

**PAPIO-MISSOURI RIVER  
NATURAL RESOURCES DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
February 11, 2010**

**PLEDGE OF ALLEGIANCE**

**NOTIFICATION OF OPEN MEETINGS ACT POSTING AND MEETING PROCEDURE**

**MEETING CALLED TO ORDER:** A regular meeting of the Papio-Missouri River Natural Resources District Board of Directors was held at the Natural Resources Center, 8901 S. 154<sup>th</sup> St., Omaha, NE on February 11, 2010. The meeting was called to order by Chairperson Jim Thompson at 7:00 p.m.

**QUORUM CALL:** The following Directors were present for the Quorum Call:

Larry Bradley  
Fred Conley  
John Conley  
Tim Fowler  
Scott Japp  
Dave Klug

Rick Kolowski  
Dorothy Lanphier  
John Schwope  
Rich Tesar  
Jim Thompson

**ADOPTION OF AGENDA:**

- .. **MOTION NO. 1:** It was moved by Director Schwope and seconded by Director Kolowski that the agenda be adopted.

BE IT RESOLVED that the agenda be adopted.

Roll call vote was held on Motion. The motion carried unanimously.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	None
Abstaining	-	None
Absent	-	None

**ADOPTION OF CONSENT AGENDA:**

- .. **MOTION NO. 2:** It was moved by Director Tesar and seconded by Director Fowler that the following resolution be adopted:

Agenda Item 3.A.:

BE IT RESOLVED that the absence of the following Director(s) from the February 11, 2010, Board of Directors Meeting is excused:

None to date.

Agenda Item 7. A.

BE IT RESOLVED that the January 14, 2010 Papio-Missouri River NRD Board meeting minutes and the January 13, 2010 Dakota County Rural Water Advisory Board meeting minutes are approved as printed.

Roll call vote was held on Motion. The motion carried on a vote of 10-yea and 1-nay.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	Japp
Abstaining	-	None
Absent	-	None

**PROOFS OF PUBLICATION OF MEETING NOTICE:** Notice of the meeting was published in the Omaha World Herald on February 4, 2010. The District's December, 2009, expenditures were published in the Washington County Enterprise on February 5, 2010. The Chairperson ordered the Proofs of Publication recorded in the minutes of this meeting. (They are contained as part of the file copy of these minutes.)

**AGENCY AND ASSOCIATION REPORTS:**

A. Natural Resources Conservation Service Report: Neil Jensen, NRCS District Conservationist, briefed the Board on NRCS activities for the past month. He announced that Andy Bohnenkamp had been selected as the District Conservationist in the Blair Field Office.

B. Nebraska Association of Resources Districts:

1. NARD Legislative Conference: Director Tesar reported that the 2010 NARD Legislative Conference was held January 26-27, 2010 at the Embassy Suites, Lincoln, NE. He thanked Directors and staff for attending. He noted that the NARD supported the District's legislative bill which would allow a NRD encompassing or including any portion of a city of the metropolitan class to expend funds to employ the services of law enforcement personnel or security services to patrol and protect District-owned recreation areas and to assist law enforcement officers in enforcing District recreation areas, with the provision that an amendment to the bill be made to open this up to all NRDs.

2. NARD Washington DC Trip: Director Tesar reported that the NARD Washington DC Trip would be held Mary 6-10, 2010. Director Bradley and Assistant General Manager Petermann will be representing the District.

C. Legislative Report: Steve Grasz, Husch Blackwell Sanders, noted that it had been a very busy week and reported on the following proposed bills:

LB 795 – NRD Recreational Facilities: The Judiciary Committee accepted testimony on LB 795 this week which would allow an NRD encompassing or including a city of the metropolitan class to employ the services of law enforcement personnel to protect district-owned recreation areas. Senator Brenda Council, sponsor of the bill, offered an amendment to expand the authority to all NRDs. GM Winkler, Mike Onnen, Little Blue NRD, and Bob Hilske, Nemaha NRD, testified in support. There were no opponents to the bill.

LB 1019 – Creates the trails dispute boards to decide disputes between county boards and NRD boards concerning recreational trails. Senator Ken Harr has asked that the bill not be advanced and will work with Senator Pankonin to work towards an agreement on LB 1010.

LB 1010 – Provides procedures and limitations on the use of eminent domain by natural resources districts for recreational trails. The bill would establish some additional criteria for NRDs if eminent domain had to be used to acquire land for a recreation trail. Glen Johnson, Lower Platte South NRD, GM John Winkler, Stan Staab, Lower Elkhorn NRD testified in support of the bill. This is a compromise bill and will likely be the bill to advance.

LB 1011 – Limits the eminent domain power of natural resources districts to exclude certain recreational trails. This bill was introduced by Senator Pandonin as a back-up if nothing could be worked out on the procedures offered under either LB 1010 or 1019.

D. Report on 2010 National Association of Conservation Districts Annual Conference: Directors Tim Fowler and Jim Thompson reported on the 2010 NACD Annual Conference held January 31 – February 3, 2010 in Orlando, FL.

E. Lower Platte River Corridor Alliance Report: Megan Sittler, LPRCA Coordinator, submitted a written report. It is posted to the District's website.

### **SUBCOMMITTEE REPORTS:**

A. Programs, Projects and Operations Subcommittee: Director John Conley reported that the PPO Subcommittee met on February 9, 2010, and gave a brief recap of the meeting.

•• **MOTION NO. 3** It was moved by Director John Conley that the following recommendation be adopted:

*PPO Recommendation #1:* City of Valley – North Spruce Street Drainage – Recommendation that the City of Valley's request for cost share assistance under the Urban Drainageway Program be approved in the amount of \$186,480, and that the General Manager be authorized to execute an interlocal agreement with the City to finance the City's share of

the project costs, or \$85,470, subject to minor changes by the General Manager and approved as to form by District Legal Counsel.

Mary Caffey, City of Valley Mayor, reported that the City of Valley had worked to identify and prioritize four drainage areas that needed improvements. Jim Olmstead showed a map of the North Spruce Street Drainage basin. He indicated that over time the area was overgrown with trees and vegetation and the City was asking for help to clear the drainage basin.

Roll call vote was held on Motion. The motion carried on a vote of 10-yea and 1-nay.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	Japp
Abstaining	-	None
Absent	-	None

Director John Conley noted that the Subcommittee was briefed by Dr. Don Greer, UNO, regarding the type and number of users on the metro trails system. No action required.

•• **MOTION NO. 4** It was moved by Director John Conley that the following recommendation be adopted:

*PPO Recommendation #3:* City of LaVista Thompson Creek Floodplain Buyout Grant – Recommendation that the District approve the City of La Vista request to cost share on the local contribution in the amount of \$340,155 payable over three years.

Roll call vote was held on Motion. The motion carried unanimously.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	None
Abstaining	-	None
Absent	-	None

•• **MOTION NO. 5** It was moved by Director John Conley that the following recommendation be adopted:

*PPO Recommendation #4:* Request from Olsson Associates for Additional Professional Services Fees for Silver Creek Watershed – Recommendation that the maximum, not-to-exceed amount for professional services contract with Olsson Associates for the Silver Creek Watershed Project, be increased to \$619,263.24

Roll call vote was held on Motion. The motion carried 10-yea and 1-nay.



Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	Japp
Abstaining	-	None
Absent	-	None

- **MOTION NO. 6** It was moved by Director John Conley that the following recommendation be adopted:

*PPO Recommendation #5:* NRCS Request for Approval of Acknowledgement of Section 1619 Compliance – Recommendation that the Section 1619 Compliance agreement between the Natural Resources Conservation Service and the P-MRNRD be approved.

Roll call vote was held on Motion. The motion carried unanimously.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	None
Abstaining	-	None
Absent	-	None

B. Finance, Expenditures and Legal Subcommittee: Director Tesar reported that the FEL Subcommittee met February 9, 2010 and gave a brief recap of the meeting. He noted that the Subcommittee had been briefed on Platte River Ice Conditions and Construction of Flood Fighting Measures.

- **MOTION NO. 7** It was moved by Director Tesar that the following recommendation be adopted:

*FEL Recommendation #1c:* Western Sarpy Clear Creek Flood Reduction Project - BNSF Railroad Company Easement Agreement – Recommendation that the General Manager be authorized to sign the proposed Western Sarpy Clear Creek Flood Reduction Easement Agreement with BNSF Railway Company, subject to form as approved by District Legal Counsel.

Roll call vote was held on Motion. The motion carried unanimously.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	None
Abstaining	-	None
Absent	-	None

- **MOTION NO. 8** It was moved by Director Tesar that the following recommendation be adopted:

*FEL Recommendation #1d:* Western Sarpy Clear Creek Flood Reduction Project - Beacon View Agreement Amendment and Easement – Recommendation that the General Manager be authorized to execute an easement and amendment to Project Cooperation Agreement for the Beacon View Inc. property subject to approval as to form by District Legal Counsel.

Roll call vote was held on Motion. The motion carried unanimously.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	None
Abstaining	-	None
Absent	-	None

•• **MOTION NO. 9** It was moved by Director Tesar that the following recommendation be adopted:

*FEL Recommendation #1e:* Western Sarpy Clear Creek Flood Reduction Project - Project Sponsor Agreement – Recommendation that the General Manager be authorized to sign the proposed Western Sarpy Clear Creek Flood Reduction Project Sponsor Memorandum of Agreement, subject to form as approved by District Legal Counsel.

Roll call vote was held on Motion. The motion carried unanimously.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	None
Abstaining	-	None
Absent	-	None

•• **MOTION NO. 10** It was moved by Director Tesar and seconded by Director Fowler that the following recommendation be adopted:

*FEL Recommendation #2.:* Issuing Flood Control and Water Quality Enhancement Bonds – Recommendation 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:

(a) That this District is duly organized as a natural resources district under Chapter 2, Reissue Revised Statutes of Nebraska, 2007, 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. Neb. 2009, 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 (individually, a "Project"; and together, the "Projects"):

(i) Waterloo Levee Project, which is located exclusively within the Village of Waterloo's Zoning Jurisdiction;

(ii) Floodway Purchase Program, which is located exclusively within the Zoning Jurisdictions of the City of Omaha, The County of Douglas and The County of Sarpy, and will not result in a reservoir or water quality basin greater than twenty surface acres;

(iii) Western Sarpy Clear Creek Project, which is located exclusively within The County of Sarpy's Zoning Jurisdiction and will not result in a reservoir or water quality basin greater than twenty surface acres;

(iv) Pigeon Jones Site 15 Project, which is located exclusively within The County of Dakota's Zoning Jurisdiction and will result in a reservoir or water quality basin greater than twenty surface acres;

(v) WP-5 Project, which is located exclusively within the City of Papillion's Zoning Jurisdiction;

(vi) Zorinsky Water Quality Basin Project, which is located exclusively within the City of Omaha's Zoning Jurisdiction;

(d) that the General Manager of the District is hereby authorized and directed to give notice of the District's intent to issue bonds to any County to the extent any part of a Project will result in a reservoir or water quality basin greater than twenty surface acres to lie within such County's exclusive zoning jurisdiction as required by Section 2-3226.11, R.S.Supp. Neb. 2009;

(e) 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, subject, however, to any determinations which may be required by Section 2-3226.11(3), R.S.Supp. Neb. 2009, with respect to the Project described in subsection (c)(iv) of this Section 1; and

(f) 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 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 \$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 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 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 Chairperson 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]**

<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 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: \_\_\_\_\_  
Chairperson

\_\_\_\_\_  
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 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 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 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 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. 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

Projects. 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 Projects.

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. 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.

(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. The District hereby agrees to enter into the Tax Compliance Agreement (Tax Exempt Bonds) (the "Tax Exempt Bonds Tax Compliance Agreement") in substantially the form presented herewith with respect to any Series 2010A Bonds. 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 Exempt Bonds 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.

(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 (Build America Bonds) (the “Build America Bonds Tax Compliance Agreement”) in substantially the form presented herewith with respect to any Series 2010B Bonds. 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 Build America Bonds 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. 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. 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.

EXHIBIT A  
DESCRIPTION OF PROJECTS



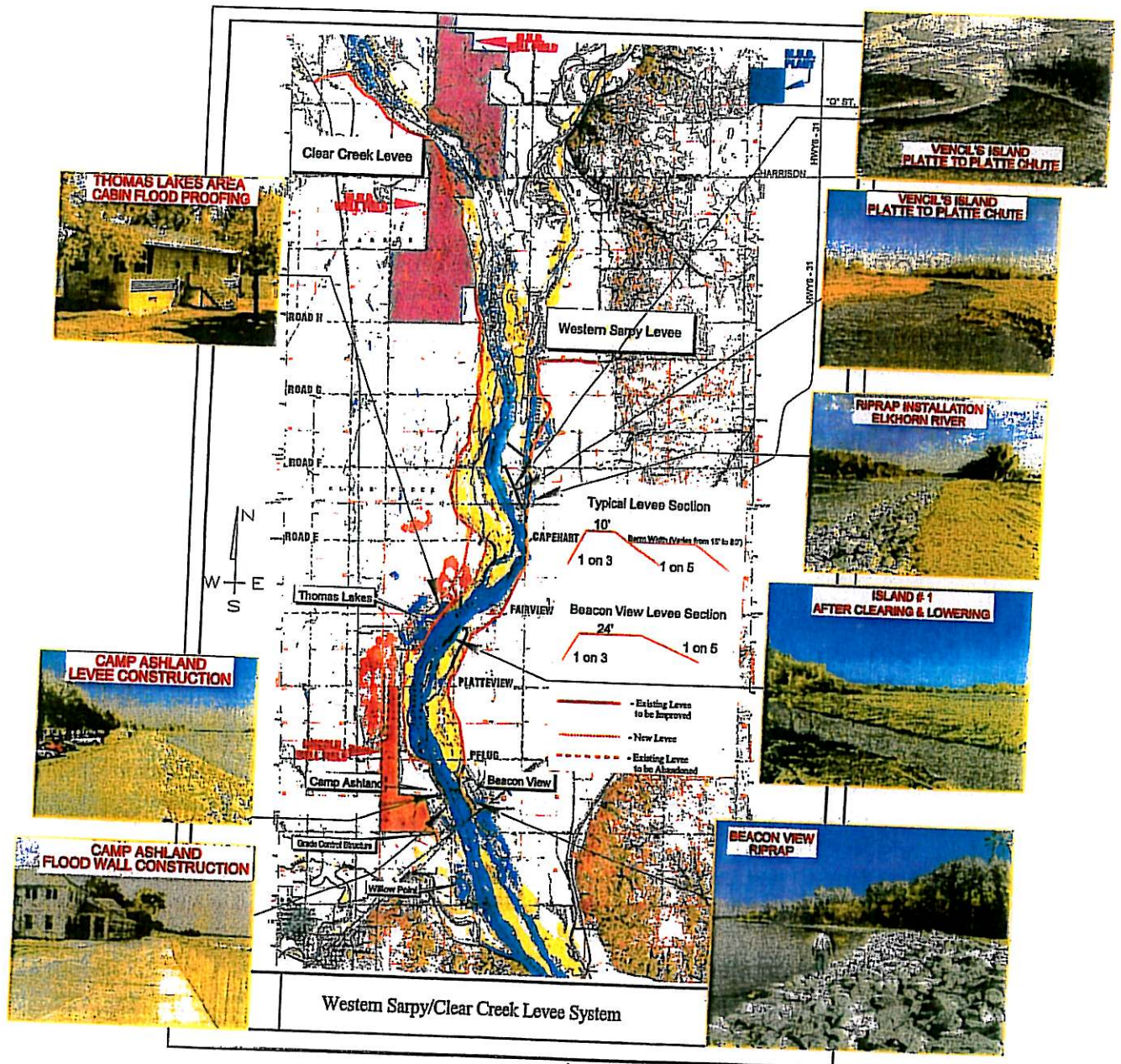
# WATERLOO LEVEE PROJECT AREA



The Waterloo levee improvement project proposes levee modifications to accredit the levee to Federal Emergency Management Agency (FEMA) standards and continue to provide 100 year flood protection for the residents of Waterloo. The Waterloo levee is a ring levee which surrounds the Village of Waterloo and it is entirely in their jurisdiction. The estimated construction costs for the levee improvements are approximately \$4 million dollars.



# WESTERN SARPY/ CLEAR CREEK LEVEE PROJECT WITH COMPLETED FEATURES



**WESTERN SARPY CLEAR CREEK  
FLOOD REDUCTION PROJECT  
Sarpy and Saunders Counties, Nebraska**

Federal Appropriations through FY2008	\$10,701,000
Federal Appropriations for FY2009-2010 (ARRA stimulus funding)	\$9,360,000
<b>Federal Appropriations FY 2011 request</b>	<b><u>\$1,064,000</u></b>
<b>TOTAL FEDERAL APPROPRIATIONS</b> (65% of total cost of \$32,500,000)	<b>\$21,125,000</b>

**PROJECT STATUS**

**Completed Components**

- Elkhorn River Bank Stabilization (portion)
- Platte River/Beacon View Bank Stabilization
- Camp Ashland Segment Levee (Military Funded)
- Impacted (21) riverward cabin acquisition or floodproofing (elevating) (100% sponsor funds), Local Sponsors have spent \$7,503,900 to date on riverward cabins, right-of-way acquisition and construction cost-share. Beacon View segment levee (under construction)

**Conservation Measures (portion)**

- Vencil's Island Platte River to Platte River Chute
- Island #1 Clearing and Lowering
- East Bank Chute

**To Construct Components**

- Western Sarpy Levee Segments II and III (under construction)
- Clear Creek Levee (all, except Camp Ashland Area)
- Platte and Elkhorn River Bank Stabilization (portion under construction)

**Conservation Measures**

- Vencils Island/Platte to Elkhorn Chute
- West Bank Levee Setback/Chute
- West Bank Chute

**Other:**

*Papio-MRNRD FY 10 Budget includes \$4,218,000 in expenses and income for this project, of which \$2,622,195 of the income is to come from proposed NRD bond revenue. This project is located in Western Sarpy County and Eastern Saunders County, immediately upstream of Hwy. 6. The two counties are the only zoning authorities for the project area. This project was authorized by US Congress in 2000 and being designed and constructed by the Corps of Engineers. The sponsors will operation and maintain the project when completed in 2011 or 2012. Project length is 12 miles on Saunders County side of Platte River and 6 miles on Sarpy County side of the Platte River.*

2/1/10      WSD138  
File: 548

Exhibit A-4



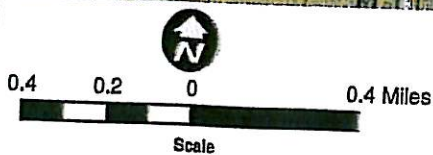
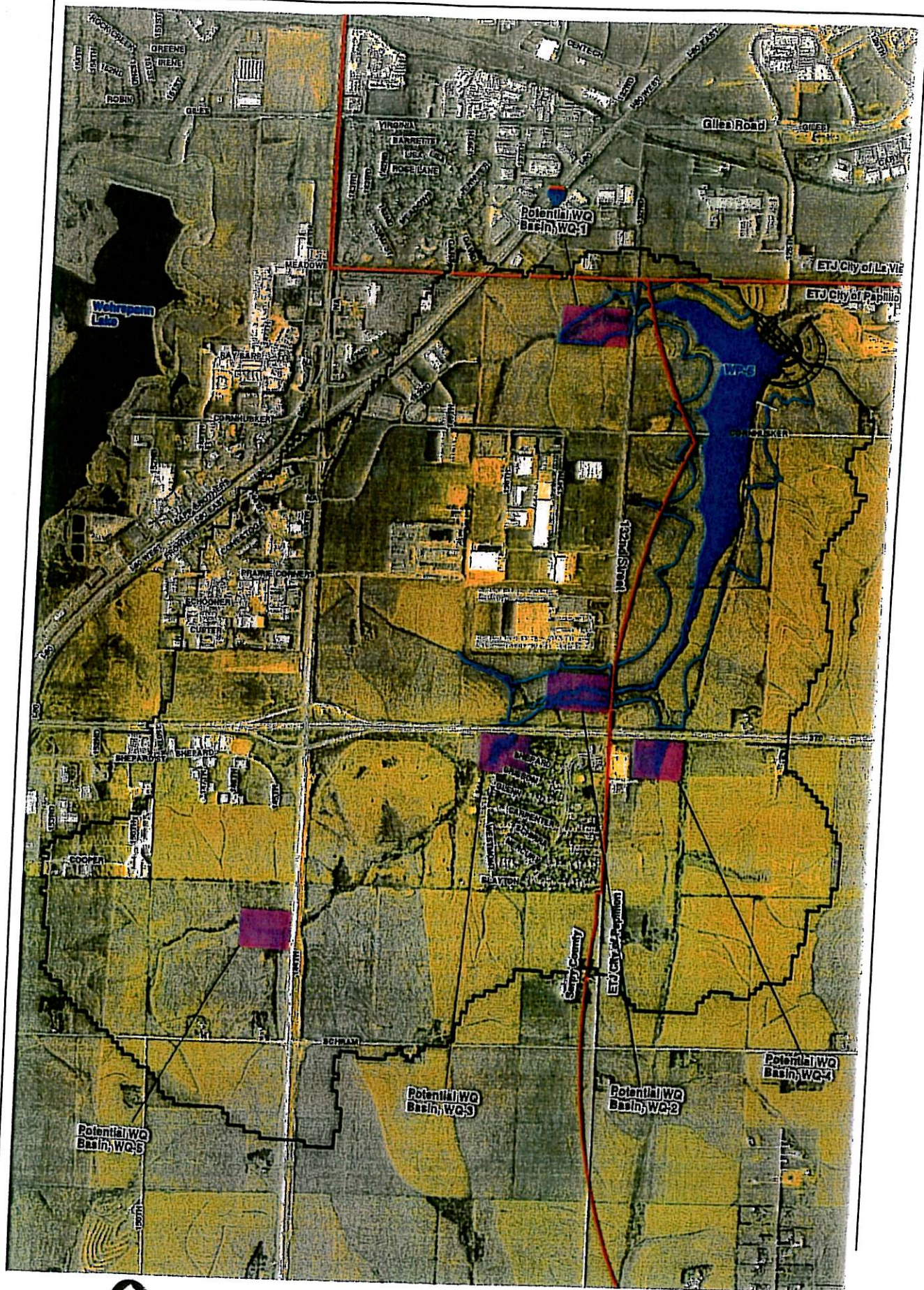


**OLSSON**  
ASSOCIATES

**FIGURE 5**

The Pigeon/Jones Creek Site #15 Recreation Project is a project that lies wholly within the Dakota County Zoning Jurisdiction. It is approximately one mile east of Hubbard, NE and eight miles Southwest of Dakota City, NE. The estimated cost of the project is \$14,000,000.





# WP-5 Drainage Area

Papillion Creek Watershed Regional Detention WP RB-5  
Feasibility Study and Preliminary Design

DATE	May 2009
FIGURE	1

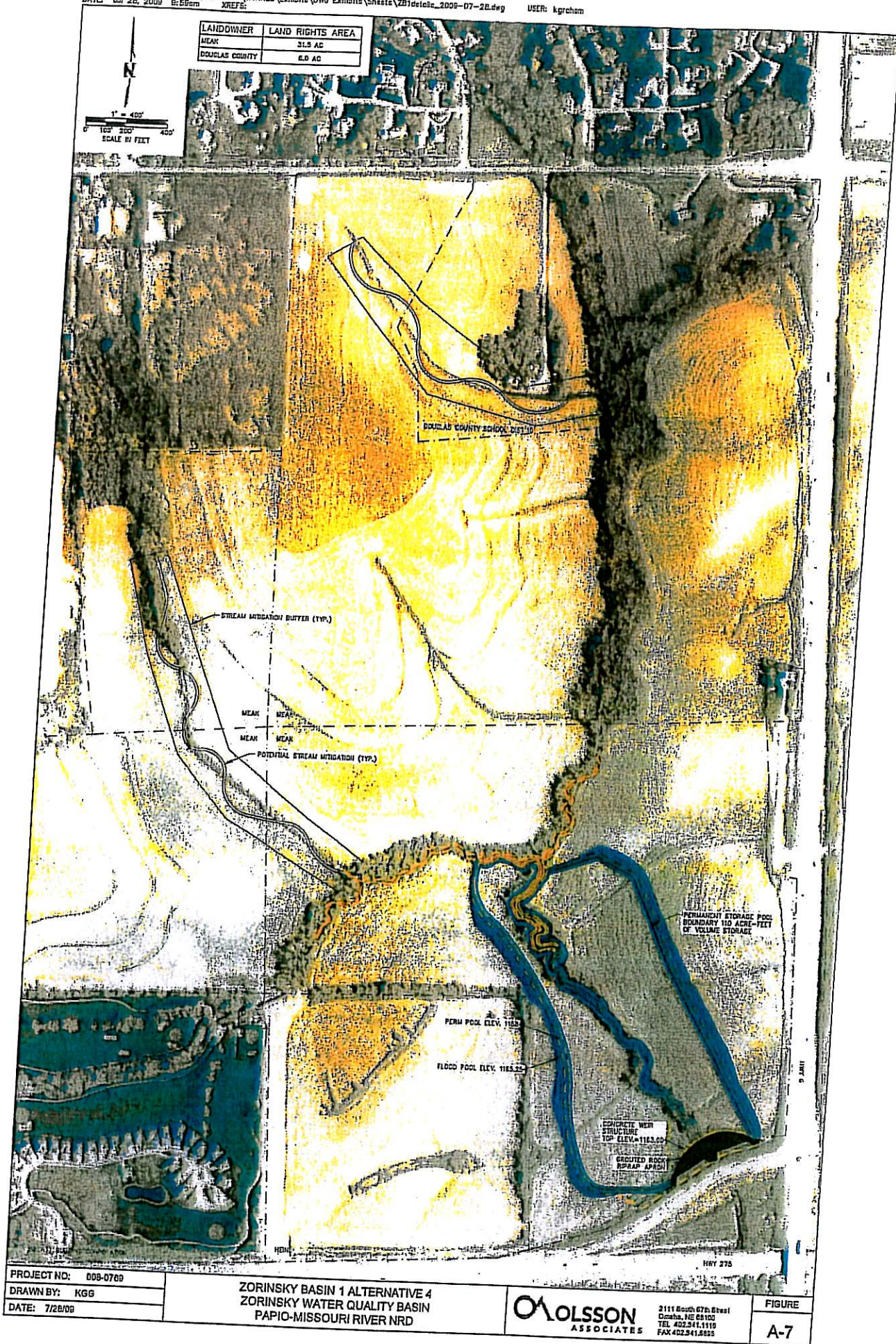
Exhibit-A1



West Papillion Regional Basin Number 5 (WP5) which is generally located at 126<sup>th</sup> Street and Cornhusker Road. This flood control and recreation project is mainly located in the City of Papillion's jurisdiction with a small portion in Sarpy County jurisdiction.

The WP5 reservoir has a drainage area of 5.2 sq. mi or 3310 acres and the normal pool surface area is anticipated to be approximately 130 acres. The total cost of the project is estimated at \$36.5 million dollars.





PROJECT NO: 008-0760  
 DRAWN BY: KGG  
 DATE: 7/28/09

ZORINSKY BASIN 1 ALTERNATIVE 4  
 ZORINSKY WATER QUALITY BASIN  
 PAPIO-MISSOURI RIVER NRD

**MOLSSON**  
 ASSOCIATES

2111 South 67th Street  
 Omaha, NE 68102  
 TEL 402.541.1110  
 FAX 402.541.5025

FIGURE  
 A-7



Zorinsky Basin #1 is a proposed water quality basin intended to protect Zorinsky Lake from the developing upstream watershed. It is located northwest of Hwy 6 and Hwy 92/275, in the City of Omaha's jurisdiction. The project consists of a concave weir structure sized to retain flows up to a 50 year storm event and will create approximately 30 acres of sediment storage and wetlands. The estimated cost for the project is \$9.5 million dollars.

Chairperson Thompson opened the floor for comments. The following individuals addressed the Board:

- Doug Kagan, representing the Nebraska Taxpayers for Freedom
- Shawn Melotz, 10303 N. 132<sup>nd</sup> St., Omaha, NE
- Tyler Mohr, 12101 Pawnee Road, Omaha, NE
- Doug Cook, Washington County Planning Director. Mr. Cook read a letter, dated January 29, 2010, from the Washington County Board of Supervisors. The letter is attached to the file copy of the minutes.

Director John Conley noted that GM Winkler had written a letter responding to the Washington County Board of Supervisors and asked that his letter be attached to the minutes. The letter is attached to the file copy of the minutes.

Director Lanphier stated that she felt that the Board should be engaged in the bonding process. The Board is ultimately responsible and she felt that this responsibility should not be delegated.

SUBSTITUTE MOTION	It was moved by Lanphier and seconded by Japp that the a Substitute Motion be offered to the motion on the floor. A copy of the Substitute Motion is attached.
----------------------	--

Director Lanphier reviewed her suggested changes to the resolution.

Mike Rogers, Baird Holm, and Paul Greiger, DA Davidson, answered questions from the Board. There was extended discussion.

Director John Schwope called for the question on the Substitute Motion.

Roll call vote was held on the substitute motion. The motion failed on a vote of 2-yea and 9-nay.

Voting Yea	-	Japp, Lanphier
Voting Nay	-	Bradley, Conley (Fred), Conley (John), Fowler, Klug, Kolowski, Schwope, Tesar, Thompson
Abstaining	-	None
Absent	-	None

Director Fred Conley called for the question on the original motion. Director Japp made a point of order indicating that he would like to make an amendment to the resolution. Chairperson Thompson noted that the question had been called for. Director Japp attempted to make a motion, but the motion was not allowed by the Chairperson. Chairperson Thompson once again pointed out that the question had been called for.

Roll call vote was held on the motion. The motion carried on a vote of 9-yea and 2-nay.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Klug, Kolowski, Schwope, Tesar, Thompson
Voting Nay	-	Japp, Lanphier

Abstaining - None  
Absent - None

- **MOTION NO. 11** It was moved by Director Tesar that the following recommendation be adopted:

*FEL Recommendation #3.:* Authorize the Purchase of Surplus Property for the Purpose of Expanding Platte River Landing Recreation – Recommendation that the General Manager be authorized to submit a bid to Sanitary Improvement District #196 for the 12.5 acre parcel in the amount of \$50,000.

Roll call vote was held on the motion. The motion carried on a vote of 10-yea and 1-abstention.

Voting Yea - Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Schwoppe, Tesar, Thompson  
Voting Nay - None  
Abstaining - Lanphier  
Absent - None

- **MOTION NO. 12** It was moved by Director Tesar that the following recommendation be adopted:

*FEL Recommendation #4.:* Papio Creek Watershed Structure W-3 Land Rights – Recommendation that the following resolution be adopted:

#### RESOLUTION

WHEREAS, on its own motion, the Papio-Missouri River Natural Resources District ("the DISTRICT") has proposed a project ("the PROJECT") to rehabilitate the works and improvements comprising the DISTRICT'S Public Law-566 Dam Site W-3; and,

WHEREAS, the PROJECT is a plan, facility, work and program within the contemplation of Section 3-3229, R.R.S., 1997, which authorizes the DISTRICT as follows, to-wit:

“... to develop and execute, through the exercise of powers and authorities granted by law, plans, facilities, works, and programs relating to (1) erosion prevention and control, (2) prevention of damages from flood water and sediment, (3) flood prevention and control, (4) soil conservation, ... (6) development, management, utilization, and conservation of ground water and surface water, (7) pollution control, ... (9) drainage improvement and channel rectification ....”

and,

WHEREAS, the Board of Directors of the DISTRICT hereby finds and determines that:

A. The DISTRICT has identified a certain temporary easement (hereinafter referred to as "the CORRECTED TEMPORARY CONSTRUCTION ACCESS EASEMENT"), hereinafter described, in, on, over and across lands owned by JOHN CAMDEN AND MARY CAMDEN, HUSBAND AND WIFE, AS JOINT TENANTS ("CONDEMNEDS") in the SE ¼, Section 27, T18N, R11E, Washington County Nebraska, that is necessary for the PROJECT; and,

B. The DISTRICT previously negotiated in good faith with CONDEMNEDS in that:

(1) The DISTRICT retained a licensed real estate appraiser to appraise the damages from the DISTRICT'S acquisition of several permanent and temporary easements that were deemed to be needed for the PROJECT (the "EASEMENTS"), including a TEMPORARY CONSTRUCTION ACCESS EASEMENT, conditioned as hereinafter described. The DISTRICT offered to CONDEMNEDS an amount of money equal to the full fair market value of the appraised damages, appraised by such licensed real estate appraiser, that would be sustained by CONDEMNEDS as a result of the DISTRICT'S acquisition of the EASEMENTS; and, the DISTRICT'S representatives made reasonable efforts by conference, telephone and correspondence to induce CONDEMNEDS to accept the DISTRICT'S offer, but such offer was refused by CONDEMNEDS, counterproposals made by CONDEMNEDS were deemed to be unreasonable and unacceptable to the DISTRICT, such negotiations therefore failed, and the parties therefore were at an impasse.

(2) Accordingly, on or about August 14, 2009, the DISTRICT filed a Petition for Appointment of Appraisers in the County Court of Washington County, Nebraska, seeking to acquire the EASEMENTS, including the aforesaid TEMPORARY CONSTRUCTION ACCESS EASEMENT, from CONDEMNEDS, however, subsequent to the filing of the Report of Appraisers in that case, it was discovered that, due to clerical error, the necessary TEMPORARY CONSTRUCTION ACCESS EASEMENT, sought to be obtained in such proceedings, was incorrectly described as being over land in the SW ¼, Section 27, T18N, R11E, Washington County Nebraska, owned by third parties, instead of being over the land owned by the CONDEMNEDS in the SE ¼, Section 27, T18N, R11E, Washington County Nebraska, owned by CONDEMNEDS, where such TEMPORARY CONSTRUCTION ACCESS EASEMENT is needed for purposes of providing ingress and egress to the site of the PROJECT during the construction thereof.

(3) Subsequently, by letter dated January 29, 2009, the DISTRICT offered to CONDEMNEDS an amount of money

equal to the full fair market value of the separate damages, appraised by the aforesaid licensed real estate appraiser, that would be sustained by CONDEMNNEES as a result of the DISTRICT'S acquisition of the CORRECTED TEMPORARY CONSTRUCTION ACCESS EASEMENT; over the land owned by the CONDEMNNEES in the SE ¼, Section 27, T18N, R11E, Washington County Nebraska, and, the DISTRICT'S representatives made reasonable efforts by letter dated February 4, 2010, to induce CONDEMNNEES to accept the DISTRICT'S offer, but such offer was rejected by CONDEMNNEES by letter dated February 8, 2010, wherein CONDEMNNEES demanded that the DISTRICT cease its efforts to gain access to CONDEMNNEES' property, whereupon such negotiations were deemed to have failed, and the parties presently are at an impasse concerning the DISTRICT'S acquisition of the CORRECTED TEMPORARY CONSTRUCTION ACCESS EASEMENT over the land owned by the CONDEMNNEES in the SE ¼, Section 27, T18N, R11E, Washington County Nebraska, needed for the PROJECT.

C. Economic and physical feasibility necessitate that the PROJECT be constructed in the location of the CORRECTED TEMPORARY CONSTRUCTION ACCESS EASEMENT; and,

D. Approvals by other agencies are not required; and,

E. It is necessary that the District exercise the right of eminent domain, granted to it by Section 2-3234, R.R.S., 1997, in order to acquire for the PROJECT the CORRECTED TEMPORARY CONSTRUCTION ACCESS EASEMENT over the parcel of land in the SE ¼, Section 27, T18N, R11E, Washington County Nebraska, hereinafter referred to, conditioned as follows, to-wit:

CORRECTED TEMPORARY CONSTRUCTION ACCESS EASEMENT. The DISTRICT, and its officers, agents, employees and contractors, shall have the temporary and non-exclusive right to use the dirt road in the tract of land in the SE ¼, Section 27, T18N, R11E, Washington County Nebraska, Washington County, Nebraska referred to and described as the "TEMPORARY CONSTRUCTION ACCESS EASEMENT" in the amended legal description and diagram, attached hereto and incorporated herein by reference as Exhibit "A," for vehicular, equipment and pedestrian ingress and egress between the location of other easements acquired for the PROJECT and the public roads rights-of-way during the period of time between the commencement and completion of the DISTRICT'S construction of the PROJECT'S rehabilitated dam and reservoir in such other easement areas, provided, however, such period of time shall not exceed one year

beginning with commencement of such construction. Upon termination of the DISTRICT'S temporary use of such tract for such rehabilitation, the DISTRICT shall restore such dirt road in such tract to its condition preceding such use.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the DISTRICT that the foregoing findings and determinations are hereby adopted; and that, in the absence of a voluntary grant of the aforesaid CORRECTED TEMPORARY CONSTRUCTION ACCESS EASEMENT to the DISTRICT, the DISTRICT'S Legal Counsel should be, and is hereby, authorized and directed to initiate the filing of a petition in the County Court of Washington County, Nebraska, on behalf of the DISTRICT, for the appointment of appraisers to ascertain, determine and report the damages sustained by CONDEMNEDS from the DISTRICT'S taking of the aforesaid CORRECTED TEMPORARY CONSTRUCTION ACCESS EASEMENT, pursuant to the procedures governing eminent domain, as provided by Section 76-701, et seq., R.R.S., 1997.

- **MOTION NO. 13** It was moved by Director Schwoppe and seconded by Director Fowler that the Board go into Executive Session to discussion Papio Creek Watershed Structure W-3 land rights.

Roll call vote was held on the motion. The motion carried on a unanimous vote.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Lanphier, Schwoppe, Tesar, Thompson
Voting Nay	-	None
Abstaining	-	None
Absent	-	None

The Board went into Executive Session at 8:30 p.m.

- **MOTION NO. 14** It was moved by Director Tesar and seconded by Fred Conley that the Board return to Regular Session.

Roll call vote was held on the motion. The motion carried on a unanimous vote.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Japp, Klug, Kolowski, Lanphier, Schwoppe, Tesar, Thompson
Voting Nay	-	None
Abstaining	-	None
Absent	-	None

The Board returned to Regular Session at 9:00 p.m.

Roll call vote was held on the motion. The motion carried on a vote of 9-yea and 2-nay.



Voting Yea	-	Bradley, Conley (Fred), Conley (John), Fowler, Klug, Kolowski, Schwope, Tesar, Thompson
Voting Nay	-	Japp, Lanphier
Abstaining	-	None
Absent	-	None

### **TREASURER'S REPORT:**

- **MOTION NO. 15:** It was moved by Director John Conley and seconded by Director Fowler that the following resolution be adopted:

BE IT RESOLVED that the Treasurer is authorized to expend general funds to pay: (l) claims listed in the January, 2010, financial report; and, (2) any claims made prior to the next Board meeting for (a) earned salaries of District employees, (b) withholding taxes, (c) social security payments, (d) retirement program contributions, (e) utilities, (f) registration fees and expenses for upcoming meetings and conferences, (g) certified completed CAP and Special Project Area applications, (h) invoices which offer a credit or discount for payment made prior to the next Board meeting, (i) postage, and, (j) building and grounds contract expenses.

BE IT FURTHER RESOLVED that the Treasurer is authorized to pay, from the respective operating accounts of the Dakota County, Thurston County and Washington County #1 and Washington County #2 rural water supply projects, the Elkhorn River Bank Stabilization Project, the Elkhorn Breakout Project, the Elk/Pigeon Creek Drainage Project, and the Western Sarpy Drainage District, the project bills listed on the January, 2010, financial report, and future claims for project utilities.

BE IT FURTHER RESOLVED that the financial reports be affixed to and made a part of the minutes.

Director Japp had several questions regarding the Olsson Associates billing for the Silver Creek project. Ralph Puls noted that Paul Woodward, Olsson Associates, had explained at the February 9, 2010 Programs, Projects and Operations Subcommittee meeting that the billing for construction observation was used for the 404 permit.

**Amendment No 1**  
**To Motion No.15** It was moved by Director Japp and seconded by Director Lanphier that the Olsson bill be paid minus the \$12,619.45 and \$986.36 for construction observation fees which they have not rendered.

Director John Conley noted that Mr. Woodward had explained at the PPO meeting that the billing was for legitimate field expenses such as surveying. He suggested that the bill be paid and that a more detailed report be provided to the Board along with next month's bill for services rendered.

**Motion to Table**

It was moved by Director John Conley and seconded by Director Tesar that Amendment No. 1 to Motion No. 15 be tabled.

Legal Counsel Paul Peters pointed out that this action would lock up the main motion.

Chairperson Thompson suggested that the motion to table and Amendment No. 1 to Motion No. 15 be withdrawn with the understanding that a clarification of the Olsson's billing be provided next month.

Director John Conley withdrew his motion to table and Director Tesar withdrew his second.

Director Japp withdrew his motion to amend and Director Lanphier withdrew her second.

GM Winker suggested that if any Director had questions on a billing or any other issue, please pass it on to the GM prior to the meeting so staff can provide a complete answer.

Director Fred Conley called for the question on the original motion.

Roll call vote was held on the motion. The motion carried on a vote of 9-yea and 1-nay.

Voting Yea	-	Bradley, Conley (Fred), Conley (John), Klug, Kolowski, Lanphier, Schwope, Tesar, Thompson
Voting Nay	-	Japp
Abstaining	-	None
Absent	-	None

**CHAIRPERSON'S REPORT:**

A. Report on Procedures for Protecting Native American Burial Grounds – Ralph Puls briefed the Board on procedures used when the District determines there is, or may be, a Cultural Resources Site located on a planned district project site. He indicated that the District would direct that a cultural resources survey be conducted. The survey will determine how best to further evaluate the site using methods that will minimize disturbance at the site. This is done in consultation with the Tribes.

**GENERAL MANAGER'S REPORT:** GM Winkler reviewed the GM Report with the Board and noted that the report had been posted to the website. He reported that Terry Schumacher, Field Representative in the Blair office, received the NRD Outstanding Leadership Award for the State of Nebraska. The award was presented by the Nebraska land improvement Contractor's Association on January 20, 2010, at their Annual Convention held at Grand Island. Marlin Petermann reported on a 2/10/20 Omaha World Herald article entitled, "Corps: Dams may need repairs." The article reported that the Corps is reviewing whether the embankment of the dam at Lake Cunningham is damaged. He noted that there is no evidence to suggest an emergency situation exists.

## **INFORMATIONAL ITEMS:**

A. Future Meetings: The Chairperson reviewed the following upcoming meetings with the Directors:

February 15, 2010	President's Day – P-MRNRD Offices Closed
February 25, 2010	Papillion Creek Watershed Partnership Meeting, 10:00 a.m., NRC
March 6-10, 2010	NARD Washington DC Conference
March 9, 2010	P-MRNRD Subcommittee Meetings
March 11, 2010	P-MRNRD Board Meeting
March 25, 2010	Papillion Creek Watershed Partnership Meeting, 10:00 a.m., NRC
April 6, 2010	P-MRNRD Subcommittee Meetings
April 8, 2010	P-MRNRD Board Meeting

B. Next Meeting: The next regularly scheduled meeting of the P-MRNRD Board of Directors will be held on March 11, 2010 **at 7:00 p.m.** at the NRC.

**ADJOURNMENT**: Being no further business, the Chairperson declared that the meeting was adjourned at 9:35 p.m.

I, the undersigned, Secretary of the Papio-Missouri River Natural Resources District, hereby certify that the foregoing are true and correct minutes of a meeting of the Board of Directors of the District held on February 11, 2010, that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the District; that such subjects were contained in said agenda at least twenty-four hours prior to said meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; and, that all news media requesting notification of the meeting of said body were provided advance notification of the time and place of said meeting.

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Richard Tesar  
District Secretary

## Substitute Motion – Proposed changes to Motion No. 10 presented by Director Lanphier

<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") approved by the Board of Directors 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 \$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~~ Board of Directors 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).

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~~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.~~

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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 Chairperson and Secretary are hereby authorized to execute the Paying Agent and Registrar's Agreement ~~in substantially the form as 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 Chairperson and Secretary are hereby authorized to execute the Trustee, Paying Agent and Registrar's Agreement ~~in substantially the form as presented to the Board of Directors of the District with such changes as they shall deem appropriate or necessary.~~

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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



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 within each series being issued to the Depository. In such connection said officers are authorized to execute after approval of the Board of Directors 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, approved by the Board of Directors 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 Board of Directors determines that it is desirable that certificates representing the Bonds be delivered to the Bond Participants and/or Beneficial

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 upon the order of the District Board of Directors to pay the costs of the Projects. 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 Board of Directors, solely to pay costs of the Projects.

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. 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.

(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. The District hereby agrees to enter into the Tax Compliance Agreement (Tax Exempt Bonds) (the "Tax Exempt Bonds Tax Compliance Agreement") ~~as in substantially the form presented herewith with respect to any Series 2010A Bonds.~~ 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 Exempt Bonds Tax Compliance Agreement ~~as in substantially the form presented to the Board of Directors, but with any such modifications as shall be determined appropriate for and on behalf of the District.~~

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(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 (Build America Bonds) (the “Build America Bonds Tax Compliance Agreement”) ~~in substantially the form as~~ presented herewith with respect to any Series 2010B Bonds. 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 Build America Bonds Tax Compliance Agreement ~~in substantially the form as presented to the Board of Directors but with any such modifications as shall be determined appropriate for and on behalf of the District.~~

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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:



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. 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~~ ~~execute~~ a Dissemination Agreement ~~after approval by the Board of Directors~~ with the Paying Agent and Registrar, in standard form, in order to ensure the District's compliance with such undertaking.

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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~~ ~~Board of Directors~~ 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)~~ ~~The Board of Directors~~ is hereby authorized to approve a

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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.

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Section 16. 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 as approved by the Board of Directors ~~and to take any and all actions determined appropriate in connection with the issuance and sale of the Bonds.~~

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ADOPTED this 14th day of January, 2010.

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

ATTEST:

By: \_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary