annum so that debt service payable on the Bonds provides at least a net present value savings to the District over the debt service payable on the Refunded Bonds in an amount satisfactory to the Board, taking into account other contractual and restructuring advantages to the District (the execution of the Designation by an Authorized Officer shall be conclusive evidence that such net present value savings and other advantages are satisfactory to the Board);

(f) two or more of the principal maturities may be combined and issued as "term bonds" and the Authorized Officer may determine the mandatory sinking fund payments and mandatory redemption amounts; any Bonds issued as "term bonds" shall be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and may be selected for redemption by any random method of selection determined appropriate by the Registrar (as hereinafter designated) or by the Depository (as hereinafter designated).

The Authorized Officers (or any one of them) are hereby authorized to make such determinations on behalf of the Board and to evidence the same by execution and delivery of the Designation and such determinations, when made and agreed to by the Underwriter, shall constitute the action of the District without further action of the Board.

The Bonds shall be issued in fully registered form in the denomination of $5,000 or any integral multiple thereof. The date of original issue of the Bonds shall be the date of delivery thereof. Interest on the Bonds, at the respective rate for each maturity, shall be payable semiannually on June 15 and December 15 of each year commencing December 15, 2016 (or such other dates as may be determined in the Designation, each an "Interest Payment Date"), and the Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date to which interest has been paid or provided for, whichever is later. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the fifteenth day immediately preceding the Interest Payment Date (or such other date as may be determined in the Designation, the "Record Date"), subject to the provisions of Section 5 hereof. The Bonds shall be numbered from 1 upwards in the order of their issuance. No Bond shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the Bonds issued shall be as directed by the initial purchaser thereof. Payments of interest due on the Bonds prior to maturity or earlier redemption shall be made by the Paying Agent and Registrar as designated pursuant to Section 4 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the
registered owner of each Bond, as of the Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 4 hereof. Payments of principal due at maturity or at any date fixed for redemption prior to maturity together with any unpaid interest accrued thereon shall be made by the Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to the Paying Agent and Registrar. The District and the Paying Agent and Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payments thereon and for all other purposes and neither the District nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary whether such Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the District and the Paying Agent and Registrar, in respect of the liability upon the Bonds or claims for interest to the extent of the sum or sums so paid.

Section 4. Paying Agent and Registrar; Registration and Transfer of Bonds. First National Bank of Omaha (or such other entity as appointed by the District in the Designation, the "Paying Agent and Registrar") is hereby designated to serve as Paying Agent and Registrar for the Bonds. Said Paying Agent and Registrar shall serve in such capacities under the terms of an agreement entitled "Paying Agent and Registrar's Agreement" between the District and said Paying Agent and Registrar. Any Authorized Officer is hereby authorized to execute and deliver a Paying Agent and Registrar's Agreement with said Paying Agent and Registrar, in substantially the form presented in connection with the adoption of this Resolution but with such changes as such officers shall deem appropriate or necessary on behalf of the District. The Paying Agent and Registrar shall keep and maintain for the District books for the registration and transfer of the Bonds at its principal corporate trust office (located initially as provided in the Paying Agent and Registrar's Agreement, but subject to change upon written notice from the Paying Agent and Registrar to the District and all registered owners of the Bonds, the "Designated Office"). The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. Any Bond may be transferred pursuant to its provisions at the Designated Office of said Paying Agent and Registrar by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Paying Agent and Registrar, on behalf of the District, will deliver at the Designated Office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of the transferee owner or owners, a new Bond or Bonds of the same series, interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Bonds by this Resolution, one Bond may be transferred for several such Bonds of the same series, interest rate and maturity, and for a like aggregate principal amount, and several such Bonds may be transferred for one or several such Bonds, respectively, of the same series, interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bond shall be canceled and destroyed. All Bonds issued upon transfer of the Bonds so surrendered shall be valid obligations of the District evidencing the same obligations as the Bonds surrendered and shall be entitled to all the benefits and protection of this Resolution to the same extent as the Bonds upon transfer of which they were delivered. The District and said Paying Agent and Registrar shall not be required to transfer any Bond during any period from any Record Date until its immediately following Interest Payment Date or to transfer
any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

Section 5. **Special Record Date.** In the event that payments of interest due on the Bonds on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners of the Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 6. **Redemption of Bonds.** The Bonds shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth (5th) anniversary of the Date of Delivery (or such other date as provided in the Designation) at par plus the interest accrued on the principal amount being redeemed to the date fixed for redemption. The District may select the Bonds to be redeemed for such optional redemption in its sole discretion. The Bonds designated as term bonds in the Designation may be subject to mandatory sinking fund redemption as and to the extent provided in the Designation. Bonds shall be redeemed only in amounts of $5,000 or integral multiples thereof. Any Bond redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new Bond, of the same maturity and interest rate, evidencing the unredeemed principal thereof. Notice of redemption of any Bond called for redemption shall be given, at the direction of the District in the case of optional redemptions and without further direction in the case of mandatory redemptions, by said Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Bond at said owner’s registered address. Such notice shall designate the Bond or Bonds to be redeemed by maturity or otherwise, the date of original issue and the date fixed for redemption and shall state that such Bond or Bonds are to be presented for prepayment at the Designated Office of said Paying Agent and Registrar. In case of any Bond partially redeemed, such notice shall specify the portion of the principal amount of such Bond to be redeemed. No defect in the mailing of notice for any Bond shall affect the sufficiency of the proceedings of the District designating the Bonds called for redemption or the effectiveness of such call for Bonds for which notice by mail has been properly given and the District shall have the right to direct further notice of redemption for any such Bond for which defective notice has been given. The Paying Agent and Registrar shall select term bonds, if any, for early redemption using any random method of selection determined appropriate by such Paying Agent and Registrar, subject to the terms of Section 9 of this Resolution.

Section 7. **Payment on Non-Business Days.** If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which the banking institutions in the city where the Designated Office of the Paying Agent and Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 8. **Form of Bonds.** The Bonds shall be in substantially the following form:
UNITED STATES OF AMERICA
STATE OF NEBRASKA
PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT

WATER SYSTEM REVENUE REFUNDING BOND, SERIES 2016A

No. ____ $__________
Interest Rate _____
Maturity Date December 15, 20__
Date of Original Issue November __, 2016
CUSIP

Registered Owner:
Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the Papio-Missouri River Natural Resources District, in the State of Nebraska (the "District") hereby acknowledges itself to owe and for value received promises to pay, but only from the special sources hereinafter described, to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Interest Payment Date to which interest has been paid or provided for, whichever is later, at the rate per annum specified above, payable semiannually on June 15 and December 15 of each year commencing December 15, 2016 (each, an "Interest Payment Date"). Such interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of this bond together with interest thereon unpaid and accrued at maturity (or earlier redemption) is payable upon presentation and surrender of this bond at the designated corporate trust office of ________________________, as Paying Agent and Registrar, in ____________, ___________. Interest on this bond due prior to maturity or earlier redemption will be paid on each Interest Payment Date by a check or draft mailed by the Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the fifteenth day immediately preceding the Interest Payment Date, to such owner's address as shown on such books and records (the "Record Date"). Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

This bond is one of an issue of fully registered bonds of the total principal amount of ________________________ Dollars ($_____________) of even date and like tenor, except as to the date of maturity, rate of interest and denomination (the "Bonds"), which were issued by the District for the purposes of refunding its Water Project Revenue Refunding Bonds (Washington County Rural Water Project No. 2), Series 2011A, in the outstanding principal amount of $1,200,000 and its Junior Lien Water Project Revenue Refunding Bond (Washington
County Rural Water Project), Series 2014, all of which bonds were issued for the purpose of refinancing the costs of constructing and acquiring a rural water distribution system to serve the District's Washington County Rural Water Project No. 2 and portions of the City of Blair, Nebraska and to pay costs of issuance; and this bond is issued pursuant to the terms of a resolution (the "Resolution") adopted by the Board of Directors of said District in accordance with and under the provisions of Section 2-3226, R.R.S. Neb. 2012, as amended, and Section 10-142, R.R.S. Neb. 2012.

The bonds of said issue are subject to redemption at the option of the District, in whole or in part, on the fifth (5th) anniversary of the date of original issue or at any time thereafter, at the principal amount thereof together with accrued interest on the principal amount redeemed to the date fixed for redemption. Such redemption shall be made from time to time as shall be directed by the Board of Directors of the District.

[The Bonds due as term bonds in the years as follows (the "Term Bonds") are required to be redeemed, in part, prior to their stated maturity, on the dates shown below, and to be paid at maturity which redemptions and payment at maturity shall be in the years and for the principal amounts set forth below:

<table>
<thead>
<tr>
<th>Date of Redemption</th>
<th>Amount Required to be Redeemed</th>
</tr>
</thead>
</table>

Such mandatory redemptions for the Term Bonds shall be at a price equal to 100% of the principal amount redeemed plus interest accrued on the principal amount being redeemed to the date fixed for redemption. The Paying Agent and Registrar shall select the Term Bonds for mandatory redemption using any random method of selection deemed appropriate by the Paying Agent and Registrar, subject to the terms of the Resolution.]

The District may select the Bonds for redemption in its sole discretion. Notice of redemption shall be given by mail to the registered owner of any Bond called for redemption in the manner specified in the Resolution. Individual bonds may be redeemed in part but only in the amount of $5,000 or integral multiples thereof.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the designated corporate trust office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond or bonds of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the Resolution, subject to the limitations therein prescribed. The District, the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all other purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the day for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated
corporate trust office of the Paying Agent and Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

The revenues and earnings of the District's Water System, as defined in the Resolution, are pledged and hypothecated by the District for the payment of this bond and the other Bonds of this issue and the 2016B Bond, and also for the payment of any additional bonds of equal priority issued in accordance with the terms of the Resolution. The Bonds are a lien only upon said revenues and earnings and are not general obligations of the District, nor are the Bonds supported in any way by taxation.

The Resolution sets forth the covenants and obligations of the District with respect to the Water System and the applications of the revenues and earnings thereof, which revenues and earnings under the terms of the Resolution are required to be deposited to the "Water System Fund” as established under the Resolution and disbursed to pay costs of operation and maintenance of the Water System, make payments of principal and interest on the Bonds, the 2016B Bond, and any additional bonds of equal priority with said Bonds and other payments as specified in the Resolution. The Resolution also designates the terms and conditions under which additional bonds of equal priority with the Bonds may be issued. The Resolution also designates the terms and conditions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and all covenants, agreements and obligations of the District under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if monies or certain specified securities shall have been deposited with a trustee bank. In the Resolution, the District also reserves the right to issue bonds or notes junior in lien to the Bonds, the 2016B Bond and any additional bonds of equal priority to the Bonds, the principal and interest of which shall be payable from monies in the "Retained Revenues Account” of the Water System Fund as described in the Resolution.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond did exist, did happen and were done and performed in regular and due form and time as provided by law.

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE RESOLUTION TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.
UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

This bond shall not be valid and binding on the District until authenticated by the Paying Agent and Registrar.

IN WITNESS WHEREOF, the Board of Directors of the Papio-Missouri River Natural Resources District, in the State of Nebraska, have caused this bond to be executed on behalf of the District with the facsimile signatures of the Chairperson and Secretary of the District, all as of the Date of Original Issue shown above.

PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT, IN THE STATE OF NEBRASKA

ATTEST: ____________________________
  (facsimile signature)            Chairperson
  (facsimile signature)            Secretary

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds authorized by resolution of the Board of Directors of Papio-Missouri River Natural Resources District, in the State of Nebraska, as described in the foregoing bond.

_________________________________.
Paying Agent and Registrar

By ____________________________
  (Sample – Do Not Sign)     Authorized Signature
(FORM OF ASSIGNMENT)

For value received ______________ hereby sells, assigns, and transfers unto ______________ the within bond and hereby irrevocably constitutes and appoints ______________, Attorney, to transfer the same on the books of registration in the office of the within mentioned Paying Agent and Registrar with full power of substitution in the premises.

Date:____________________________________
_________________________________________
__________________________________

Registered Owner(s)

Signature Guaranteed

By: ___________________________________
________________________________
Authorized Officer

Note: The signature(s) on this assignment MUST CORRESPOND with the name(s) as written on the face of the within bond in every particular, without alteration, enlargement or any change whatsoever, and must be guaranteed by a commercial bank or a trust company or by a firm having membership on the New York, Midwest or other stock exchange.
Section 9. **Book-Entry System; Issuance and Sale of Bonds.** Each of the Bonds shall be executed on behalf of the District with the manual or facsimile signatures of the Chairperson and Secretary of the District. The Bonds shall be issued initially as "book-entry-only" bonds using the services of The Depository Trust Company (the "Depository"), with one typewritten bond certificate per maturity being issued to the Depository. In such connection said officers are authorized to execute and deliver a letter of representations (the "Letter of Representations") in the form required by the Depository (which may be in the form of a blanket letter, including any blanket letter previously executed and delivered), for and on behalf of the District, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Bonds. Upon the issuance of the Bonds as "book-entry-only" bonds, the following provisions shall apply:

(a) The District and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds as securities depository (each, a "Bond Participant") or to any person who is an actual purchaser of a Bond from a Bond Participant while the Bonds are in book-entry form (each, a "Beneficial Owner") with respect to the following:

(i) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the Bonds,

(ii) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or

(iii) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Bonds.

The Paying Agent and Registrar shall make payments with respect to the Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Bonds to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the District, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (ii) to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging such Bonds shall designate.
(c) If the District determines that it is desirable that certificates representing the Bonds be delivered to the Bond Participants and/or Beneficial Owners of the Bonds and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the Bonds may be delivered in physical form to the following:

(i) any successor securities depository or its nominee; or

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section.

(f) In the event of any partial redemption of a Bond unless and until such partially redeemed Bond has been replaced in accordance with the provisions of this Resolution, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such Bond as is then outstanding and all of the Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository resigns and is not replaced or upon termination by the District of book-entry-only form, the District shall immediately provide a supply of bond certificates for issuance upon subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement bond certificates upon transfer or partial redemption, the District agrees to order printed an additional supply of bond certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting officers. In case any officer whose signature or facsimile thereof shall appear on any Bond shall cease to be such officer before the delivery of such Bond (including any bond certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such Bond. The Bonds shall not be valid and binding on the District until authenticated by the Paying Agent and Registrar. The Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Bonds, they shall be delivered to the District's
Treasurer, acting on behalf of the District, who shall deliver them to D.A. Davidson & Co. (the "Underwriter"), as the initial purchaser thereof, for a purchase price of 98.5% of the stated principal amount of the Bonds (or such other price, which may take into account any applicable original issue premium and/or discount, as set forth in the Designation) plus accrued interest, if any, on the stated principal amount of the Bonds to date of payment and delivery, pursuant to a bond purchase agreement between the District and the Underwriter in such form as may be approved by an Authorized Officer (including the form presented, if any). The Underwriter and its agents and representatives and the District's bond counsel are hereby authorized to take such actions on behalf of the District as are necessary to effectuate the closing of the issuance and sale of the Bonds, including, without limitation, authorizing the release of the Bonds by the Depository at closing. A record of information with respect to the Bonds shall also be filed with the office of the Auditor of Public Accounts as required under Section 10-140, R.R.S. Neb. 2012, as amended. The Underwriter shall have the right to direct the registration of the Bonds and the denominations thereof within each maturity, subject to the restrictions of this Resolution. The Secretary, acting on behalf of the District, shall make and certify a transcript of the proceedings of the governing body with respect to the Bonds which shall be delivered to said initial purchaser. Upon execution and delivery of the Designation, this Resolution together with the Designation executed by the District and the said initial purchaser shall constitute the contract between the District and said initial purchaser with respect to the sale of the bonds.

Section 10. Water System Revenue Pledge. For the payment of the Bonds, both principal and interest, the District hereby pledges, hypothecates and grants a security interest in the entire revenues and earnings of the Water System as a first and prior pledge and encumbrance of such revenues, in accordance with the terms of this Resolution, such pledge, hypothecation and security interest being on an equal and ratable basis with the 2016B Bond and any Additional Bonds issued from time to time as described in this Resolution. The pledge and hypothecation provided for the Bonds in this Resolution is intended to be and shall provide for a first and prior pledge and lien upon and security interest in the revenues of the Water System superior to any pledge, lien or security interest made or given with respect to any other indebtedness of the District as to its Water System (other than the 2016B Bond and any such Additional Bonds) and is intended as a full exercise of the powers of the District provided for in the Act, as now or hereafter amended, with respect to the District's Water System and the revenues and earnings thereof. The Bonds are a lien only upon said revenues and earnings and are not general obligations of the District, nor are the Bonds supported in any way by taxation.

Section 11. Use of Bond Proceeds. The proceeds of the Bonds shall be deposited with the District's Treasurer and applied to the redemption and repayment of the Refunded Bonds and to pay certain costs of issuance as determined by an Authorized Officer.

Section 12. Covenant to Establish and Collect Rates and Charges. The District hereby agrees that it will impose and maintain and shall revise from time to time when necessary and shall collect such rentals, rates, fees and charges for the use and services of the Water System which shall be sufficient at all times to produce revenues and earnings sufficient at all times:

(a) to provide for the payment of interest on and principal of the Bonds, the 2016B Bond and any Additional Bonds as such interest and principal become due;
(b) to pay all reasonable costs of operation and maintenance of the Water System, including adequate insurance as provided by this Resolution and to pay for the necessary and reasonable repairs, replacements and extensions of said Water System;

(c) to provide funds sufficient to make the credits into the accounts and at the times and in the amounts required by Section 13 of this Resolution; and

(d) to maintain Net Revenues in each fiscal year adopted by the District for the Water System in an amount not less than 125% of the total amount of principal paid or payable (exclusive of any principal redeemed prior to maturity other than principal redeemed pursuant to a schedule of mandatory redemptions) and interest falling due during such fiscal year on the Bonds, the 2016B Bond and any Additional Bonds (the "Coverage Requirement").

If the Net Revenues in any fiscal year are insufficient to satisfy the Coverage Requirement required by Section 12(d) hereof, the District shall retain a qualified consultant (within 30 days after the date that the audited financial statements demonstrating such Net Revenues are accepted by the District’s Board) to make recommendations with respect to the rates, fees and charges of the Water System and the District’s methods of operation and other factors affecting the financial condition of the Water System in order to satisfy the Coverage Requirement. The District shall follow the recommendations of such consultant to the extent deemed feasible by the Board and permitted by law. So long as the District retains a consultant and follow such consultant’s recommendations to the extent feasible and permitted by law, this Coverage Requirement shall be deemed to be complied with for any fiscal year as long as the Net Revenues for such fiscal year for the Water System are not less than 100% of the total amount of principal paid or payable (exclusive of any principal redeemed prior to maturity other than principal redeemed pursuant to a schedule of mandatory redemptions) and interest falling due during such fiscal year on the Bonds, the 2016B Bond and any Additional Bonds.

Section 13. Funds and Accounts. In connection with the pledge of the revenues and earnings of the Water System for the payment of principal of and interest on the Bonds, the 2016B Bond and any Additional Bonds, the District does hereby agree with the holders of said Bonds as follows:

(a) WATER SYSTEM FUND - The entire gross revenues and income derived from the operation of the Water System shall be set aside as collected and deposited in a separate fund which is hereby ordered established and designated as the "Water System Fund." For purposes of allocating the monies in the Water System Fund, the District shall maintain the following accounts (by the terms of this Resolution directed to be established): (1) Operation and Maintenance Account; (2) Bond Payment Account; (3) Debt Service Reserve Account; and (4) Retained Revenues Account.

(b) OPERATION AND MAINTENANCE ACCOUNT - Out of the Water System Fund there shall be monthly credited into the Operation and Maintenance Account such amounts as the District shall from time to time determine to be necessary to pay the
reasonable and necessary expenses of operating and maintaining the Water System, and the District may withdraw funds credited to the Operation and Maintenance Account as necessary from time to time to pay such expenses.

(c) **BOND PAYMENT ACCOUNT** - Out of the Water System Fund there shall be credited monthly on or before the first day of each month to the Bond Payment Account, the following amounts:

1. Commencing on the first (1st) day of the month following the month in which the Bonds are issued (the "Initial Deposit Date"), and continuing on the corresponding day of each month thereafter an amount which, when combined with additional equal monthly amounts to be deposited pursuant to this subparagraph prior to the next falling Interest Payment Date, will be sufficient to provide funds to pay the installment of interest due with respect to the Bonds on such Interest Payment Date; and

2. Commencing on the Initial Deposit Date, and continuing on the corresponding day of each month thereafter an amount which, when combined with additional equal monthly amounts to be deposited pursuant to this subparagraph prior to the next principal maturity date (or mandatory sinking fund redemption date, if applicable) with respect to the Bonds will be sufficient to provide funds to pay such maturing principal amount (or make such mandatory sinking fund redemption payment, if applicable) on such date.

The District Treasurer is hereby authorized and directed, without further authorization, to withdraw monies credited to the Bond Payment Account, or if the monies in such Account are insufficient, then from the Debt Service Reserve Account (but only from the appropriate debt service reserve sub-account) and next from the Retained Revenues Account, in an amount sufficient to pay, when due, the principal of and interest on the Bonds, the 2016B Bond or any Additional Bonds and to transfer such amounts due to the Paying Agent and Registrar (or other paying agent for Additional Bonds or, in the case of the 2016B Bond, to NDEQ) at least five (5) business days before each principal and interest payment date. Upon the issuance of any Additional Bonds pursuant to this Resolution appropriate additional credits to the Bond Payment Account shall be provided sufficient to pay principal and interest on said Additional Bonds.

(d) **DEBT SERVICE RESERVE ACCOUNT** – There is hereby created in the Debt Service Reserve Account a separate sub-account for the Bonds (the "2016A Sub-account"). The District agrees that it shall deposit from monies on hand or from bond proceeds an amount to be determined in the Designation as the amount required to be maintained in the 2016A Sub-account. Monies credited to the Debt Service Reserve Account may be withdrawn (but only from the appropriate sub-account, in the case of the Bonds, the 2016A Sub-account), as needed to provide funds to pay, when due, the principal and interest on the Bonds or any Additional Bonds issued pursuant to this Resolution, if the Bond Payment Account contains insufficient funds for that purpose, and the District Treasurer is hereby authorized and directed to make such withdrawal if and when needed.
In the event of a withdrawal from the Debt Service Reserve Account, there shall be credited to the Debt Service Reserve Account in the month following such withdrawal and each month thereafter (until each sub-account in the Debt Service Reserve Account has been fully restored) all monies in the Water System Fund remaining after making the payments required to be made in such month to the Operation and Maintenance Account and Bond Payment Account. Upon the issuance of any Additional Bonds a separate sub-account in the Debt Service Reserve Account shall be established (in such amount as the Board shall determine appropriate, which may be $0) and any such separate debt service reserve account shall have the right to share, in the event of drawings upon the 2016A Sub-account and such reserve sub-account for Additional Bonds, in revenues available in the Water System Fund upon a pro rata basis in accordance with the respective outstanding principal amounts or each such issue. Anything in this Subsection 13(d) to the contrary notwithstanding, the amount required to be maintained in the 2016A Sub-account with respect to the Bonds or in any debt service reserve sub-account for any issue of Additional Bonds the interest on which is intended to be exempt from federal income tax shall not be required to exceed at any time the maximum amount permitted to be invested without yield restriction under Section 103(b) and 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations of the United States Treasury Department. Each sub-account in the Debt Service Reserve Account shall constitute a special and separate account held in trust for the specific issue for which it has been established held solely for such specific issue and to assure the payment of principal and interest thereon. When the Bonds or any issue of Additional Bonds for which a sub-account has been established is no longer outstanding, the particular sub-account for such issue shall no longer be required to be maintained.

(e) RETAINED REVENUES ACCOUNT - Monies from the Water System Fund remaining after the credits required in the foregoing Subsections (b), (c) and (d) have been made in full shall be credited to the Retained Revenues Account. Monies in the Retained Revenues Account shall be applied (1) first, to make up any deficiencies in the accounts described in the foregoing Subsections (b), (c) and (d); (2) second, to retire any of the Bonds, the 2016B Bond or any Additional Bonds prior to their maturity, (3) third, to provide for replacements for or improvements to the Water System, (4) fourth, to pay principal of and interest on any junior lien indebtedness incurred with respect to the Water System, and (5) fifth, to provide for any other lawful purpose of the District related to the Water System determined upon by the Board.

The provisions of this Section shall require the District to maintain a set of books and records in accordance with such accounting methods and procedures as are generally applicable to a utility enterprise, which books and records shall show credits to and expenditures from the several accounts required by this Section 13. Monies credited to the Water System Fund or any of the accounts or sub-accounts therein as established by this Resolution shall be deposited or invested separate and apart from other District funds. Except as specified below for the Debt Service Reserve Account, the District shall not be required to establish separate bank or investment accounts for the accounts and sub-accounts described in Subsections 13(b), 13(c), 13(d) and 13(e). Monies credited to the Debt Service Reserve Account or any reserve sub-account therein (unless otherwise directed in the authorizing resolution for any Additional Bonds with respect to the
reserve sub-account for such Additional Bonds) shall, if maintained in a demand or time deposit account, be kept in a separate account and not commingled with other Water System funds or accounts. If invested, monies credited to the Debt Service Reserve Account or any reserve sub-account therein may be commingled with other Water System funds or accounts so long as the District maintains books and records clearly identifying the specific investments, or portions thereof, which belong to the Debt Service Reserve Account and the specific sub-accounts therein. Monies in any of the accounts may be invested in securities eligible for investment of other District funds. Income from or profit realized from any such investment shall be credited to the respective account from which said investment has been made until such account contains the maximum amount required to be deposited therein and thereafter such income or profit shall be transferred to the Water System Fund and treated as other revenues from the operation of the Water System.

Section 14. Covenants Relating to Water System. So long as any Bonds, the 2016B Bond or Additional Bonds are outstanding, the District hereby covenants and agrees as follows:

(a) The District will maintain the Water System in good condition and will continuously operate the same in a reasonable and efficient manner, and the District will punctually perform all duties with reference to said system required by the Constitution and statutes of the State of Nebraska, but this covenant shall not prevent the District from discontinuing the use and operation of all or any portion of the Water System so long as the revenue derived from the District's ownership of the properties constituting the Water System shall be sufficient to fulfill the District's obligations under this Resolution.

(b) The District will not grant any franchise or right to any person, firm or corporation to own or operate a water system in competition with the Water System.

(c) The District will maintain insurance on the property constituting the Water System (other than such portions of the system as are not normally insured) against risks customarily carried by similar utilities, but including fire and extended coverage insurance in an amount which would enable the District to repair, restore or replace the property damaged to the extent necessary to make the Water System operable in an efficient and proper manner. The Board shall annually examine the amount of insurance carried with respect to the Water System and shall evidence approval of such insurance by resolution. The proceeds of any such insurance received by the District shall be used to repair, replace or restore the property damaged or destroyed to the extent necessary to make the Water System operable in an efficient and proper manner, and any amount of insurance proceeds not so used shall be credited to the Retained Revenues Account and applied in a manner consistent with the priorities set forth in subsection 13. In the event of any such insured casualty loss, the District may advance funds to make temporary repairs or provide for an advance on costs of the permanent repair, restoration or replacement from the Operation and Maintenance Account or other funds of the District and any such advances shall be repaid from insurance proceeds received.

(d) The District will keep proper books, records and accounts separate from all other records and accounts in which complete and correct entries will be made of all
transactions relating to the Water System. The District will upon request have its operating and financial statements related to the Water System audited annually by a certified public accountant or firm of certified public accountants. The District will furnish to the original purchaser of the Bonds and to the original purchaser or purchasers of each series of Additional Bonds issued hereunder (which may be accomplished by posting on EMMA), within seven (7) months after the end of each fiscal year of the District, a copy of the financial statements of the District and the certified public accountant's report thereon.

(e) The District shall cause each person handling any of the monies in the Water System Fund to be bonded by an insurance company licensed to do business in Nebraska in an amount or amounts deemed sufficient by the Board to cover the amount of money belonging to said system reasonably expected to be in the possession or control of any such person. The amount of such bond or bonds shall be fixed by the Board and the costs thereof shall be paid as an operating and maintenance expense from the Operation and Maintenance Account.

Section 15. Additional Bonds. To provide funds for any purpose related to the Water System, the District may issue Additional Bonds (other than Additional Bonds issued for refunding purposes which are governed by Section 16 of this Resolution) payable from the revenues of the Water System having equal priority and on a parity with the Bonds, the 2016B Bond and any Additional Bonds then outstanding, only upon compliance with the following conditions:

(a) Such Additional Bonds shall be issued only pursuant to a resolution which shall provide for an increase in the monthly credits into the Bond Payment Account in amounts sufficient to pay, when due, the principal of and interest on the Bonds, the 2016B Bond and any Additional Bonds then outstanding and the proposed Additional Bonds and for any monthly credits to the Debt Service Reserve Account as may be required to be established with respect to such Additional Bonds.

(b) The District shall have complied with one or the other of the two following requirements:

1) The Net Revenues derived by the District from its Water System for the fiscal year next preceding the issuance of the Additional Bonds shall have been at least equal to 1.25 times the Average Annual Debt Service Requirements of the Bonds, the 2016B Bond and any Additional Bonds, all as then outstanding, and of the proposed Additional Bonds; or

2) The District shall have received a projection made by a consulting engineer or firm of consulting engineers, recognized as having experience and expertise in municipal utility systems, projecting that the Net Revenues of the Water System in each of the three full fiscal years after the issuance of such Additional Bonds will be at least equal to 1.25 times the Average Annual Debt Service Requirements of the Bonds, the 2016B Bond and any Additional Bonds,
all as then outstanding, and of the proposed Additional Bonds. In making such projection, the consulting engineer shall use as a basis the Net Revenues of the Water System during the last fiscal year for which an independent audit has been prepared and shall adjust such Net Revenues as follows: (A) to reflect changes in rates which have gone into effect since the beginning of the fiscal year for which the audit was made, (B) to reflect such engineer's estimate of the net increase over or net decrease under the Net Revenues of the Water System for the fiscal year for which the audit was made by reason of: (i) changes of amounts payable under existing contracts for services; (ii) additional general income from sales to customers under existing rate schedules for various classes of customers or as such schedules may be revised under a program of changes which has been adopted by the Board; (iii) projected revisions in costs for water service, labor, wages, salaries, machinery, equipment, supplies and other operational items; (iv) revisions in the amount of service to be supplied and any related administrative or other costs associated with such increases due to increased supply from the acquisition of any new facility; and (v) such other factors affecting the projections of revenues and expenses as the consulting engineer deems reasonable and proper. Annual debt service on any proposed Additional Bonds to be issued may be estimated by the consulting engineer in projecting Average Annual Debt Service Requirements, but no Additional Bonds shall be issued requiring any annual debt service payment in excess of the amount so estimated by the consulting engineer.

The District hereby covenants and agrees that so long as any of the Bonds, the 2016B Bond and any Additional Bonds are outstanding, it will not issue any bonds or notes payable from the revenues of the Water System except in accordance with the provisions of this Resolution, provided, however, the District, to the extent permitted under the terms of this Resolution, reserves the right to issue bonds or notes which are junior in lien to the Bonds, the 2016B Bond and any such Additional Bonds with the principal and interest of such junior bonds or notes to be payable from monies credited to the Retained Revenues Account as provided in Subsection 13(e) of this Resolution.

Section 16. Refunding Bonds. The District may issue refunding bonds which shall qualify as Additional Bonds of equal lien to refund any of the Bonds, the 2016B Bond or Additional Bonds then outstanding, provided, that if any such Bonds, the 2016B Bond or Additional Bonds are to remain outstanding after the issuance of such refunding bonds, the principal and interest payments due on the refunding bonds in any calendar year following such refunding shall not exceed the principal and interest payments which would otherwise have been due on the refunded bonds in such calendar year by more than ten percent (10%). Refunding Bonds issued in accordance with this paragraph of this Section 16 may be issued as Additional Bonds of equal lien without compliance with the conditions set forth in Subsection 15(b) of this Resolution.

The District may also issue refunding bonds which shall qualify as Additional Bonds of equal lien to refund any Bonds, the 2016B Bond or Additional Bonds then outstanding provided, that, if any such Bonds, the 2016B Bond or Additional Bonds are to remain outstanding after the application of the proceeds of the refunding bonds to the payment of the bonds which are to be
refunded, such issuance must comply with the Net Revenues test set forth in Subsection 15(b)(1) of this Resolution and, if the proceeds of such refunding bonds are not to be applied immediately to the satisfaction of the bonds which are to be refunded, then such refunding bonds must provide by their terms that they shall be junior in lien to all Bonds, the 2016B Bond, and any Additional Bonds outstanding at the time of issuance of such refunding bonds until the time of application of their proceeds to the satisfaction of the bonds which are to be refunded. In computing Average Annual Debt Service Requirements to show compliance with said Net Revenues test for such refunding bonds, all payments of principal and interest due on such refunding bonds from the time of their issuance to the time of application of the proceeds of such refunding bonds to the satisfaction of the bonds which are to be refunded shall be excluded from such computation to the extent that such principal and interest are payable from sources other than the revenues of the Water System, such as earnings on the investment of the proceeds of said refunding bonds, or from monies in the Retained Revenues Account, and all payments of principal and interest due on the bonds which are to be refunded from and after the time of such application shall also be excluded. For purposes of this paragraph of this Section 16, the time of application of the proceeds of the refunding bonds to the satisfaction of the bonds which are to be refunded shall be the time of deposit with the paying agent for such bonds which are to be refunded pursuant to Section 10-126 R.R.S. Neb. 2012, as amended (or any successor statutory provision thereto) or the time when such bonds which are to be refunded under the terms of their authorizing resolution or resolutions are no longer deemed to be outstanding, whichever occurs sooner.

Section 17. Bonds No Longer Outstanding. The District's obligations under this Resolution and the liens, pledges, dedications, covenants and agreements of the District herein made or provided for shall be fully discharged and satisfied as to any of the Bonds issued hereunder, and said bonds shall no longer be deemed outstanding hereunder if such bonds shall have been purchased and canceled by the District or, as to any of said bonds not theretofore purchased and canceled by the District, when payment of the principal of and any applicable redemption premium, if any, on such bonds plus interest thereon to the respective dates of maturity or redemption (a) shall have been made or caused to be made in accordance with the terms thereof; or (b) shall have been provided for by depositing with a state or national bank having trust powers or trust company in trust solely for such payment (i) sufficient moneys to make such payment and/or (ii) Deposit Securities in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal at such times as will ensure the availability of sufficient moneys to make such payment and such bonds shall cease to draw interest from the date fixed for their redemption or maturity and, except for the purposes of such payment, shall no longer be entitled to the benefits of this Resolution; provided that, with respect to any such bonds called or to be called for redemption, the District shall have duly given notice of redemption or made irrevocable provision for such notice. Any such moneys so deposited with the aforesaid state or national bank or trust company as provided in this section may be invested and reinvested in Deposit Securities at the direction of the District and all interest and income from all such Deposit Securities in the hands of the aforesaid trustee bank or trust company which are not required to pay principal and interest on the Bonds for which such deposit has been made shall be paid to the District as and when realized and collected.
Section 18. **Official Statement Approval; General Authority.** Each Authorized Officer is hereby authorized to approve and deem final a Preliminary Official Statement pertaining to the issuance of the Bonds. Each Authorized Officer is further hereby authorized to approve a final Official Statement on behalf of the District. The District agrees to deliver to the Underwriter as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(3) of Rule. Each of the Authorized Officers is hereby authorized to execute and deliver any and all certificates and documents and to take any and all actions determined appropriate in connection with the issuance and sale of the Bonds.

Section 19. **Continuing Disclosure Undertaking.** In accordance with the requirements of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule") promulgated by the Securities and Exchange Commission, the District, being the only "obligated person" with respect to the Bonds, agrees that it will provide the following continuing disclosure information to the Municipal Securities Rulemaking Board (the "MSRB"): 

(a) not later than seven (7) months after the end of each fiscal year of the District (the "Delivery Date"), commencing with the fiscal year ending June 30, 2016, financial and operating information generally consistent with the information set forth under the heading "MANAGEMENT'S DISCUSSION AND ANALYSIS" as shown in the District's audited financial statements ("Annual Financial Information");

(b) when and if available, audited financial statements for the District; audited financial information shall be provided in conformity with generally accepted accounting principles as presently in effect, including those applicable to governmental organizations, provided that the Board reserves the right to change accounting methods as may be determined appropriate by such Board from time to time; and

(c) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of the holders of the Bonds, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar events of the District (this event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District);

(13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(d) in a timely manner, notice of any failure on the part of the District to provide Annual Financial Information and the audited financial statements to the extent available not later than the Delivery Date.

The District has not undertaken to provide notice of the occurrence of any other event, except the events listed above.

The District agrees that all documents provided to the MSRB under the terms of this continuing disclosure undertaking shall be in such electronic format and accompanied by such identifying information as shall be prescribed by the MSRB. The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information or the accounting methods in accordance with which such information is presented, to the extent necessary or appropriate in the judgment of the District, consistent with the Rule. The District agrees that such covenants are for the benefit of the registered owners of the Bonds (including Beneficial Owners) and that such covenants may be enforced by any registered owner
or Beneficial Owner, provided that any such right to enforcement shall be limited to specific enforcement of such undertaking and any failure shall not constitute an event of default under the Resolution. The continuing disclosure obligations of the District, as described above, shall cease when none of the Bonds remain outstanding. Each of the Authorized Officers is hereby authorized to enter into a separate continuing disclosure certificate or agreement and any accompanying dissemination agreement in order to promote the District's compliance with such undertaking.

Section 20. Tax Covenants. The District hereby covenants and agrees that it will make no use of the proceeds of the Bonds which would cause the Bonds to be arbitrage bonds within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and further covenants to comply with said Sections 103(b)(2) and 148 and all applicable regulations thereunder throughout the term of said issue, including all requirements with respect to payment and reporting of rebates, if applicable. The District hereby designates the Bonds 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 it does not reasonably anticipate issuance of tax-exempt bonds or other tax-exempt obligations aggregating in principal amount more than $10,000,000 during calendar year 2016, taking into consideration statutory exceptions relating to refunding issues. The District hereby covenants to take all action necessary to preserve the tax-exempt status of the interest on the Bonds for federal income tax purposes under the Code with respect to taxpayers generally. The District further agrees that it will not take any actions which would cause the Bonds to constitute "private activity bonds" within the meaning of Section 141 of the Code. The officers of the District are hereby authorized to make any allocations, certifications and other determinations as shall be deemed necessary or appropriate in connection with the issuance of the Bonds.

Section 21. Post-Issuance Compliance Policies. In order to promote compliance with certain federal tax and securities laws relating to the bonds herein authorized (as well as other outstanding bonds) the policy and procedures attached hereto as Exhibit A (the "Post-Issuance Compliance Policy and Procedures") are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

Section 22. Severability. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 23. Conflicting Resolutions Repealed. All resolutions or orders or parts thereof in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed.
Section 24. **Effectiveness.** This Resolution shall be in force and take effect as provided by law.

ADOPTED this October 13, 2016.

ATTEST:

_________________________________
Chairperson

__________________________________
Secretary
EXHIBIT A
POST ISSUANCE COMPLIANCE POLICY AND PROCEDURES

Policy and Procedures
Federal Tax Law and Disclosure Requirements for
Tax-Exempt Bonds and other Federally Tax-Advantaged Bonds

ISSUER NAME: PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT

COMPLIANCE OFFICER (BY TITLE): General Manager

POLICY

It is the policy of the Issuer identified above (the "Issuer") to comply with all Federal tax requirements and securities law continuing disclosure obligations for its obligations issued as tax-exempt bonds and other federally tax-advantaged bonds.

PROCEDURES

Compliance Officer. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Compliance Officer identified above (the "Compliance Officer"). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

Training. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service (either on its website at http://www.irs.gov/taxexemptbond, or elsewhere) and the Municipal Securities Rulemaking Board (either on its Electronic Municipal Market Access website ["EMMA"] at http://www.emma.msrb.org, or elsewhere).

Compliance Review. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The review shall occur at the time the Issuer's annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period or frequency of review would be more appropriate.

Scope of Review.

Document Review. At the compliance review, the following documents (the "Bond Documents") shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue:

(a) the resolution(s) and/or ordinance(s), as applicable, adopted by the governing body of the Issuer authorizing the issuance of its outstanding bonds, together with any documents setting the final rates and terms of such bonds (the "Authorizing Proceedings").
(b) the tax documentation associated with each bond issue, which may include some or all of the following (the "Tax Documents"):

(i) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
(ii) Form 8038 series filed with the Internal Revenue Service;
(iii) tax certificates, tax compliance agreements, tax regulatory agreement or similar documents;
(iv) covenants, agreements, instructions or memoranda with respect to rebate or private use;
(v) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and
(vi) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings relating to federal tax matters.

(c) the Issuer's continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the "Continuing Disclosure Obligations"), and

(d) any communications or other materials received by the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer's bonds or relating to the Issuer's Continuing Disclosure Obligations.

Use and Timely Expenditure of Bond Proceeds. Expenditure of bond proceeds shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents, and (c) that any mandatory redemptions from excess bond proceeds are timely made if required under the Authorizing Proceedings and Tax Documents.

Arbitrage Yield Restrictions and Rebate Matters. The Tax Documents shall be reviewed by the Compliance Officer to ensure compliance with any applicable yield restriction requirements under Section 148(a) of the Internal Revenue Code (the "Code") and timely calculation and payment of any rebate and the filing of any associated returns pursuant to Section 148(f) of the Code. A qualified rebate analyst shall be engaged as appropriate or as may be required under the Tax Documents.

Use of Bond Financed Property. Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed by the Compliance Officer to ensure compliance. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, contracts related to operation or management of bond-financed property, sponsored research agreements, take-or-pay contracts or other agreements or arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed
property which were not anticipated at the time the bonds were issued. Such actions could be prohibited by the Authorizing Proceedings, the Tax Documents or Federal tax law.

Continuing Disclosure. Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated (a) to ensure timely compliance with any annual disclosure requirement, and (b) to ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

Record Keeping. If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus six (6) years.

Incorporation of Tax Documents. The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

Consultation Regarding Questions or Concerns. Any questions or concerns which arise as a result of any review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the Internal Revenue Service which allows issuers under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to issuers of certain bonds under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued.
The motion for adoption was seconded by Board Member _______________. The Chairperson then stated the question was, "Shall this Resolution be passed and adopted?" Upon roll call vote, the following Board Members voted YEA: __________________________; the following voted NAY: __________________________. The passage and adoption of said resolution having been concurred in by two thirds of all members of the Board, the Chairperson declared the resolution adopted and the Chairperson, in the presence of the Board of Directors, signed and approved the resolution and the Secretary attested the passage and approval of the same and affixed his signature thereto.

DATED THIS October 13, 2016.

ATTEST:

______________________________
Chairperson

______________________________
Secretary