

**It is recommended by Management that the Subcommittee recommend to the Board that the following resolution be adopted:**

**RESOLUTION**

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: That this District is duly organized as a natural resources district under Chapter 2, Reissue Revised Statutes of Nebraska, 2007, as amended; that the District encompasses a city of the metropolitan class in the State of Nebraska; that it is necessary and appropriate for the District to issue bonds to pay 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, (together, the "Project") subject, however, to the limitations set forth in Sections 2-3226.10 and 2-3226.11, R.S.Supp. Neb. 2009, regarding use of proceeds of such bonds; and 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 \$13,300,000 as provided herein do exist and have been done in due form and time as required by law; that depending on market conditions, the District could achieve overall savings by designating all or a portion of the bonds authorized herein as its "build America bonds" and "qualified bonds", each as defined and described in Sections 54AA and 6431 of the Internal Revenue Code of 1986, as amended, (the "Code") which would bear federally taxable interest to the beneficial owner thereof but would allow the District a credit with respect to each interest payment from the United States Department of Treasury equal to 35% of the interest payable on each interest payment date for such bonds (such type of bonds are herein referred to as "Build America Bonds") and that it is advisable and necessary to allow all or part of the bonds herein authorized to be designated as Build America Bonds in order to achieve maximum savings to the District.

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 THIRTEEN MILLION THREE HUNDRED THOUSAND DOLLARS (\$13,300,000) (the "Bonds"). The Bonds may 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 2010A" (the "Series 2010A Bonds"), or may be issued as Build America Bonds and designated as the District's "Flood Protection and Water Quality Enhancement Bonds

(Direct Pay Build America Bonds – Taxable Interest), Series 2010B” (the “Series 2010B Bonds”). The Bonds shall become due on December 15 of the years as indicated below:

<u>Amount</u>	<u>Maturity December 15</u>
405,000	2011
425,000	2012
445,000	2013
465,000	2014
490,000	2015
515,000	2016
540,000	2017
565,000	2018
595,000	2019
625,000	2020
655,000	2021
690,000	2022
720,000	2023
760,000	2024
795,000	2025
835,000	2026
875,000	2027
920,000	2028
965,000	2029
1,015,000	2030

*provided, that the Bonds shall be issued as Series 2010A Bonds or Series 2010B Bonds and the maturities in each such series of 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 President 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 \$13,300,000;*
- (b) the Bonds may be issued as Series 2010A Bonds or as Series 2010B Bonds or as a combination of Series 2010A Bonds and Series 2010B Bonds;*
- (c) the average coupon on the Bonds shall not exceed 4.95% per annum, which average coupon shall take into account any credit with respect to each interest payment equal to 35% of the interest payable on each Interest Payment Date for the portion of the Bonds designated as Series 2010B Bonds by virtue of the Series 2010B Bonds qualifying as “build America bonds” and “qualified bonds” as defined in Sections 54AA and 6431 of the Code;*
- (d) 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, provided that there shall be no original issue premium payable with respect to any Series 2010B Bonds;*

- (e) the longest maturity of the Bonds may not be later than December 15, 2030;*
- (f) 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 20% or \$10,000, whichever is greater;*
- (g) two or more of the principal maturities within a series 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 December 15 and June 15 of each year, commencing December 15, 2010 (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. Each series of Bonds shall be numbered from 1 upwards in the order of their issuance. No Bond within each separate series 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, in Lincoln, Nebraska, (the "Paying Agent and Registrar") is hereby designated as Paying Agent and Registrar for any Series 2010A Bonds. Said Paying Agent and Registrar shall serve in such capacities with respect to such Series 2010A 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 President 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 is hereby designated as Trustee, Paying Agent and Registrar for any Series 2010B Bonds. Said Paying Agent and Registrar shall serve in such capacities with respect to such Series 2010B Bonds under the terms of an agreement entitled "Trustee, Paying Agent and Registrar's Agreement" (the "Trustee, Paying Agent and Registrar's Agreement") between the District and said Paying Agent and Registrar, the form of which is hereby approved. The President and Secretary are hereby authorized to execute the Trustee, 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 in Lincoln, Nebraska, 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 series, 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 in a series 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 of the same series 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 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, 2015, 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. 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 series, 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 series, 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 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, with appropriate variations for series designation in accordance with Section 2 of this Resolution and the Designation:

UNITED STATES OF AMERICA  
STATE OF NEBRASKA

PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT  
FLOOD PROTECTION AND WATER QUALITY ENHANCEMENT BOND  
[(TAX EXEMPT INTEREST), SERIES 2010A]  
[(DIRECT PAY BUILD AMERICA BONDS – TAXABLE INTEREST), SERIES 2010B]

No. R-

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	December 15,	, 2010	
Registered Owner:	Cede & Co.		
	13-2555119		
Principal Amount:			

KNOW ALL PERSONS BY THESE PRESENTS: That Papio-Missouri 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 December 15, 2010 (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 Lincoln, Nebraska, 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. 2009, ("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, all in compliance with, and subject to the limitations of, Sections 2-3226.10 to 2-3226.14, R.S.

Supp., Neb 2009. This bond is being issued for the essential and governmental purposes of the District and is and shall be a debt of such District only.

**[The bonds of this series are being issued as “build America bonds”, with interest which is includable in gross income for federal income tax purposes, all in accordance with the provisions of Sections 54AA and 6431 of the Internal Revenue Code of 1986, as amended, (the “Code”).]**

Bonds maturing on or after December 1, 2015, shall be subject to redemption, in whole or in part, prior to maturity at any time on or after \_\_\_\_\_, 2015, 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.

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 series, 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 series, 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 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 President 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)  
Secretary

\_\_\_\_\_  
(facsimile)  
President

#### 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  
LINCOLN, NEBRASKA  
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 President 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 within each series 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 and Trustee, Paying Agent and Registrar's Agreement, as applicable.

(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 President 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. 2007, 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 98.90% 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 each series 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 its 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. 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 Series 2010A Bonds shall be delivered to the District to be held and applied to pay the costs of the Project. The net proceeds of any Series 2010B Bonds shall be deposited with and held and invested by the Paying Agent and Registrar (into the 2010B Bond Construction Fund as defined and described in and established under the Trustee, Paying Agent and Registrar's Agreement) and shall be applied, upon order of the District, solely to pay 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, R.R. Supp., Neb. 2009, 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 Series 2010A 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 Series 2010A Bonds, which would cause said Series 2010A 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 Series 2010A 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 Series 2010A 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) The District hereby designates any Series 2010A Bonds issued hereunder as its “qualified tax-exempt obligations” pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not anticipate issuing tax-exempt interest bearing obligations in calendar 2010 in an amount in excess of \$30,000,000 (taking into consideration the exception for refunding issues).

(c) 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 (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction 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 County 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.

(d) It is not expected that the proceeds of any Series 2010A 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.

(e) The District hereby covenants to the purchasers and registered owners of any Series 2010B Bonds issued hereunder that it will make no use of the proceeds of any such Series 2010B Bonds which would cause such Series 2010B Bonds to cease to qualify as “build America bonds” under Section 54AA and Section 6431 of the Code. The District further agrees that it will not apply the sale proceeds of any Series 2010B Bonds or hold and apply any monies or investments, including tax levy monies and proceeds thereof, intended to be used to pay principal and interest on any Series 2010B Bonds, which would cause said Series 2010B Bonds (1) to be “arbitrage bonds” within the meaning of Sections 103(b) and 148 of the Code or (2) to be “private activity bonds” within the meaning of Section 141 of the Code

and further covenants to comply with said Sections 103, 141 and 148 and all applicable regulations thereunder throughout the term of said bond issue, as and to the extent that such sections of the Code are or become applicable to any Series 2010B Bonds. The District hereby covenants and agrees to (i) take all actions necessary under the Code to maintain the status of any Series 2010B Bonds as its "build America bonds" and "qualified bonds", each as defined and described in Sections 54AA and 6431 of the Code, and hereby irrevocably elects to have both subsections (d) and (g) of Section 54AA apply to any Series 2010B Bonds which may be designated under the Designation and issued hereunder; (ii) take any and all actions necessary to obtain the credit payable to the District equal to 35 percent of each interest payment on such Series 2010B Bonds pursuant to Section 6431 of the Code; and (iii) enter into the Tax Compliance Agreement (the "Tax Compliance Agreement") in substantially the form presented herewith if any Series 2010B Bonds are issued. The General Manager of the District, the President (or upon the President's unavailability, the Vice President of the Board of Directors) and the Secretary are hereby authorized to execute and deliver said Tax Compliance Agreement 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 Sections 10-142, Reissue Revised Statutes of Nebraska, as amended.

Section 13. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the District hereby agrees that it will provide to the Municipal Securities Rulemaking Board (the "MSRB") annually, the following financial information or operating data regarding the District in a format acceptable to the MSRB:

(a) to the MSRB, the District shall provide annual 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; such information is expected to be available not later than seven months after the end of each fiscal year 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;

(b) in a timely manner to the MSRB, notice of the occurrence of any of the following events with respect to the Bonds, if in the judgment of the District, such event is material:

(1) principal and interest payment delinquencies,

- (2) non-payment related defaults,
- (3) unscheduled draws on debt service reserves reflecting financial difficulties (there are no debt service reserves with respect to the Bonds),
- (4) unscheduled draws on credit enhancements reflecting financial difficulties (there is no credit enhancement on the Bonds);
- (5) substitution of credit or liquidity providers, or their failure to perform (not applicable to the Bonds);
- (6) adverse tax opinions or events affecting the tax status of the Bonds,
- (7) modifications to rights of the holders of the Bonds,
- (8) bond calls,
- (9) defeasances,
- (10) release, substitution, or sale of property securing repayment of the Bonds, and
- (11) rating changes.

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

(c) in a timely manner to the MSRB notice of any failure on the part of the District to provide required annual financial information not later than seven months from the close of the District's fiscal year.

The District hereby agrees that all information required to be filed with the MSRB under the terms of this continuing disclosure undertaking shall be provided for filing in such 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, to the extent necessary or appropriate in the judgment of the District, consistent with the Rule. The District hereby 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 a default or an event of default under this resolution. The continuing disclosure obligations of the District, as set forth in this Section 13, shall cease when none of the Bonds remain outstanding.

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. The officers of the District, or any one or more of them, including the President, Vice President 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 14th day of January, 2010.

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

ATTEST:

By: \_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

The motion for adoption was seconded by Board Member \_\_\_\_\_. The President 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 President declared the resolution adopted and the President, 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 14<sup>th</sup> day of January, 2010.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary



DOCS/951528.2

**EXTRACT FROM MINUTES OF MEETING  
OF THE BOARD OF DIRECTORS  
OF PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT**

A meeting of the Board of Directors of Papio-Missouri River Natural Resources District, in the State of Nebraska, (the "District") was held at \_\_\_\_:\_\_\_\_ p.m. on January 14, 2010, at the Natural Resources Center of the District, 8901 S. 154th St., 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: \_\_\_\_\_

A quorum being present and the meeting duly commenced, the following proceedings were had and done. The President 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: