

MINUTES OF THE MEETING OF
THE BOARD OF TRUSTEES OF
SANITARY AND IMPROVEMENT DISTRICT NO. 177
DOUGLAS COUNTY NEBRASKA

May 19, 2010

The duly scheduled and noticed Meeting of the Board of Trustees of Sanitary & Improvement District No. 177 of Douglas County, Nebraska, was convened in open and public session on May 19, 2010, at 7:30 p.m. at D.C. West Public School Library 7th & Washington Streets, Waterloo, Nebraska.

Present: Eric Nelson Chairman
Ginger Parker Clerk
Jeff Holling Trustee
Robert Lynn Trustee
William Reppert Trustee

Also in attendance was Darren R. Carlson of the law firm of Carlson & Burnett, LLP who serves as the legal counsel for the Board of Trustees.

All of the Board Members being present, the Chairman called the meeting to order at 7:30 p.m. The Chairman reported and confirmed that Notice of the meeting was given in advance by publication in *The Daily Record*, a legal newspaper published and in general circulation in Douglas County, Nebraska on May 6, 2010. The "Proof of Publication" is attached to these Minutes as Exhibit "A" and incorporated herein. Advance notice of this meeting was given to all board members. The Acknowledgement of Receipt of Notice of Meeting and Agenda by the Board of Trustees is attached to these Minutes as Exhibit "B" and incorporated herein.

Notice of this meeting was given the Clerk of the City of Omaha, Nebraska, the municipality having zoning jurisdiction over the District, at least seven days prior to the meeting and Notice of the Meeting and Agenda were posted in the District. Availability of the Agenda was communicated in the published Notice and in the Notices to the City and Trustees. The signed Agenda is attached to these Minutes as Exhibit "C".

All proceedings of the Board of Trustees were taken while the convened Meeting was open to the attendance of the public. The Chairman reported that the Nebraska Open Meetings Act was posted and available for public use.

Approve Minutes of Meeting held on April 21, 2010: Following discussion of the Minutes previously circulated to the Trustees a discussion of two typographical errors, Trustee Parker moved that the Minutes of the April 21, 2010 meeting be approved and Trustee Reppert seconded the motion in the following form:

BE IT RESOLVED, that Sanitary and Improvement District No. 177 Board of Trustees hereby approves the Minutes of the April 21, 2010 meeting with the correction of two typos.

On roll call vote thereon, the following Resolution was unanimously passed and adopted.

PeopleService Report: The next matter discussed was the May 13th PeopleService Report. Bob McLaughlin was in attendance and reported that all is well with the plants and all are in good working order. Bob reported that the UV Disinfection Unit was put back in this month. He has posted 5 shut off/delinquent payment notices. The full written report is attached to these Minutes as Exhibit "D" and incorporated herein.

Water and Waste-Water Plants: The next matter discussed was Trustee Lynn's report that the plants are running well. The report was discussed and approved without formal resolution or action.

The Board also discussed a demand letter dated May 13, 2010 from Duane and Naida Aschenbrenner's attorney demanding payment of an additional \$2,000 to settle the outstanding damage to the driveway of Duane and Naida Aschenbrenner. A copy of the letter is attached to these Minutes as Exhibit "E" and incorporated herein. The board discussed that a policy needed to be and would be considered in the future to discuss how to appropriately, consistently, fairly and legally deal with the occasional broken water or sewer lines in the District. This matter would be discussed at future meetings. Trustee Nelson reported that \$6,295.00 for the cost of repairs to the Aschenbrenner's property from damage caused by a water main break had already been paid. After thorough discussion, the request of an additional \$2,000 as a complete settlement, motion was made by Trustee Lynn and seconded by Trustee Nelson in the following form:

BE IT RESOLVED, that Sanitary and Improvement District No. 177 of Douglas County, Nebraska approves the additional and final payment of two thousand dollars (\$2,000.00) to Duane and Naida Aschenbrenner's (the property owners at 22554 S. Shore Drive) as the full and final resolution and payment for the damage to and replacement of their driveway caused by a water main break.

Upon roll call thereon, the following Trustees voted yes: Nelson, Holling, Lynn and Reppert; voting no: Parker. The chair declared said Resolution duly passed and adopted.

Lakes Management: Trustee Reppert reported that he attended a Nebraska Lakes Workshop. From the information provided at the workshop, Trustee Reppert reports that the "pump and dump" Geothermal Heat Pumps are causing algae blooms in the lake. To control algae blooms and to protect the lakes from deterioration, future expansion of "pump and dump" Geothermal Heat Pumps should be strictly limited. The existing units would be grandfathered in and be permitted to remain. Only "closed loop" Geothermal Heat Pumps should be permitted in the District in the future. The Board requested that the Attorney for the District contact the Omaha City Permits Department to review city building codes and city building permit procedures to see if limitations on these types of heat pumps can be restricted in the District.

Trustee Reppert also reported that the well in the fishing lake is dumping directly out into the sunlight. He reported that when the pumps discharge directly into the sunlight and air, that extra oxygen and nitrogen is picked up by the water and incorporated into the lake. Thus, the Pump should be adjusted to discharge water at the bottom of lake (not in open air and sun above the surface). Trustee Reppert will look into cost of modifying the pumping arrangements to discharge below the surface.

Grounds Management Maintenance update: Trustee Holling provided the board with the monthly Maintenance Report provided by Scott Bruhn of Pheasant Haven Lawn & Landscape. A copy of the full Grounds Maintenance Report is attached to these Minutes as Exhibit "F" and incorporated herein. The board thanked Scott for the improved appearance of the district. Trustee Holling also asked the "weekly" and "monthly" check off sheets be used by Scott as a good method to assure that all maintenance matters are inspected on a regular basis. Trustee Holling reported that the first and second sprayings for bag worms are scheduled for June. The area is being re-sprayed for dandelions. The street repairs are scheduled for the 1st week of June and should be complete by the 15th of June. Residents should be aware of some minor inconvenience during the construction. Trustee Holling will attempt to coordinate getting the Invoice to the Board for payment at the June meeting if the contractor has completed the work by the meeting date.

Payment of Bills: The Chair presented the current bills for review and discussion. A listing of all of the vendors, amount of payment, description of transaction and warrant numbers is attached to these Minutes as Exhibit "G" and incorporated herein. After reviewing the bills, a motion was made by Trustee Parker and seconded by Trustee Nelson in the following form:

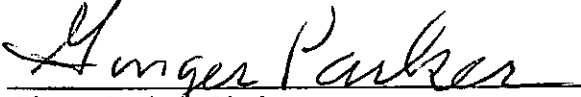
BE IT RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that the Chairman execute and deliver **Warrant Nos. 5576 through 5593** of the District, dated the date of this Meeting, to the payees and in the amounts listed on the attached Exhibit "G", said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of six and one-half percent (6.5%) per annum and to be redeemed no later than May 19, 2013, subject to the extension of the said maturity date by order or the District Court of Douglas County, Nebraska, after notice is given as required by law.

BE IT FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska hereby adopts the Warrant Resolutions and Tax Exemption Resolutions listed on Exhibit "H" attached hereto and incorporated herein.

Upon roll call thereon, the following Trustees voted yes: unanimous; voting no: none. The Chair declared said Resolution duly passed and adopted.

Set Next meeting Date, location and Time: The next Regular Meeting of the Board will be conducted on June 16, 2010 at 7:30 p.m., at the DC West Public School Library, 7th & Washington Streets, Waterloo, Nebraska.

Adjourn Meeting: There being no further business to come before the Board, following motion and second by the Trustees, the Meeting was unanimously adjourned at 8:55 p.m.


Ginger Parker, Clerk

EXHIBITS TO MEETING

The attached Exhibits are a part of the transcript of meeting and are fully and expressly incorporated into the minutes of meeting of Sanitary & Improvement District #177 of Douglas County, Nebraska as though these Exhibits were set forth in their entirety in said Minutes.

| | |
|-------------|--|
| Exhibit "A" | Affidavit of Publication—Daily Record |
| Exhibit "B" | Acknowledgment of Receipt of Notice of Meeting |
| Exhibit "C" | Agenda for Meeting |
| Exhibit "D" | People Service's Monthly Report |
| Exhibit "E" | Demand Letter from James D. Sherrets |
| Exhibit "F" | Monthly Maintenance Report—Pheasant Haven Lawn & Landscape |
| Exhibit "G" | General Fund Warrants |
| Exhibit "H" | Warrant Resolutions and Tax Exemption Resolutions |
| | |
| | |

**NOTICE OF MEETING
SANITARY AND IMPROVEMENT
DISTRICT NO. 177 OF
DOUGLAS COUNTY, NEBRASKA**

NOTICE IS HEREBY GIVEN that a Meeting of the Board of Trustees of Sanitary & Improvement District No. 177 of Douglas County, Nebraska will be held:

Date: **May 19, 2010**

Place: Douglas County West Public School Library, 7th & Washington Streets, Waterloo, Nebraska.

Time: 7:30 p.m.

This Meeting will be open to the public. An agenda for the meeting, kept continuously current but which may be modified at least twenty-four hours before the meeting, or by the Board during the meeting in the event of an emergency, is available for public inspection at 466 Riverside Dr., Waterloo, Nebraska, and includes the payment of bills of the District.

GINGER PARKER,
Clerk of the District

5-6-10

**THE DAILY RECORD
OF OMAHA**

RONALD A. HENNINGSEN, Publisher

PROOF OF PUBLICATION

UNITED STATES OF AMERICA, }
The State of Nebraska, } ss.
District of Nebraska,
County of Douglas,
City of Omaha,

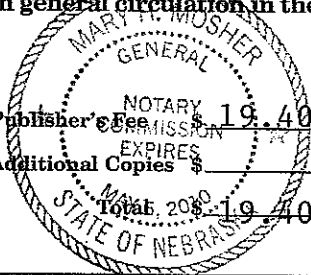
J. BOYD

being duly sworn, deposes and says that she is

LEGAL EDITOR

of **THE DAILY RECORD**, of Omaha, a legal newspaper, printed and published daily in the English language, having a bona fide paid circulation in Douglas County in excess of 300 copies, printed in Omaha, in said County of Douglas, for more than fifty-two weeks last past; that the printed notice hereto attached was published in **THE DAILY RECORD**, of Omaha, on _____
May 6, 2010

That said Newspaper during that time was regularly published and in general circulation in the County of Douglas, and State of Nebraska.



 Publisher's Fee \$ 19.40
 Additional Copies \$ _____
 Total, 208 \$ 19.40

Subscribed in my presence and sworn to before me this 6th day of May 2010

[Signature]
Notary Public in and for Douglas County, State of Nebraska

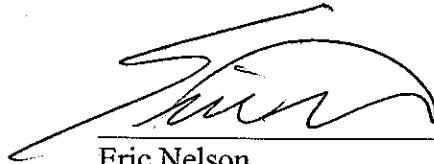
EXHIBIT "A"

EXHIBIT B

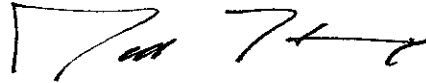
ACKNOWLEDGMENT OF RECEIPT OF NOTICE OF MEETING

The undersigned Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, hereby acknowledge receipt of advance notice of a meeting of the Board of Trustees of said District and the agenda for such meeting held at 7:30 on May 19, 2010 at DC West Public School Library, 7th & Washington Streets, Waterloo, Nebraska.

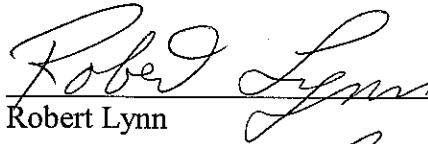
Dated this 19th day of May, 2010.



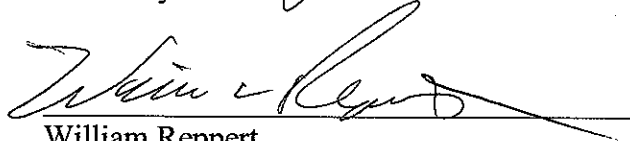
Eric Nelson



Jeff Holling



Robert Lynn



William Reppert



Ginger Parker

EXHIBIT C

AGENDA

MEETING OF THE BOARD OF TRUSTEES SANITARY AND IMPROVEMENT DISTRICT NO. 177 DOUGLAS COUNTY, NEBRASKA

May 19, 2010
7:30 p.m.

Douglas County West Public School Library
7th & Washington Streets
Waterloo, Nebraska

1. Roll Call and Call Meeting to Order.
2. Nebraska Open Meetings Act Announcement and Announcement that comments from audience will be permitted during the discussion of each Agenda item.
3. Approve Minutes of April 21, 2010 Meeting.
4. PeopleService Report.
5. Reports and Business.
 - 5.1 Water and Waste-water Plants Trustee Lynn
 - 5.2 Lakes Management Trustee Reppert
 - 5.3 Grounds Management Trustee Holling
 - 5.4 Legal Darren R. Carlson
 - 5.5 Payment of Bills Trustee Parker
6. Set Next Meeting Date.
7. Adjourn Meeting.

CERTIFICATE

The undersigned hereby certifies that the foregoing Agenda was prepared and available for public inspection at the address shown in the Notice to Meeting prior to the commencement of said meeting, and that no items were added to the agenda after the commencement of the meeting. The Clerk further certifies that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held.


Ginger Parker, Clerk of the District

Date: May 13 2010

To: Riverside Lakes

From: Bob McLaughlin, Operator

O & M Report: April 2010

Water Operations & Maintenance:

- On 4-13-10, we delivered 5 water shut off notices for this month for non-payment.
- Total water pumped to water treatment plant – 1,936,900 gallons
- Daily Average – 64,563 gallons
- Total water pumped to distribution system – 1,489,000 gallons
- Daily average – 49,633 gallons
- The wells ran a total of 107.3 hours this month with a daily average of 3.57.
- Water meters were read on the 27th this month.
- Locates were also done as needed.

Wastewater Operation & Maintenance:

- The monthly effluent sampler was set up on 4/12/10 and then taken to the lab on 4/13/10. All the sample results came back within permit limits.
- On 4/23/10 Cummins Central Power performed there 6 month inspection on the back-up power generator. No problems were found except for the battery tested weak. On 4/26/10 I replaced the battery.
- The ultraviolet disinfection unit was put back online this month for permit requirements.
- Normal daily operations maintenance and cleaning was performed during the month, including mowing and trimming of weeds.
- The plant ran well with no major problems to report.

Monthly Wastewater Discharge Results:

- TSS - 11 mg/L
- CBOD - 9 mg/L
- Ammonical Nitrogen not needed
- Fecal seasonal
- PH - 6.76 SU
- Total flow 884,000 gallons
- Daily average 29,466 gallons
- Maximum daily flow 37,000 gallons
- Flow the day of sampling 25,000 gallons

EXHIBIT "E"

James D. Sherrets
licensed in Arizona, Colorado &
Nebraska

Jason M. Bruno
licensed in Arizona, Minnesota &
Nebraska

Diana J. Vogt
licensed in Nebraska

SHERRETS BRUNO & VOGT LLC

260 Regency Parkway Drive
Suite 200
Omaha, NE 68114

Phone: (402) 390-1112

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www.sherretslaw.com

E-mail: law@sherrets.com

Laura K. Woods
licensed in Iowa & Nebraska

Blake R. Loper
licensed in Colorado & Nebraska

Katherine N. Flickinger
licensed in Arizona, Iowa & Nebraska

May 13, 2010

Via E-mail and Certified Mail

Mr. Eric Nelson
Chairman of the Sanitary Improvement District 177
466 Riverside Drive
Waterloo, Nebraska 68069

**Re: 22554 South Shore Drive
Demand for Payment for Driveway**

Dear Mr. Nelson:

We represent Duane and Naida Aschenbrenner ("Aschenbrenners"), who are the owners of 22554 South Shore Drive, in Waterloo, Nebraska. The Aschenbrenners' home belongs to sanitary improvement district 177 ("SID"). We are providing notice of the Aschenbrenners' claim against the SID for damages to their property in accordance with Neb. Rev. Stat. §13-905.

In March 2010, the Aschenbrenners discovered water rushing out from the side of their driveway near the road. The Aschenbrenners immediately contacted the SID and were informed that the SID was aware of the problem due to the way the pumps were operating. The SID excavated the Aschenbrenners' lot and located the leak in a pipe located within the SID's easement. The SID cut a path the length of the Aschenbrenners' driveway during the course of their excavation.

As a result of the excavation, the Aschenbrenners currently have no driveway. The SID agreed to pay to replace the Aschenbrenner's driveway. The contractor discovered that because the ground underneath the driveway was saturated from the leak, the ground needs to be stabilized. The Aschenbrenners have been informed that this will cost an additional \$2000. Now, the SID is refusing to complete the driveway repair.

The Aschenbrenners are without a driveway because of to the SID's excavation, which was necessitated by a pipe leak that occurred in the SID's easement. The SID had a duty to maintain the pipes. Neb. Rev. Stat. § 31-740. The stabilization is only necessary because the SID's leak caused the ground underneath the driveway to be saturated. Because the SID was aware of the

leak when the Aschenbrenners phoned, the extent of the saturation is largely the result of the SID's negligence.

However, the SID is liable to the Aschenbrenners for all damages caused by the broken pipe regardless of negligence. *Baum v. Scotts Bluff County*, 169 Neb. 816, 101 N.W.2d 455 (1960).

The rule is: One whose property is damaged by the construction of a public improvement by the state or a subdivision thereof, has been damaged for a public use within the meaning of Article I, section 21, of the Constitution. Negligence is not a necessary element to be proved in maintaining an action for such damage.

Baum v. Scotts Bluff County, 169 Neb. 816, 822, 101 N.W.2d 455, 461 (1960).

The SID is liable for the entire costs of constructing that driveway because their pipe burst necessitated it. Though this additional \$2000 is unexpected, it is also entirely the fault of the SID and within the scope of the repair the SID promised to make. Further, it is irrelevant that the Aschenbrenners chose to use their own contractor rather than the contractor recommended by the SID.

We demand payment of the necessary amount to repair the driveway, including the additional \$2000 for the stabilization of the ground. You have until May 31, 2010 to advise us of your decision. If you chose not to repair the driveway as promised, we will file a lawsuit under Article I, section 21 of the Nebraska Constitution, along with claims for trespass to land, breach of contract, negligence, and bad faith.

We look forward to hearing your decision.

Sincerely,



James D. Sherrets

JDS/knf

CC: Naida and Duane Aschenbrenner



EXHIBIT "F"

Pheasant Haven Lawn and Landscape 515 Shorewood Waterloo, NE 68069 402-779-2173

MONTHLY SID MEETING REPORT

(Work completed since last meeting)

PRUNED TREES ON ISLANDS

CLEARED AND BURNED BRUSH ON ISLANDS

BURNED STUMPS ON ISLANDS

TRASH PICK UP RIVERSIDE LAKES PROPERTIES

COLLECTED FISH FROM WINTER KILL

PONTOON BOAT, RAMP INSTALLATION

SOD WORK ALONG STREETS AND SHOULDERS

SIGN REPAIR AND PAINTING

DIRT WORK AT BROKENWATER MAIN (SOUTHSHORE)

TREES PRUNED AND DEAD TREES AND GROWTH REMOVED

BALL DIAMOND GROOMING

PICK UP STICK AND TREE WORK ON SOUTH 16 ACERS

MOWING AND SPRAYING OF SID AREAS INCLUDING PLAYGROUND, TREES
AND TRAIL

CHEMICALS ON LAKES FOR ALGAE TREATMENT

PREPARE ISLAND BURN PILES

READY ISLANDS FOR MOWING

EXHIBIT "G"

2010 May General Fund Warrants

| <u>Date</u> | <u>Num</u> | <u>Transaction</u> | <u>Payment</u> | <u>Deposit</u> | <u>Balance</u> |
|-------------|------------|--|----------------|----------------|----------------|
| 05/19/10 | | General Fund Cat: (Special) memo: Transfer to General Fund | | 8,134.98 | 65,824.64 |
| 04/21/10 | 5576 | Aschenbrenner/Hamilton Const Cat: Repair/Maint Water Trtmt memo: water main break | 6,295.00 | | 59,529.64 |
| 05/19/10 | 5577 | Paula Magiera cat: Prof Fees: Bookkeeping memo: April | 115.44 | | 59,414.20 |
| 05/19/10 | 5578 | Ginger Parker cat: Clerk Fees memo: April | 92.45 | | 59,321.75 |
| 05/19/10 | 5579 | Daily Record cat: Publication memo: Inv # 94798 | 19.40 | | 59,302.35 |
| 05/19/10 | 5580 | Pheasant Haven cat: Repair/Maint: Grounds memo: April | 3,357.99 | | 55,944.36 |
| 05/19/10 | 5581 | Peoples Service cat: Repair/Maint.: Contractor Fees memo: June | 6,423.00 | | 49,521.36 |
| 05/19/10 | 5582 | Omaha Public Power District cat: split memo: April | 1,421.89 | | 48,099.47 |
| 05/19/10 | 5583 | Grass Groomers cat: Repair/Maint Grounds memo: Mow/fertilize #1078 | 4,355.00 | | 43,744.47 |
| 05/19/10 | 5584 | Farmers National Company cat: Repair/Maint: Lakes memo: Sm/Lge Lk Trtmt #3706/3690 | 2,400.00 | | 41,344.47 |
| 05/19/10 | 5585 | Willow Lake Fish Hatchery cat: Repair/Maint: Lakes memo: Fish for lakes | 2,152.50 | | 39,191.97 |
| 05/19/10 | 5586 | Monke Brothers cat: Repair/Maint: Lakes memo: #26228 | 629.98 | | 38,561.99 |
| 05/19/10 | 5587 | Menard's Elkhorn cat: Repair/Maint: Lakes memo: island shrubs #83272 | 63.96 | | 38,498.03 |

| | | | | |
|----------|------|---|--------|-----------|
| 05/19/10 | 5588 | Tim Pirucello cat: Water memo: water bill refund | 2.58 | 38,495.45 |
| 05/19/10 | 5589 | Pinecrest Tree Farm cat: Repair/Maint: Grounds memo: Island trees | 941.89 | 37,553.56 |
| 05/19/10 | 5590 | Jeff Holling cat: Repair/Maint: Grounds memo:Front Entry plants | 81.67 | 37,471.89 |
| 05/19/10 | 5591 | K.C. Sweeping cat: Repair/Maint: Grounds memo: Street Sweeping #5196 | 550.00 | 36,921.89 |
| 05/19/10 | 5592 | Enfield's Tree Service cat: Repair/Maint: Grounds memo: Tree spray/mulch #53947/53649 | 296.83 | 36,625.06 |
| 05/19/10 | 5593 | Nebraska Department of Revenue Cat: Sales Taxes memo: April | 413.50 | 36,211.56 |

EXHIBIT "H"

Warrant Resolutions and Resolution of Tax Exemption (Exhibit "H" To Minutes)

The Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska hereby:

BE IT FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that both they and the District hereby find and determine and covenants, warrants and agree as follows: the improvements and/or facilities being financed or refinanced by the above Warrants are for essential governmental functions and are designed to serve members of the general public on an equal basis; all improvements have from the time of their first acquisition and construction been owned, are owned and are to be owned by the District or another political subdivision; to the extent special assessments have been or are to be levied for any of said improvements, such special assessments have been or are to be levied under Nebraska law as a matter of general application to all property specially benefited by said improvements in the District; the development of the land in the District is for residential or commercial use and the development of the land in the District for sale and occupation by the general public has proceeded and is proceeding with reasonable speed; other than any incidental use of said improvements by developer during the initial period of development of said improvements there have been, and will be no persons with rights to use such improvements other than members of the general public; none of the proceeds of said bonds or any refinanced indebtedness have been or will be loaned to any private person or entity; the District hereby authorizes and directs the Chairperson or Clerk to file or cause to be filed, when due, an information reporting form pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended, pertaining to the above sell or otherwise dispose of said improvements and/or facilities, in whole or in part, prior to the last maturity of the above Warrants.

BE IT FURTHER RESOLVED that the District hereby covenants, warrants and agrees as follow: (a) to take all actions necessary under current federal law to maintain the tax exempt status (as to taxpayers generally) of interest on the above warrants; (b) to the extent that it may lawfully do so, the District hereby designates the above Warrants as (B) (i) (111) of the internal Revenue Code of 1986, as amended and covenants and warrants that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more that \$5,000,000 during the calendar year in which the above warrants are to be issued.

BE IT FURTHER RESOLVED, that this and the preceding Resolutions are hereby adopted as the Certificate With Respect to Arbitrage of the District pertaining to the above Warrants and the District and the Chairman and Clerk of the District hereby further certify, as of the date of the registration of the above Warrants with the County Treasurer of Douglas County, Nebraska as follows:

- (1) No separate reserve or replacement fund has been or will be established with respect to the above Warrants. The district reasonably anticipates that monies in excess of the lesser of: (a) ten percent (10%) of the net principal proceeds of the above Warrants, (b) the maximum debt service due on the above Warrants, or (c) one hundred twenty-five percent (125%) of average annual debt service due on the above Warrants, will be expended for payment of principal of and interest on the above Warrants within thirteen (13) months after receipt of such monies. That amount which is currently held in the District's Bond Fund which exceeds the amount which is to be expended for payment of principal and interest on the above Warrants within thirteen (13) months after receipt of such monies, plus that amount arrived at pursuant to the immediately preceding sentence, will not be invested in any securities or any other investment obligations which bear a yield, as computed in accordance with the actuarial method, in excess of the yield on the above Warrants.
- (2) To the best of their knowledge, information and belief, the above expectations are reasonable.
- (3) The District has not been notified of any listing of it by the Internal Revenue Service as an issuer that may not certify its bonds.
- (4) This certificate is being passed, executed and delivered pursuant to Section 1.148-2(b) (2) of the Income Tax Regulations under the Internal Revenue Code of 1986, as amended.

The Chair declared said Resolution duly passed and adopted.