

Agenda Item: 7.

MEMORANDUM

TO: Financial, Expenditure and Legal Subcommittee

SUBJECT: Issuance of Flood Control and Water Quality Enhancement Bonds

DATE: May 2, 2013

FROM: John Winkler, General Manager

Nebraska Revised Statutes 2-3226.10-2-3226.14 authorizes a board of directors of natural resource districts, upon affirmative vote of two-thirds of its members, to issue flood control and water quality enhancement bonds.

The District is proposing to issue \$42,600,000 in Flood Protection and Water Quality Enhancement Bonds to fund design, rights-of-way acquisition, and construction of Papio Dam Site 15A, a proposed flood control project within the District's jurisdiction and per its mission statement of providing public safety through flood control and water quality to its citizens.

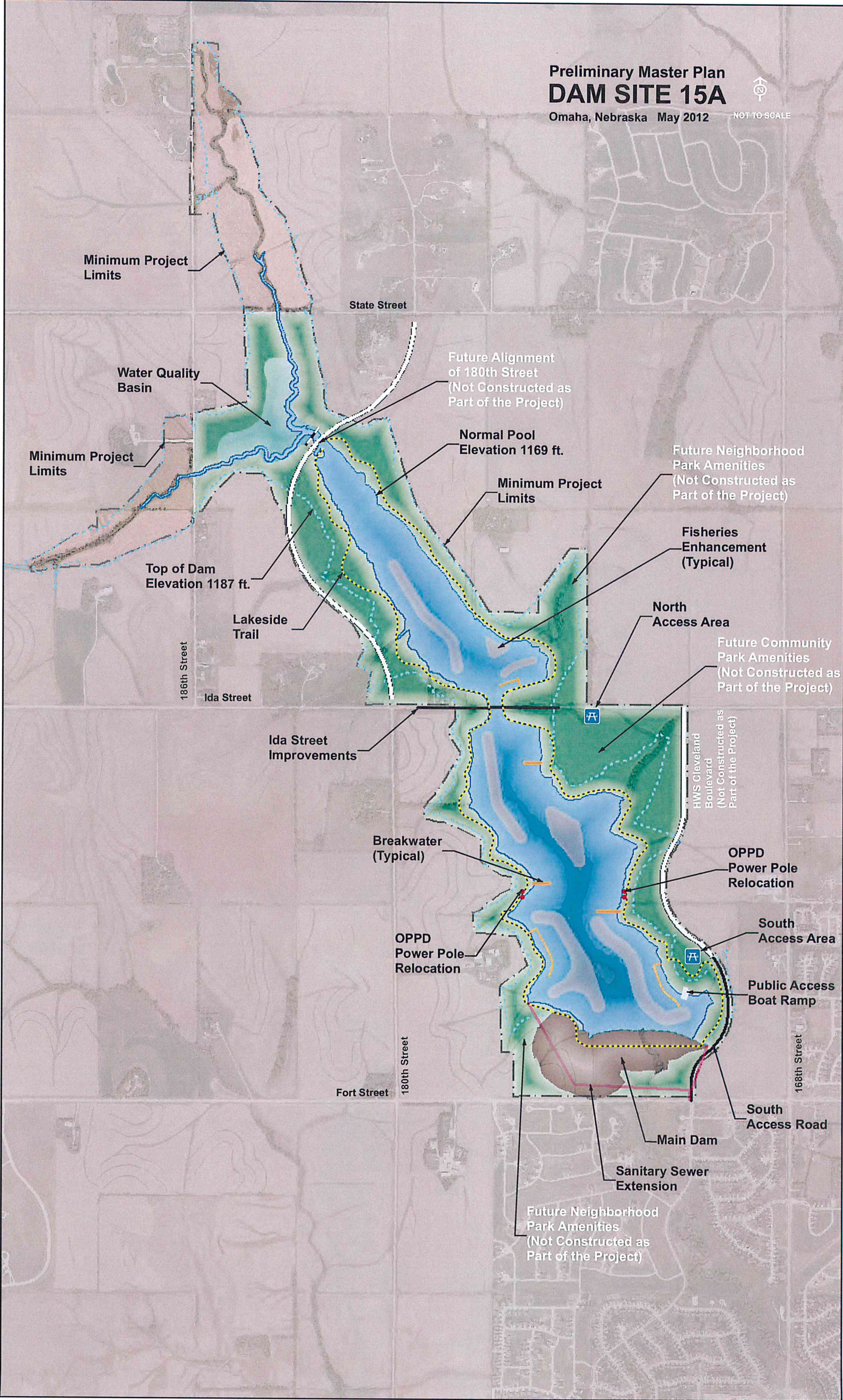
This project has been previously approved by the Board of Directors by majority votes of the Board. As outlined in the Board approved and adopted FY2013 budget, Papio Dam Site 15A is to be funded with Bond proceeds.

If it is the intent of the Board of Directors to continue to fund these vital flood control and water quality enhancement projects then management makes the following recommendation.

- **Management recommends that the Subcommittee recommend to the Board of Directors that the District approve the issuing of \$42,600,000 for the Papio Dam Site 15A project in Flood Control and Water Quality Enhancement bonds subject to changes deemed necessary by the General Manager and approval as to form by District Legal Counsel.**

Preliminary Master Plan
DAM SITE 15A

Omaha, Nebraska May 2012 NOT TO SCALE



**RESOLUTION
SERIES 2013B (PAPIO DAM SITE 15A PROJECT)**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT (THE "DISTRICT"), IN THE STATE OF NEBRASKA, as follows:

Section 1. The Board of Directors hereby finds and determines:

(a) That this District is duly organized as a natural resources district under Chapter 2, Reissue Revised Statutes of Nebraska, 2012, as amended;

(b) that the District encompasses a city of the metropolitan class in the State of Nebraska;

(c) that it is necessary and appropriate for the District to issue its bonds, subject to the limitations set forth in Section 2-3226.11, R.S. Supp., 2012 (hereinafter "Section 2-3226.11"), regarding use of proceeds of such bonds, for the design, rights-of-way acquisition, and construction of multipurpose projects and practices for storm water management within the District, including flood control and water quality, and specifically for the following described projects, the locations, projected costs, and sizes of which are more fully described in Exhibit A to this resolution and incorporated herein by this reference (the "Project"): Papio Dam Site 15A Project, which (i) is located exclusively within the zoning jurisdiction of the City of Omaha, (ii) will not be used to fund combined sewer separation projects in a city of the metropolitan class, (iii) will result in a reservoir or water quality basin having a permanent pool greater than twenty surface acres but less than four hundred surface acres and (iv) will provide for public access;

(d) that the Project lies within the exclusive zoning jurisdiction of the City of Omaha and not in the exclusive zoning jurisdiction of any other municipality or county, and therefore it is not necessary to provide notice to any other municipality or county under Section 2-3226.11(3)(a);

(e) that the Project is located in the City of Omaha and Douglas County, each of which has (i) adopted a storm water management plan which has been approved by the Board of Directors of the District, and (ii) has adopted zoning regulations or ordinances that comply with state and federal flood plain management rules and regulations; and

(f) that all conditions, acts and things required by law to exist or to be done precedent to the issuance of bonds in the principal amount of not to exceed \$42,600,000 as provided herein do exist and have been done in due form and time as required by law; subject, however, to any determinations which may be required by subsection (3) of Section 2-3226.11, with respect to the Project.

Section 2. There shall be and there are hereby ordered issued the negotiable bonds of this District of the principal amount of not to exceed Forty-two Million Six Hundred Thousand

Dollars (\$42,600,000) (the “Bonds”). The Bonds are to be issued as tax-exempt interest bearing obligations of the District and designated as the District’s “Flood Protection and Water Quality Enhancement Bonds (Tax Exempt Interest), Series 2013B” (the “Bonds”). The Bonds shall become due on December 15 of the years as indicated below:

<u>Maturity</u> December 15,	<u>Amount (\$)</u>
2013	\$660,000
2014	620,000
2015	670,000
2016	805,000
2017	905,000
2018	1,015,000
2019	1,135,000
2020	1,270,000
2021	1,405,000
2022	1,545,000
2023	1,695,000
2024	1,855,000
2025	2,020,000
2026	2,195,000
2027	2,380,000
2028	2,580,000
2029	2,785,000
2030	2,985,000
2031	4,110,000
2032	4,325,000
2033	5,640,000

provided, that the Bonds shall bear interest at the rates per annum as shall be determined in a written designation (the “Designation”) signed by the General Manager or Chairperson of the Board of Directors of the District (the “Authorized Officers”) on behalf of the Board of Directors of the District and which may be agreed to by D.A. Davidson & Co. (the “Underwriter”), which Designation may also determine or modify the principal amount for each maturity of the Bonds, mandatory redemption provisions (if any), and pricing terms as set forth in Section 8 below, all within the following limitations:

(a) *the aggregate principal amount of the Bonds shall not exceed the amount set forth in this Section 2 above;*

(b) *the net interest cost on the Bonds shall not exceed 3.60% per annum;*

(c) *the aggregate amount of original issue premium and original issue discount (if any) may result in an aggregate net original issue discount (if any) not in excess of one percent (1.00%) of the stated principal amount of the Bonds;*

(d) *the longest maturity of the Bonds may not be later than December 31, 2033;*

(e) *the principal amount due in any year (including principal due as mandatory redemption amounts) for each maturity may be decreased by any amount determined but shall not increase by more than 10% or \$100,000, whichever is greater;*

(f) *two or more of the principal maturities of the Bonds 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 of Directors of the District 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 Board of Directors of the District without further action of the Board of Directors of the District.

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 for the Bonds shall be the Date of Delivery. Interest on the Bonds shall be payable semiannually on June 15 and December 15 of each year, commencing December 15, 2013 (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, whichever is later. 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 (the "Record Date"), subject to the provisions of Section 4 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 for each interest rate. 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 3 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 3 hereof. Payments of principal due at maturity or at any date fixed for redemption prior to maturity, together with accrued but unpaid interest then due, shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to said Paying Agent and Registrar. The District and said 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 said 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 3. Wells Fargo Bank, National Association (the "Paying Agent and Registrar") is hereby designated as Paying Agent and Registrar for any Bonds. Said Paying Agent and Registrar shall serve in such capacities with respect to such Bonds under the terms of an agreement entitled "Paying Agent and Registrar's Agreement" (the "Paying Agent and Registrar's Agreement") between the District and said Paying Agent and Registrar, the form of which is hereby approved. The Chairperson and Secretary are hereby authorized to execute the Paying Agent and Registrar's Agreement in substantially the form presented to the Board of Directors of the District with such changes as they shall deem appropriate or necessary. The Paying Agent and Registrar shall keep and maintain for the District books for the registration and transfer of the Bonds at its designated corporate trust office (located initially as provided in the Paying Agent and Registrar's Agreement, but subject to change upon written notice in advance 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 its 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 interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Bonds by this Resolution and pursuant to the Designation, one Bond may be transferred for several such Bonds of the same 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 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 thirty (30) days next preceding the date fixed for redemption.

Section 4. 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 5. The Bonds maturing on or after December 15, 2018, shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary of the Date of Delivery of the Bonds 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 8 of this Resolution.

Section 6. 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 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 day shall have the same force and effect as if made on the nominal date of payment.

Section 7. The Bonds shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF NEBRASKA**

**PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT
FLOOD PROTECTION AND WATER QUALITY ENHANCEMENT BOND
(TAX EXEMPT INTEREST), SERIES 2013B**

No. R-

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	December 15, 20__	, 2013	

Registered Owner: Cede & Co. (13-2555119)

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That 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 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 shown above or most recent Interest Payment Date, whichever is later, at the rate per annum specified above, payable semiannually on June 15 and December 15 of each year, commencing _____, 201__ (each, an "Interest Payment Date"). Said 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 unpaid accrued interest due at maturity or upon earlier redemption, is payable upon presentation and surrender of this bond at the designated corporate trust office of Wells Fargo Bank, National Association, the Paying Agent and Registrar, located initially in Minneapolis, Minnesota, but subject to change as provided in the authorizing resolution (the "Designated Office"). 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 on such Interest Payment Date 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. 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. Subject to the limitations set forth in Section 2-3226.10, R.S. Supp., 2012 (hereinafter "Section 2-3226.10"), for the prompt payment of this bond, both principal and interest, as the same become due, the full faith, credit and resources of said District are hereby irrevocably pledged.

This bond is one of a series of fully registered bonds of the total principal amount of _____ Dollars (\$_____), of even date and like tenor herewith, except as to date of maturity and rate of interest and denomination, which were authorized by a resolution

adopted by more than a two thirds vote of the members of the Board of Directors of the District (the "Resolution"); said bonds are being issued for the purpose of paying the costs of design, rights-of-way acquisition and construction of multipurpose projects and practices for storm water management within the District, including without limitation low-impact development best management measures, flood plain buyouts, dams, reservoir basins and levees, and specifically those projects described in the Resolution, all in compliance with, and subject to the limitations of, Sections 2-3226.10 to 2-3226.14, R.S. Supp., 2012. This bond is being issued for the essential public and governmental purposes of the District and is and shall be a debt of such District only.

Bonds maturing on or after December 15, 2018, shall be subject to redemption, in whole or in part, prior to maturity at any time on or after _____, 2018, 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.

[Bonds maturing as term bonds on December 15, 20__ shall be redeemed, in part, prior to their stated maturity, on December 15, 20__ and on December 15 of each year thereafter and shall be paid at final maturity, with such mandatory redemptions and payment at maturity to be for the dates and in the amounts set forth below.

Date of Redemption – <u>December 15,</u>	<u>Amount to be Redeemed</u> \$]
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Notice of redemption shall be given by mail to the registered owner of any bond to be redeemed 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. Bonds redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for a new bond, of like maturity and interest rate, evidencing the unredeemed principal thereof.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the Designated 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 purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the date 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 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.

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.

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 required by law, and that the indebtedness of this District, including this bond, does not exceed any limitation imposed by law. The District agrees that it shall cause to be levied and collected annually a special levy of taxes, subject to the limitation set forth in Section 2-3226.10, on all the taxable property in said District for the purpose of paying and sufficient to pay the principal of and interest on this bond as and when such principal and interest become due. **THIS BOND IS A LIMITED OBLIGATION OF THE DISTRICT PAYABLE SOLELY FROM TAXES LEVIED FROM YEAR TO YEAR PURSUANT TO SECTION 2-3226.10.**

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 District has caused this bond to be executed on behalf of the District with the facsimile signatures of the Chairperson and the Secretary of said Board, all as of the date of original issue shown above.

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

ATTEST:

(facsimile)
Chairperson

(facsimile)
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.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, Paying Agent and Registrar

By _____
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

Witness: _____

Note: The signature(s) of 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.

Section 8. 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 Board of 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 per interest rate for each 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, for and on behalf of the District (which may be in the form of a blanket letter, including any “blanket” letter previously executed and delivered by 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 and the Paying Agent and Registrar's Agreement.

(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, the District shall immediately provide a supply of printed bond certificates for issuance upon the transfers from the Depository and 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 Bonds upon transfer or partial redemption, the District agrees to order

printed an additional supply of certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting Chairperson and Secretary of such Board. 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 District's Treasurer shall maintain a record of information with respect to the Bonds as required under Section 10-140, R.R.S. Neb. 2012, as amended, and shall cause the same to be filed in the office of the Auditor of Public Accounts of the State of Nebraska. The Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Bonds, Bonds shall be delivered to D.A. Davidson & Co., as the initial purchaser thereof, upon receipt of not less than 98.9% of the principal amount of the Bonds actually issued plus accrued interest thereon to date of payment of the Bonds (which purchase price may be modified by the terms of the Designation to provide for original issue premium and original issue discount within the parameters set forth in Section 2 of this Resolution). The District's Treasurer is authorized to deliver the Bonds to the Underwriter upon receipt of such purchase price plus accrued interest to date of payment. 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 Underwriter and its agents, representatives and counsel (including Baird Holm LLP as the Underwriter'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. The Authorized Officers are individually authorized to execute and deliver an agreement for the purchase and sale of the Bonds to the Underwriter substantially in the form presented herewith, with such changes, modifications and completions as such Authorized Officer may approve; provided, however, if no separate written agreement for the sale of the Bonds is executed and delivered by and between the District and the Underwriter, this resolution together with the Designation shall constitute the agreement for

sale of the Bonds to the Underwriter. The net proceeds of any Bonds shall be delivered to the District to be held and applied to pay the costs of the Project.

Section 9. The Secretary of the District is directed to make and certify a transcript or transcripts of the proceedings of the District precedent to the issuance of said Bonds, one of which transcripts shall be delivered to the purchaser of said Bonds.

Section 10. The Board of Directors of the District shall cause to be levied and collected annually a special levy of taxes, pursuant to and within the limitations set forth in Section 2-3226.10 on all the taxable property in this District for the purpose of paying and sufficient to pay the principal of and interest on the Bonds as and when such principal and interest become due according to the terms thereof and the terms of this Resolution.

Section 11. (a) The District hereby covenants to the purchaser and registered owners of the Bonds hereby authorized that it will make no use of the proceeds of said bond issue, including tax levy monies intended to be used to pay principal and interest on said Bonds, which would cause said Bonds to be arbitrage bonds within the meaning of Sections 103(b) and 148 of the Code and further covenants to comply with said Sections 103(b) and 148 and all applicable regulations thereunder throughout the term of said bond issue. The District hereby covenants with the registered owners from time to time of any Bonds hereby authorized and issued hereunder that it shall comply with all applicable provisions of the Code and with all applicable provisions of any other tax laws, and any regulations, published rulings and court decisions pursuant thereto, which relate to the exclusion from gross income of interest on the Bonds for federal income tax purposes, to the extent necessary to comply with such Code, laws, regulations, published rulings and court decisions or otherwise to preserve such exclusion, including specifically, but without limitation, all arbitrage rebate and information reporting requirements required by the Code.

(b) In accordance with Section 148(f)(4)(C) of the Code, the District covenants that it is a governmental unit with general taxing powers; and that the Bonds are not private activity bonds as defined in Section 141 of the Code; and that ninety-five percent (95%) or more of the net proceeds of the Bonds are to be used for local governmental activities of the District. In the event the District fails or ceases to meet the foregoing covenant, the District shall take or retain experts to take all actions with respect to rebate deposits and payments required by the Code and regulations promulgated thereunder. The District hereby establishes a Rebate Fund, containing a

rebate account and an earnings account, to hold funds required to be rebated to the United States pursuant to the Code and regulations.

(c) It is not expected that the proceeds of any Bonds will be used in a manner that will cause the Bonds to become “arbitrage bonds” within the meaning of the Code. The General Manager and/or Secretary of the District are authorized and directed to give an appropriate certificate on behalf of the District, on the date of delivery of the Bonds, and for inclusion in the transcript of proceedings relating thereto, setting forth the facts, estimates, circumstances, and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Section 148 of the Code and the regulations thereunder. The District hereby agrees to execute a tax certificate or tax compliance agreement (the “Tax Certificate”) in form and substance satisfactory to Bond Counsel. The General Manager of the District, the Chairperson (or upon the Chairperson’s unavailability, the Vice Chairperson of the Board of Directors) and the Secretary are hereby authorized to execute and deliver said Tax Certificate in substantially the form presented but with any such modifications as shall be determined appropriate for and on behalf of the District.

Section 12. The District reserves the right to issue refunding bonds and provide for the investment of the proceeds thereof for purposes of providing for the payment of principal of and interest on the Bonds in such manner as may be prescribed by law from time to time but specifically including the provisions of Section 10-142, R.R.S. 2012.

Section 13. 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”), 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 GASB No. 34, provided that the Board of

Directors of the District 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.

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

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

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. The officers of the District, or any one or more of them, including the Chairperson and Vice Chairperson of the Board of Directors and the General Manager are hereby authorized to enter into a Dissemination Agreement with the Paying Agent and Registrar, in standard form, in order to ensure the District's compliance with such undertaking.

Section 14. The District's obligations under this Resolution shall be fully discharged and satisfied as to the Bonds authorized and issued hereunder, and said Bonds shall no longer be

deemed outstanding hereunder when payment of the principal thereof plus interest thereon to the date of maturity or redemption thereof (a) shall have been made or caused to have been made in accordance with the terms thereof and hereof, or (b) shall have been provided for by depositing with the Paying Agent and Registrar, or in escrow with a national or state bank having trust powers in trust solely for such payment (i) sufficient moneys to make such payment and/or (ii) direct general obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America (herein referred to as "Government Obligations"), in such amount and with such maturities as to principal and interest as will insure the availability of sufficient moneys to make such payment, and thereupon such Bonds shall cease to draw interest from the date of 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 Bonds called or to be called for redemption prior to the stated maturity thereof, notice of redemption shall have been duly given or provided for. If moneys shall have been deposited in accordance with the terms hereof with the Paying Agent and Registrar or escrow agent in trust for that purpose sufficient to pay the principal of such Bonds and all interest due thereon to the due date thereof or to the date fixed for the redemption thereof, all liability of the District for such payment, except for payment from such deposit, shall forthwith cease, determine and be completely discharged, and all such Bonds shall no longer be considered outstanding under this Resolution.

Section 15. The General Manager of the District is hereby authorized to approve and deem final a Preliminary Official Statement pertaining to the issuance of the Bonds. Such General Manager (or any Authorized Officer) is 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.

Section 16. 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 B (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 17. The officers of the District, or any one or more of them, including the Chairperson, Vice Chairperson and Secretary of the Board of Directors and the General Manager of the District are 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.

ADOPTED this ____ day of _____, 2013.

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

ATTEST:

By: _____
Chairperson

Secretary

EXHIBIT A
DESCRIPTION OF PROJECT

Papio-Missouri River Natural Resources District

PAPIO DAM SITE 15A (DS15A) PROJECT DESCRIPTION

The Papio Missouri River Natural Resources District is proposing the construction of Papio Dam Site 15A (DS15A) which is generally located northwest of 168th and Fort Streets. The purpose of this project is to provide public flood control and recreation for the Papillion Creek Watershed in the Omaha metropolitan area of eastern Nebraska.

For this project it is necessary to acquire property for the construction, operation and maintenance of the regional flood control dam and reservoir. The District proposes to acquire fee simple title to, and/or permanent and temporary easements in, on, over and across lands required for the DS15A Project. The project design is conceptual at this time, but is generally as shown on the map on the following page.

The District is currently considering acquisition of approximately 715 acres of property for this project. The reservoir has a drainage area of 11.1 sq. mi or 3310 acres and the normal pool surface area is anticipated to be approximately 225 acres. Dam Site 15A will be a public lake with public access. There will be a recreation element associated with this project. At this time, in-lake fisheries, a boat ramp, a trail, and two picnic areas are planned.

Summary of Estimated Project Costs

Rights-of-Way Acquisition	\$20,000,000
Construction Costs	\$20,000,000
Engineering Costs	\$2,600,000
Total	\$42,600,000

A conceptual drawing of the project is attached on the following page.

Exhibit "A" (Continued)

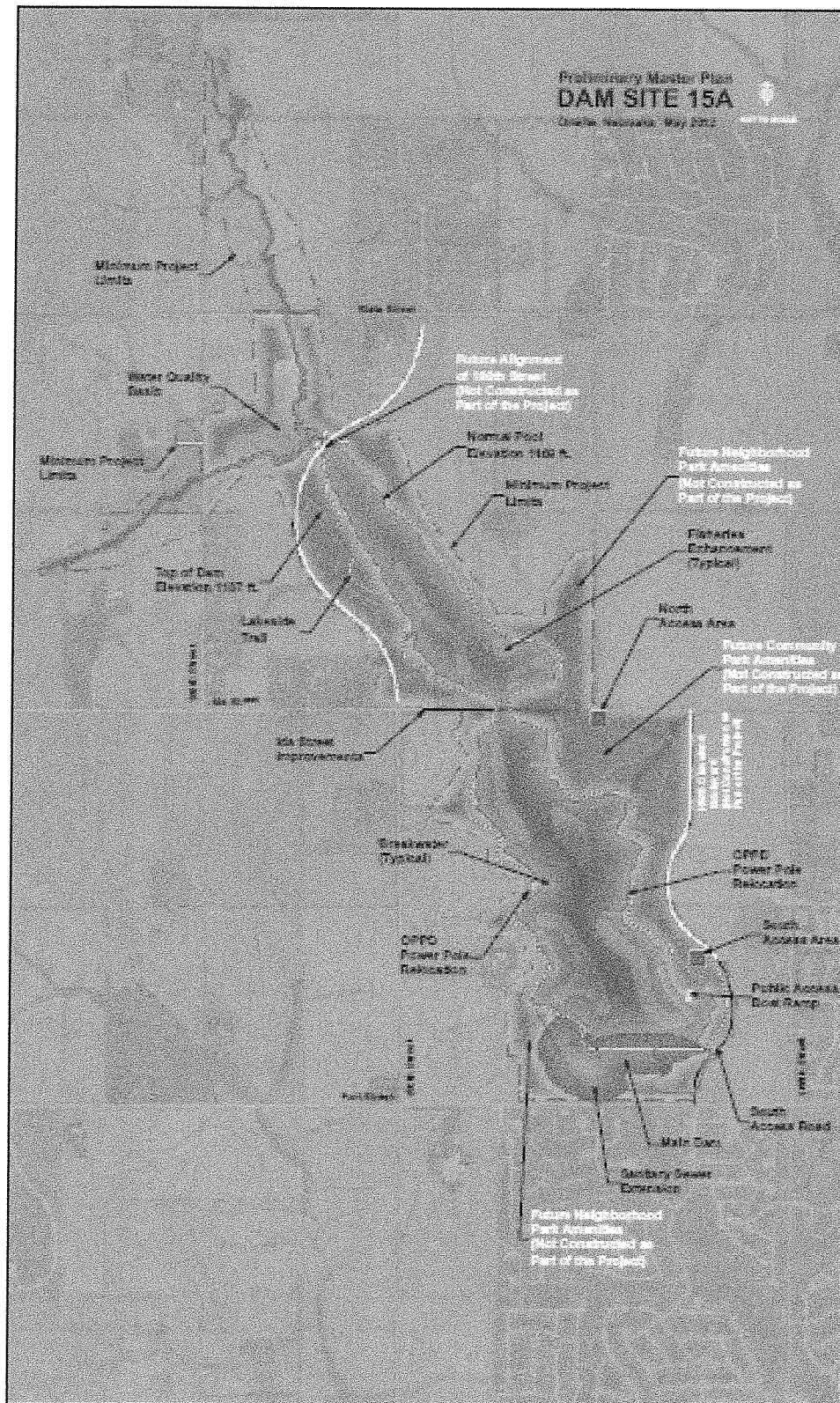


EXHIBIT B
POST ISSUANCE COMPLIANCE POLICY AND PROCEDURES

**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.