

MINUTES OF SANITARY & IMPROVEMENT DISTRICT NO. 8
OF SAUNDERS COUNTY, NEBRASKA

On May 17, 2018 at 5:30 p.m., a meeting of the Chairman and Board of Trustees of the Sanitary & Improvement District No. 8 of Saunders County, Nebraska, was convened in open and public session at the office of Woodcliff Lakes, Inc., Lot T-1018, Suite A, 980 County Road W, Fremont, Nebraska 68025.

Trustees present were: Nick Borman, Sean Kenney, Lonnie Mahrt, Tom Sawyer, Barry Taylor

Trustees absent were: None

Others present were: Attorney David Hartmann, Office Administrator Chris Johannesen, JEO Engineer John Peterson

1. Timely notice of the meeting was given to the public by publication, notice and the proposed agenda was timely given to all members of the Board of Trustees, and notice was timely given to the Saunders County Clerk and the Fremont City Clerk. Availability of the agenda was communicated in said notices. These minutes were written and available for public inspection at the office of Woodcliff Lakes, Inc., within ten working days or prior to the next convened meeting, whichever was earlier. It was stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and the location of the copy of said Act was indicated. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public. Business conducted and decisions made were as follows.

2. Minutes of meeting held on December 7, 2017 were approved by unanimous consent.

3. The following previously-issued warrants were ratified and approved;

From General Fund:

<u>Warrant</u>	<u>Date</u>	<u>Amount</u>	<u>Vendor</u>	<u>Service</u>
1612	11/30/17	\$ 44.31	Fremont Tribune	ad
1613	11/30/17	\$ 281.35	Chris Johannesen	secretary
1614			VOID	
1615	12/19/17	\$ 1,121.97	National Electric	sirens
1616	12/19/17	\$26,185.00	Husker Engineering	SWMP #2
1617	1/18/18	\$ 2,130.00	JEO Consulting	SWMP
1618	1/18/18	\$ 4,601.09	PeopleService	Jan Water & Sewer
1619	1/18/18	\$ 7,326.75	PeopleService	Feb Water & Sewer
1620	1/18/18	\$ 173.60	Saunders Co. Treas.	Property Tax
1621	1/18/18	\$ 98.00	Woodcliff Lakes	stamps
1622	3/2/18	\$ 5,422.63	Iowa Pump Works	new pump
1623	3/2/18	\$ 935.00	Yost Schafersman	attorney fees
1624	3/2/18	\$ 381.25	Chris Johannesen	secretary
1625	3/29/18	\$ 446.48	Papio-MO NRD	weed spraying
1626	3/29/18	\$ 6,443.63	Layne Christensen	well repairs

From Sinking Fund:

69	12/19/17	\$ 169.00	JEO	Water Sys Improvements
70	3/2/18	\$15,796.00	JEO	River Bank Stabilization
71	3/2/18	\$ 9,288.50	JEO	River Bank Stabilization

72	3/29/18	\$ 500.00	JEO	Sewer Sys Improvements
<u>From Utility Fund:</u>				
<u>Warrant</u>	<u>Date</u>	<u>Amount</u>	<u>Vendor</u>	<u>Service</u>
72	3/2/18	\$8,141.15	PeopleService	Mar Water & Sewer
73	3/29/18	\$7,785.99	PeopleService	Apr Water & Sewer

For 2017 Bank Stabilization Phase II

**Also Ratified Sean Kenney & Nick Borman signing as Acting Chair on these:

1	2/5/18	\$25,000.00	Sibbernsen Excavating	2017 River Bank
2	2/5/18	\$25,000.00	Sibbernsen Excavating	2017 River Bank
3	2/5/18	\$25,000.00	Sibbernsen Excavating	2017 River Bank
4	2/5/18	\$25,000.00	Sibbernsen Excavating	2017 River Bank
5	2/5/18	\$25,000.00	Sibbernsen Excavating	2017 River Bank
6	2/5/18	\$10,000.00	Sibbernsen Excavating	2017 River Bank
7	2/5/18	\$10,000.00	Sibbernsen Excavating	2017 River Bank
8	2/5/18	\$10,000.00	Sibbernsen Excavating	2017 River Bank
9	2/5/18	\$10,000.00	Sibbernsen Excavating	2017 River Bank
10	2/5/18	\$ 5,000.00	Sibbernsen Excavating	2017 River Bank
11	2/5/18	\$ 5,992.30	Sibbernsen Excavating	2017 River Bank
12	2/27/18	\$25,000.00	Sibbernsen Excavating	2017 River Bank
13	2/27/18	\$25,000.00	Sibbernsen Excavating	2017 River Bank
14	2/27/18	\$10,000.00	Sibbernsen Excavating	2017 River Bank
15	2/27/18	\$ 3,347.31	Sibbernsen Excavating	2017 River Bank

4. The following bills were approved for payment with a warrant to be issued on each:

<u>Warrant</u>	<u>Date</u>	<u>Amount</u>	<u>Vendor</u>	<u>Service</u>
<u>From General Fund:</u>				
1627	5/8/18	\$ 50.00	Woodcliff Lakes	stamp purchase
1628	5/15/18	\$ 6.88	Fremont Tribune	meeting ad
1629	5/17/18	\$ 537.50	Chris Johannesen	Feb-May secretarial
<u>From Sinking Fund:</u>				
73	4/17/18	\$11,366.75	JEO	river bank project
74	5/8/18	\$ 420.00	JEO	sewer system improv
75	5/8/18	\$ 7,670.25	JEO	River Bank project
<u>From Utility Fund:</u>				
74	4/17/18	\$5,306.26	PeopleService	water & sewer May
75	5/17/18	\$5,363.66	PeopleService	water & sewer June
<u>For 2017 Bank Stabilization Phase II</u>				
16	5/8/18	\$25,000.00	Sibbernsen Excavating	riverbank project
17	5/8/18	\$25,000.00	Sibbernsen Excavating	riverbank project
18	5/8/18	\$25,000.00	Sibbernsen Excavating	riverbank project
19	5/8/18	\$25,000.00	Sibbernsen Excavating	riverbank project
20	5/8/18	\$25,000.00	Sibbernsen Excavating	riverbank project
21	5/8/18	\$25,000.00	Sibbernsen Excavating	riverbank project
22	5/8/18	\$10,000.00	Sibbernsen Excavating	riverbank project
23	5/8/18	\$10,000.00	Sibbernsen Excavating	riverbank project
24	5/8/18	\$10,000.00	Sibbernsen Excavating	riverbank project
25	5/8/18	\$ 4,196.18	Sibbernsen Excavating	riverbank project
26	5/8/18	\$ 8,740.00	Goree Backhoe & Exc.	Riverbank roadwork

5. Attorney Hartmann presented an update on negotiations for purchasing land for future water system needs. It was moved by Sawyer and seconded by Kenney to authorize Hartmann to counter with another offer. After discussion upon roll call vote; voting Yes were Trustees Borman, Kenney, Mahrt, Sawyer, and Taylor; voting No were Trustees NONE; absent or abstaining were NONE; whereupon the motion was declared adopted by the presiding officer.

It was moved by Kenney and seconded by Sawyer to approve Resolution No. 2018-1 regarding the Offering Circular for Construction Fund Warrants (both are attached to these minutes). After discussion upon roll call vote; voting Yes were Trustees Borman, Kenney, Mahrt, Sawyer, and Taylor; voting No were Trustees NONE; absent or abstaining were NONE; whereupon the motion was declared adopted by the presiding officer.

It was moved by Kenney and seconded by Sawyer to approve Resolution No. 2018-2 regarding Procedures for Federal Tax Law and Disclosure Requirements for Outstanding Bonds and Warrants (both are attached to these minutes). After discussion upon roll call vote; voting Yes were Trustees Borman, Kenney, Mahrt, Sawyer, and Taylor; voting No were Trustees NONE; absent or abstaining were NONE; whereupon the motion was declared adopted by the presiding officer.

John Peterson presented an update on the River Bank Stabilization Project which is nearly completed. Discussion followed about positioning of the bollards and cable. Staking of the lines will be done before Memorial Day to protect the grass and plantings until the bollards and cable can be installed. Signs will be ordered to designate the River Access and reminding of No Vehicle Traffic.

Discussion of the three Storm Water Management Projects was held. Project #1 is complete. Project #2 may require a small seawall to allow dragging the sand for weed control. Project #3 will be reviewed as it appears the pipe is higher than necessary.

PeopleService monthly reports for November through April were reviewed. Discussion followed about the reoccurring grease clogs in the sewer main near the commercial area which results in a \$600 expense to jet the line. Letters will be sent to all commercial establishments encouraging use of grease traps or participation in a share of the jetting expense.

A request from T1036 requesting that a memorial on the riverbank remain permanently unless there was an emergency was denied. The memorial will be allowed to stay but will not be granted permanency; T1036 will be responsible should the need arise for it to be moved.

Concerns about river bank liability by S1160 were reviewed. Trustee Kenney has already responded to their missive.

Johannesen presented the Financial Reports through May 17, 2018. Accountant Kent Speicher will be forwarding an engagement letter for the 2018-2019 budgeting process.

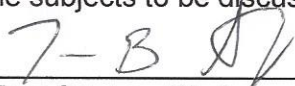
6. Wiese Plumbing has not responded to requests for cleaning drain pipes and basins. The Board asked Johannesen to contact Trekk Industries to do this work.

7. T22 reported a drainage problem. PeopleService checked this out on May 14th and cleaned out the two nearest manholes; an adjustment will also be made to the nearest manhole to improve draining.

Johannesen announced the office will be closed June 4th-8th

No further business being presented; whereupon a Motion for Adjournment was made by Sawyer, seconded by Kenney, and on roll call vote was unanimously approved by the Chairman and all Trustees, and declared duly adopted by the presiding officer, at which point the meeting adjourned.

I, the undersigned, the duly qualified Clerk or Acting Clerk for Sanitary and Improvement District No. 8 of Saunders County, Nebraska, hereby certify that the foregoing is a true and correct copy of proceedings had and done by the Chairman and Board of Trustees of SID No. 8 of Saunders County on the date stated above, that all the subjects included in the foregoing proceedings were contained in the agenda available to the public for at least 24 hours prior to said meeting; that the said minutes of the Chairman and the Board of Trustees of the District were in written form and available for public inspection at the Clerk's office, within ten days after said meeting as required by statute and prior to the next convened meeting of said body; and that a copy of said minutes were or will be filed with the County Clerk of Saunders County and the Fremont City Clerk as required by statute within thirty days of said meeting; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and the place of said meeting, and the subjects to be discussed at said meeting.



Tom Sawyer, Clerk

SANITARY & IMPROVEMENT DISTRICT NO. 8
OF SAUNDERS COUNTY, NEBRASKA

Lonnie Mahrt, Chairman
Tom Sawyer, Clerk

Lot T-1018, Suite A
980 County Road W
Fremont, Nebraska 68025

Chris Johannesen, Secretary
Ph. 402-753-0247
sid8@woodcliffakes.com

CERTIFICATION

The undersigned Chris Johannesen, Secretary of SID No. 8 of Saunders County, Nebraska, in her capacity as an assistant to the Clerk of SID No. 8, hereby certifies that in regard to the SID Board of Directors meeting held on May 17, 2018 at 5:30 p.m. the undersigned sent a copy of the following indicated document(s) to the indicated recipient(s) on the indicated date(s):

Notice for Publication was sent on May 3, 2018 to the Fremont Tribune newspaper for publication at least 7 days prior to the meeting, said newspaper being a newspaper of general circulation within the District.

Notice of Meeting was sent on May 10, 2018 to all Board Members, SID 8 Attorney, Saunders County Clerk, and Fremont Municipal Clerk. The Notice to the Board Members also included a copy of the Agenda for said meeting, and any relevant materials on agenda items.

Minutes of Meeting were sent on May 25, 2018 to all Board Members, SID 8 Attorney, Saunders County Clerk, and Fremont Municipal Clerk.

Pursuant to SID 8 rules of procedure adopted April 19, 2011 all items were sent as PDF or Word attachments via email. A current list of said email addresses is listed below.

Dated:



Chris Johannesen, Secretary SID No. 8
Acting in her capacity as Assistant to SID No. 8 Clerk

County Clerk	countyclerk@co.saunders.ne.us
City Clerk	kimvolk@fremontne.gov
SID Attorney	dhartmann@yostlawfirm.com
Lonnie Mahrt	lonnie_mahrt@csgi.com
Tom B. Sawyer	tbs@68025.com
Sean Kenney	skenney@mfmne.com
Nick Borman	nick.borman@gmail.com
Barry Taylor	barry.taylor@thermalservices.com


RESOLUTION NO. 2018-1
SANITARY & IMPROVEMENT
DISTRICT NO. 8 BOARD OF TRUSTEES

WHEREAS, the District provided all proper and required notices of meeting of Board of Trustees on the consideration and approval of an Offering Circular pertaining to the offering by the District of its construction fund warrants;

AND WHEREAS, the Board of Trustees held a meeting Thursday, May 17, 2018 at 5:30 p.m. at the District Office, Lot T-1018, 980 County Rd. W, Fremont, Nebraska, constituting a regular meeting of the Board of Trustees of Sanitary and Improvement District No. 8 of Saunders County, Nebraska;

NOW THEREFORE, by unanimous vote of its Board of Trustees of Sanitary and Improvement District No. 8 Saunders County, Nebraska, it is hereby resolved as follows:

RESOLVED, that the Offering Circular (attached as Exhibit A) pertaining to the offering by the District from time to time of its construction fund warrants is hereby approved in substantially the form attached. The Chair of the Board of Trustees is authorized and directed to execute the Offering Circular in substantially the form and content as attached and may make such changes, modifications, deletions or additions as deemed necessary or appropriate, provided that D.A. Davidson is hereby authorized to make on behalf of the District updates relating to a specific offering of construction fund warrants and to the District's financial information and other District information as shall be used by D. A. Davidson as underwriter is hereby authorized and approved. The Offering Circular is deemed final within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"), as amended (except for any one or more of the permitted omissions specified by paragraph (b) of the Rule). The District will enter into a continuing disclosure undertaking at such time as required by the Rule for the benefit of the holders of the District's warrants, and such continuing disclosure undertaking will be incorporated into the Offering Circular.



Lonnie Mahrt, Chairman
S.I.D. No. 8, Saunders County

ATTEST



Tom B. Sawyer, Clerk

OFFERING CIRCULAR
Tax-Exempt Securities



D | A | DAVIDSON

SANITARY AND IMPROVEMENT DISTRICT NO. 8 OF SAUNDERS COUNTY, NEBRASKA

WOODCLIFF LAKES

CONSTRUCTION FUND WARRANTS

OFFERING CIRCULAR-Amended - New Issue-Not Rated: *In the opinion of Bond Counsel, under existing laws, regulations and court decisions and subject to the qualifications set forth herein under "TAX EXEMPTION," interest on the construction fund warrants is not includable in gross income for purposes of regular federal and Nebraska state income taxation. Interest on the construction fund warrants is not subject to the alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"), but is required to be included in the calculation of adjusted current earnings to be used in computing corporate alternative minimum taxable income. See the caption SEE "LEGAL MATTERS-Legal Opinion and Tax Exemption" in the attached Information Circular.*

The information contained in the Offering Circular has been obtained from Sanitary and Improvement District No. 8 of Saunders County, Nebraska, Saunders County, Nebraska and other sources which are believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information, and nothing contained in the Offering Circular is, or shall be, relied on as a promise or representation by the Underwriter. The Offering Circular is submitted in connection with the sale of securities as referred to therein, and may not be reproduced or be used, in whole or in part, for any other purpose. Neither delivery of the Offering Circular nor any sale made thereunder shall create an implication that information therein is correct as of any time subsequent to its date.

FOR IMPORTANT INFORMATION ABOUT SANITARY AND IMPROVEMENT DISTRICTS, THIS OFFERING CIRCULAR MUST BE READ WITH THE ATTACHED INFORMATION CIRCULAR.

This Offering Circular describes an issue of construction fund warrants ("warrants") authorized by resolution of the Board of Trustees of Sanitary and Improvement District No. 8 of Saunders County, Nebraska, ("the District"). Information contained herein also describes the District, the Developer, and Financial Information, and must be read in conjunction with the attached Information Circular in its entirety in order to make any investment decision.

The District is not a new development and has issued construction fund warrants as described below for a project. However we ask that you see page two "Financial Summary" for more information. Interest on the warrants is payable annually on May 10th of each year until redemption prior to maturity or until the final maturity date of the warrants.

Maturity Date	Principal Amount	Interest Rate	Dated Date
2/5/2023	\$175,992.30	4%	2/22/2018
2/27/2023	63,347.31	4%	3/15/2018

Maturity Date	Principal Amount	Interest Rate	Dated Date
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\$ 239,339.61

Redemption Provisions: The warrants are subject to redemption by the District in whole at any time in advance of their stated maturity (or maturity as extended by court order) at the principal amount thereof plus accrued interest to the redemption date. SEE "REDEMPTION" AND "WARRANTHOLDERS' RISKS-Extension of Warrant Maturity" in the attached Information Circular.

Use of Proceeds: The above issuance of warrants is attributable to the cost of public improvements within the District. The District issues construction fund warrants to pay for a River Bank Stabilization Project on which the District has a river bank easement. SEE Page Two, "FINANCIAL SUMMARY" in this Offering Circular for more information.

The District: SID No. 8 commonly known as Woodcliff Lakes was decreed by the District Court of Saunders County, Nebraska, in June 1996. The District consists of approximately 860 acres and was developed in phases. A small portion of the District is located in Dodge County, the remainder portion of the District is located in Saunders County. The District is overseen by the Saunders County Zoning Department. Woodcliff Lakes is located south of Fremont, Nebraska, west of the Platte River and northeast of Highway 77 and County Road W. SEE "LOCATION MAP" in this Offering Circular. The District is a residential home and lake area, encompassing approximately 860 acres, including two lakes with 145 acres. The development has grown to about 450 homes with both year round and seasonal occupancy, a full marina, pizza parlor, community center, restaurant, and Lion's Club. Home values range from \$250,000 to approximately \$750,000. Woodcliff Lakes is a full recreational lake with boating, skiing and fishing.

SID No. 8 owns and maintains the Woodcliff Lake's water and sewer system, roads, drainage and emergency sirens. Electrical utility services is provided by Omaha Public Power District. The District is within the Fremont School District with elementary, middle and senior high schools located 3 to 4 miles from the District. All public improvements are constructed according to specifications and overseen by the District's engineers, JEO Consulting Group Inc. The District's attorney is David G. Hartmann of Yost, Schafersman, Lamme, Hillis, Mitchell, Schulz & Hartmann, P.C.

The information contained in this circular, while not guaranteed, is taken from sources we believe to be reliable. All offerings are subject to prior sales, availability and change in price or yield. All fixed-income investments are subject to day-to-day market value fluctuations. If sold prior to maturity, they could be worth more, or less, or just the same as your initial investment. May be subject to Alternative Minimum Tax. Discount bonds are subject to capital gains tax.

Construction Progress: The River Bank Stabilization Project is nearing completion.

Tax Levy Information: The District levied ad valorem tax levy for fiscal year 2017-2018 in the amount of \$0.238387/\$100 of taxable value. The levy payable by District property owners will include (2017-2018 levies shown); Fremont School District (\$1.117687/\$100); Saunders County, Nebraska \$0.263534/\$100); Educational Service Unit No. 2 (\$0.01576/\$100); Lower Platte North Natural Resources District (0.037181/\$100); Cedar Bluffs Fire #7 District (\$0.04/\$100); Agricultural Society (\$0.006993/\$100); Southeast Community College (\$0.09070/\$100; Leshara Township (\$0.039733).

Financial Information: The cost of public improvements within the District is expected to be approximately \$700,000 which includes approximately 1 1/2 years of accrued interest. The District does not anticipate it will levy special assessments. The District will levy the necessary ad valorem tax in order to pay the cost of public improvements. The taxable valuation of the District for 2017 is \$127,028,479.

Financial statements for SID No. 8 must be audited annually by its independent auditors and the audit report and financial statements placed on file with the Nebraska State Auditor of Public Accounts. The District is subject to Nebraska's budget limitation and a property tax levy ceiling. This budget limitation allows a general fund levy of no more than 40 cents unless voted upon and approved by the District's property owners.

Tax Levy:	General Fund Levy	\$0.113386/\$100
	Bond Fund Levy	<u>\$0.125000/\$100</u>
	Total Levy	\$0.238386/\$100

General Obligation Bond Debt:

<u>Issued Dated</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
NA	-0-	-0-

FINANCIAL SUMMARY:

Taxable Valuation:	Fiscal year: 2017-2018	\$	127,028,479	
Special Assessments:			0	
Total Bonded Debt			0	
* Total Construction Warrant Debt	Mar-18	\$	239,339.61	
Total Direct District Debt		\$	239,339.61	\$ 239,339.61

* Additional Warrants to be Issued:	\$	460,660
Total Warrants issued and called for payment	\$	-
Total Warrants Expected to be Issued:	\$	700,000

Less Cash and Investments

Bond Fund - cash	Mar-18	180,040.55	
Bond Fund - investments	Mar-18	0	
Unpaid Special Assessments		0	
Total Cash and Investments		\$ 180,040.55	\$ (180,040.55)

*** Net Direct District Debt**

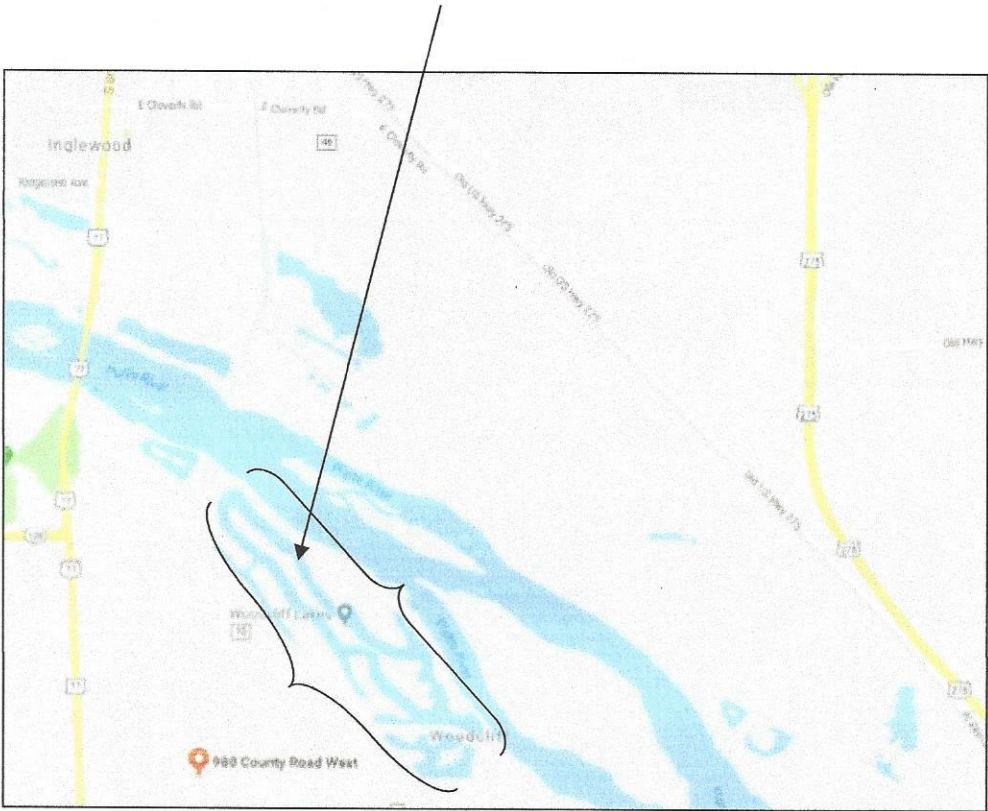
(does not include "Additional Warrants to be Issued") \$ 59,299.06

* Ratio of Net Direct District Debt to Estimated Taxable Valuation at Full Development (\$127,028,479)

(does not include "Additional Warrants to be Issued") 0.05%

Location Map:

Woodcliff Lakes



**SANITARY AND IMPROVEMENT DISTRICT
– CONSTRUCTION FUND WARRANTS
(Not Rated)**



D | A | DAVIDSON

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing law, the interest on construction fund warrants described hereto is not includable in the gross income of the holders under the Internal Revenue code of 1986, as amended.

THIS INFORMATION CIRCULAR IS INTENDED TO PROVIDE GENERAL INFORMATION REGARDING SANITARY AND IMPROVEMENT DISTRICTS. FOR INFORMATION ABOUT CONSTRUCTION FUND WARRANTS ISSUED BY A PARTICULAR SANITARY AND IMPROVEMENT DISTRICT, THIS INFORMATION CIRCULAR MUST BE READ TOGETHER WITH THE RELATED OFFERING CIRCULAR.

By authority of Sections 31-727 et seq. Reissue Revised Statutes of Nebraska, 1943, as amended, (the "Act"), Sanitary and Improvement Districts ("SID" or "District") may be established for the purpose of, among other things, financing the capital costs of public improvements within the boundaries of the District. Such Districts typically are established by or on behalf of the developer of the residential or commercial subdivision or a combination thereof, that is, at the outset of the District, the owner of the District's undeveloped property. The District is a political subdivision of the State of Nebraska, with powers to issue warrants and bonds for its authorized purposes and to assess special assessments against benefited properties and to levy ad valorem taxes.

A District may issue construction fund warrants from time to time for the purpose of paying amounts owed by the District's construction fund to contractors and vendors with respect to public improvements in the District. Warrants are orders of the District to the County Treasurer, as ex-officio Treasurer of the District, to pay debts of the District. All claims against the District must be paid by warrant, and all warrants must be authorized by the Board of Trustees of the District. Warrants drawn on the construction fund are used to pay costs of capital improvements, such as streets, utilities and recreational facilities. Construction fund warrants must be presented for payment to the paying agent named on the warrant or to the County Treasurer, who will issue a check if money is available in the construction fund. Warrants so presented and not paid because adequate funds are not on hand are registered and bear interest at the rate shown on the warrant from the date of registration until paid. Interest on construction fund warrants is paid annually and at redemption or final maturity.

Construction fund warrants must become due within five years from their date of issuance, except that the County District Court may extend the maturity date (with such an extension not constituting a default) upon application of the District. In order for the District Court to extend the maturity date, the District Court must find that the District does not have sufficient funds to retire the warrants and either: (1) the District cannot sell bonds in an amount sufficient to retire the warrant; or (2) an unreasonably high tax levy, as compared to the levy on other similar property in the county, would be required to cover debt service requirements on bonds issued to retire the warrants. The District Court may make orders concerning retirement of the warrants as it shall determine proper under the circumstances of the District, including ordering an increase in the tax levy of the District to provide funds for warrant redemption. (However, the Court may not order a tax levy that would cause the total tax levy of the District to be unreasonably high as compared with the tax levy of other similar property in the County.) Notice of any such extension application must be published three weeks before the related District court hearing and mailed to each warrant holder known to the District. Warrant holders may appear before the District Court at such hearing.

Construction fund warrants are paid from special assessment collections, ad valorem tax revenues and other funds available for the purpose, including, if and when issued, the proceeds of the District's bonds issued for such purpose. Warrants generally are retired at the time of a bond issue using bond proceeds, special assessment collections and other available moneys, if any. Bonds to redeem construction fund warrants are issued at one time or from time to time as the development and taxable valuation of the district increase so that the debt service on the bonds can be covered by future special assessment collections and a reasonable ad valorem tax levy. The issuance of bonds by the District will depend on numerous factors, including the availability of a purchaser therefor. SEE "SOURCES OF PAYMENT FOR THE WARRANTS", "UNDERWRITER" and "WARRANTHOLDERS' RISKS" discussed herein.

The District will issue additional interest-bearing construction fund warrants to provide cash to pay interest on its construction fund warrants, but the actual availability of cash for such purpose will depend upon the District being able to find a purchaser for the additional warrants. If a purchaser is not found, the additional warrants for interest due will be issued directly to the warrant holders in lieu of cash.

The District's Offering Circular states the aggregate principal amount of construction fund warrants and other District debt that remains outstanding in addition to the interest rate, maturity, aggregate principal amount and offering price of the warrants. The District's Offering Circular also describes the location, plan of financing and plan of development of the District and financial information with respect to the District.

Warrants are issued in fully registered form in varying denominations. Principal on the warrants will be paid by D.A. Davidson & Co., as Paying Agent or the District, in its Omaha, Nebraska office. Warrants are redeemable at any time on or before their stated maturity date, or maturity date as extended, by the District in the order as registered with the County Treasurer. Interest is payable annually each year by warrant or check mailed to the registered owner of record, except as described below and herein. **INTEREST ON THE WARRANTS MAY BE PAID IN THE FORM OF ADDITIONAL INTEREST-BEARING CONSTRUCTION FUND WARRANTS ISSUED FOR SUCH PURPOSE BY THE DISTRICT, AND NOT IN CASH. THE MATURITY DATE OF THE PRINCIPAL OF WARRANTS MAY BE EXTENDED BY ORDER OF THE COUNTY DISTRICT COURT.**

This cover page contains information for quick reference only. Investors must read the entire Information Circular and the District's Offering Circular to obtain information essential to the making of an informed investment decision.

The warrants are offered when, as and if issued, subject to approval as to their legality by Baird Holm LLP, Omaha, Nebraska, Bond Counsel, and certain other conditions.

D.A. Davidson & Co., provides the following sentence for inclusion in this Offering Circular: D.A. Davidson & Co. has reviewed the information in this Information Circular in accordance with, and as a part of, its responsibilities to investors under Federal Securities Laws as applied to the facts and circumstances of this transaction, but D.A. Davidson & Co. does not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or other person has been authorized by the District or D.A. Davidson & Co. to give any information or to make any representations with respect to the warrants of the District other than those contained in the District's Offering Circular, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The Information Circular and the District's Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the warrants by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein is believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and it is not to be construed as representation by D.A. Davidson & Co. The information and expressions of opinion herein are subject to change without notice. This Information Circular may not be reproduced or used, in whole or in part, for any other purpose.

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INFORMATION CIRCULAR
SANITARY AND IMPROVEMENT DISTRICTS
CONSTRUCTION FUND WARRANTS

INTRODUCTORY STATEMENT

The purpose of this Information Circular is to provide certain information concerning Sanitary and Improvement Districts and the Construction Fund Warrants that it may issue. INVESTORS MUST READ THE ENTIRE INFORMATION CIRCULAR, IN ADDITION TO THE DISTRICT'S OFFERING CIRCULAR RELATING TO THE WARRANTS, BEFORE MAKING AN INVESTMENT DECISION.

All references herein to the construction fund warrants and the District's related resolutions and agreements are qualified in their entirety by reference to the complete documents, copies of which are available for inspection at D.A. Davidson & Co., 450 Regency Parkway, Suite 400, Omaha, Nebraska 68114, Attention: Mr. John E. Kuehl, during normal business hours.

THE WARRANTS

General Information

Warrants are orders of the District to the County Treasurer, as ex-officio Treasurer of the District, to pay debts of the District. All claims against the District must be paid by warrant, and all warrants must be authorized by the Board of Trustees of the District. Warrants drawn on the construction fund are used to pay costs of capital improvements, such as streets, utilities and recreational facilities. Construction fund warrants must be presented for payment to the Paying Agent named on the warrant or to the County Treasurer, who will issue a check if money is available in the construction fund. Warrants so presented and not paid because adequate funds are not on hand are registered and bear interest at the rate shown on the warrant from the date of registration until paid. Interest on construction fund warrants is paid annually and at redemption or final maturity.

All warrants with a due date more than one year after their date of issue are issued in fully registered form, with principal and interest payments made through the Paying Agent named on the warrant. D.A. Davidson & Co. (or "Davidson") serves as the Paying Agent and Registrar for various Districts. SEE "Description of Construction Fund Warrants" and "UNDERWRITER" herein.

Construction fund warrants must have a maturity date within five years from their date of issuance, except that the County District Court may extend the maturity date (with such extension not constituting a default) upon application of the District. If the District Court finds the District does not have sufficient funds to retire the warrants and either: (1) the District cannot sell bonds in an amount sufficient to retire the warrant; or (2) an unreasonably high tax levy, as compared to the levy on other similar property in the County, would be required to cover debt service requirements on bonds issued to retire the warrants. The District Court may make orders concerning retirement of the warrants as it shall determine proper under the circumstances of the District, including ordering an increase in the tax levy of the District to provide funds for warrant redemption. (However, the Court may not order a tax levy that would cause the total tax levy of the District to be unreasonably high as compared with the tax levy of other similar property in the County.) Notice of any such extension application must be published three weeks before the related District Court hearing and mailed to each warrant holder known to the District. Warrant holders may appear before the District Court at such hearing.

Construction fund warrants are paid from special assessment collections, ad valorem tax revenues and other funds available for the purpose, including, if and when issued, the proceeds of the District's bonds issued for such purpose. Warrants generally are retired at the time of a bond issue using bond proceeds, special assessment collections and other available moneys, if any. Bonds to redeem construction fund warrants are issued at one time or from time to time as the development and taxable valuation of the district increase so that the debt service on the bonds can be covered by future special assessment collections and a reasonable ad valorem tax levy. The issuance of bonds by the District will depend on numerous factors, including the availability of a purchaser. SEE "SOURCES OF PAYMENT FOR THE WARRANTS," "UNDERWRITER" and "WARRANTHOLDERS' RISKS" herein.

The District will issue additional interest-bearing construction fund warrants to provide cash to pay interest on its outstanding construction fund warrants, but the actual availability of cash for such purpose will depend upon the District being able to find a purchaser for the additional warrants. If a purchaser is not found, the additional warrants for interest due will be issued directly to the warrant holders in lieu of cash.

Warrants do not constitute a mortgage, security, interest or lien upon any property in or of the District, but are only obligations of the District to be repaid from the moneys of the District available for that purpose.

Authority for Issuance

The Board of Trustees of the District must adopt a resolution authorizing the issuance of each issue of warrants, for payment of the costs of the public capital improvements in the District. Such costs, with respect to each issuance, include, among other things, hard construction costs identified to the Board of Trustees by the District's engineer and bills submitted by the District's counsel, Underwriter and other professional service providers to the District.

Description of Construction Fund Warrants

Construction fund warrants will be issued as fully registered warrants, without coupons, in varying denominations. Interest on the warrants shall be payable on the annual interest payment date as specified in the Offering Circular. Interest shall accrue from the date of registration with the County Treasurer until the annual interest payment date and shall be payable annually thereafter. Interest will be paid by check and mailed by the Paying Agent to the registered owners thereof at the owner's address as it appears on the registration books kept by the District's Paying Agent and Registrar at its office in Omaha, Nebraska. However, if the District does not have on hand sufficient funds from the sale of additional District construction fund warrants issued for the purpose of making an interest payment in money, the interest of the warrants shall be payable by the issuance of additional warrants in lieu of cash. Any such additional warrants shall bear interest until paid at the interest rate per annum set at the time of issuance of such additional warrants. The principal of the warrants shall be payable in lawful money of the United States of America at the office of the Paying Agent upon presentation of the warrants to the Paying Agent and shall be paid in the order of registration to the extent that the Paying Agent has sufficient funds to make such payment.

Payable in Order of Registration

Warrants are subject to redemption by the District in whole at any time in advance of their stated maturity date (or Maturity as extended by court order) at the principal amount thereof plus accrued interest to the redemption date. Warrants are redeemed in the order in which the warrants were initially registered with the County Treasurer. Warrants first registered are paid in full before any principal payment is made on later registered warrants. Consequently, the earlier the registration date of a particular warrant, the more likely it is that such warrant will be called for redemption in advance of the maturity date for payment from the proceeds of special assessment collections. In the event of significant delinquencies in the collection of special assessments and ad valorem taxes, the principal of an earlier-registered warrant is more likely to be paid than that of subsequently registered warrants. SEE "WARRANTHOLDERS' RISKS" herein.

The District shall mail or cause to be mailed a Notice of Redemption to the registered owner(s) thereof at least seven days prior to the redemption date if a warrant is going to be redeemed prior to its stated maturity date.

Transfer and Registration

The ownership of a warrant may be transferred only by presentation thereof to the Registrar, accompanied by an assignment in form satisfactory to the Registrar duly executed by the registered owner or its duly authorized agent.

Warrants Junior to Bonds

The District expects eventually to issue general obligation bonds and apply the proceeds thereof to the payment of its outstanding construction fund warrants. The payment of the principal of and interest on the District's warrants will be subordinated to that of such bonds, regardless of the issuance and registration date of such warrants.

Description of General Fund Warrants

Warrants drawn on the District's general fund are used to pay normal operating expenses. All general fund warrants must be presented for payment to the County Treasurer, who will issue a check or cash if money is available in the District's general fund. Warrants so presented and not paid because adequate funds are not on hand are registered and bear interest at the rate shown on the warrant from the date of registration until paid. Interest on general fund warrants is paid at redemption of the warrants.

General fund warrants must become due within three years of their date of issuance and are payable from the proceeds of the District's general fund tax levy budgeted for that purpose (and not special assessment revenues) and other sources of revenue from the District's operating budget for the year. Construction fund warrants are not payable from the general fund tax levy, and general fund warrants are not payable from the construction fund tax levy.

SOURCES OF PAYMENT FOR THE WARRANTS

The warrants and the interest accrued thereon are payable by the District from the collections of special assessments on specially benefited properties within the District, and ad valorem taxes levied annually by the District against all real and personal property in the District and by other available moneys of the District, including the proceeds of bonds, if and when issued for such purpose. The warrants are not secured by a lien or mortgage interest on any property located within the District's boundaries. Neither the Developer nor any other landowner in the District is personally liable for the special assessments or ad valorem taxes relating to such landowner's properties. The full faith and credit of the District are not pledged to the payment of the warrants, and the warrants are not obligations of the County in which the District is situated.

Special Assessments

A portion of the costs of public improvements for which the District issues construction fund warrants is assessed against the benefited properties in the District up to the extent of their special benefits. The Board of Trustees of the District levies and the County collects the special assessments on behalf of the District. Special assessments relating to the District's improvements constitute a lien in favor of the District on the assessed property, but do not constitute a personal or corporate indebtedness of the owners of property, including the Developer, within the District. The lien of the District is inferior only to the general taxes levied by the State of Nebraska and its political subdivisions.

Special assessments are payable in equal annual installments during a period of not more than 10 years. If an annual installment is not paid by the property owner when due, the installment becomes delinquent. On special assessments levied prior to June 1999 the interest accrues on non-delinquent installments at the rate of 10% per annum. That interest rate increases upon delinquency in accordance with a statutory formula to a rate which may not exceed 14% per annum, but which, subject to that ceiling, will equal or exceed the average interest rate on the District's then outstanding construction fund warrants. If three consecutive installments become delinquent, the board of Trustees of the District may declare all remaining installments due and payable and increase to 14% per annum the interest rate on the installments. Installments on special assessments levied after June 1999 will be levied at the greater of: (1) the rate of interest accruing on construction fund warrants registered against the District sixty days prior to the actual levy of the special assessment, or (2) the average rate of interest accruing on the construction fund warrants issued to pay for the improvements for which the special assessments are to be levied adjusted to the next greater ½ percent.

Special assessments are normally paid in full out of the first draw on the construction loan or are escrowed to be paid at the time of sale of a completed house and accompanying lot because of mortgage lender requirements. The District may foreclose to recover delinquent special assessments, but may request the County Attorney to undertake such foreclosures in conjunction with the foreclosure of delinquent ad valorem taxes. The foreclosure process can take several years.

Remedies for Delinquencies.

Nebraska law provides two statutory methods for clearing the tax lien in the case of delinquent special assessment installments or ad valorem taxes. Both processes require several years to reach conclusion. The first method is the sale of tax certificates by the county in which the property is located. County Treasurers are empowered to sell real estate on which taxes have not been paid, for an amount equal to all of the taxes and, if so requested by the levying District, special assessments. The County Treasurer conducts tax certificate sales in March following three weekly notice publications in general circulation newspapers in the county. For the tax sale to occur, the County Treasurer must receive a sale price at least equal to the sum of the delinquent assessments, delinquent ad valorem taxes, if any, and certain statutory expenses. If a tax certificate is sold, the liens of the special assessment and any other taxes are cleared, and the County Treasurer will distribute to the District that portion of sale price attributable to the delinquent special assessment installment and the District's share of unpaid ad valorem taxes. Subject to the priority of outstanding bonds, the District then may retire warrants in full in the order registered to the extent of the amount of the proceeds of the tax sale. The owner of the property will have three years from the tax sale date to redeem the tax certificates, after which the owner of the tax certificates, if not so redeemed, may obtain a tax deed or foreclose on the tax lien via a sheriff's sale. If a tax certificate is not sold, the owner retains the property, but interest still will accrue as aforesaid.

The second statutory method for clearing liens is foreclosure of the property in question. Once installments are delinquent for three consecutive years, the District's Board of Trustees may initiate foreclosure proceedings, and may bid in the amount of delinquent special assessments at the ultimate sheriff's sale, canceling the lien of the delinquent assessments. Confirmation of the sale, however, is not available until after a two-year redemption period from the date of sale (during which time the property owner may satisfy the delinquency and remove the lien of the delinquent assessment). The winning bidder must wait two years before receiving clear title. There is no requirement that the auction price equal or exceed the special assessments and ad valorem taxes then owing; the recovery, if any, can be insufficient to make warrant holders whole. The District may bid on its lien and will take the property if there are no adequate bids and may resell the property, in which event the proceeds of the resale must be divided among the affected taxing jurisdictions, including the District, in proportion to their respective liens. Alternatively, the County, at the request of the District, may foreclose on special assessments via an essentially identical process. If the special assessments are not requested by the District to be included in the tax foreclosure, then the District's special assessment lien may be extinguished because of a deed issued in pursuance of a Decree of Tax Foreclosure, which has the effect of conveying title to the purchaser free and clear of liens and taxes or special assessments, junior or inferior to the lien of general real estate taxes of the county, which were foreclosed. It may take up to six years after the first delinquency of a special assessment installment before a District may receive cash and, subject to the priority of outstanding bonds, retire outstanding warrants. In such circumstances, some warrant holders may have to wait eight or nine years for cash payments, and there is no assurance that they will receive full payment of the amounts owed to them on their warrants.

Warrantholders look to the payment of special assessments and ad valorem taxes for their repayment. Individual warrant holders do not enjoy a lien on the assessed properties. The remedies of tax sale and foreclosure available to the District or the County may accrue to the benefit of the warrant holders, but are not directly available to warrant holders. Construction fund warrants are supposed to be repaid within five years of their date of issuance. If not so paid, the District may petition the County District Court for an extension of the warrant payment period. Warrantholders receive statutory notices of the extension petition and District Court hearing. This is the primary opportunity for warrant holders to intervene and oppose the petition or request that the District Court imposes conditions on the District as the price for the extension. Following the hearing, the District Court may order an extension for a stated period, subject to any such conditions. If problems remain following the first extension, the District may petition for a second extension. It is more likely that a workout (e.g., a discounted sale of the assessed property to another developer or home builder) will be attempted, because, if there is a continuing problem with the district's build out and home sales, tax sales and foreclosure are not the optimal recovery methods. SEE "WARRANTHOLDERS' RISKS" herein.

If there is warrant holder unanimity, the warrant holders may waive or otherwise settle any defaults or delinquencies with the District.

If the payment of warrant principal has been in default for over 90 days, a majority of the warrant holders may also petition for the appointment of an administrator in lieu of the District's Board of Trustees. The Board of Trustees of the District or the new administrator, if any, may negotiate agreements to compromise the indebtedness, including the issuance of new bonds and warrants in conjunction with a workout. This effort can include a voluntary Chapter 9 bankruptcy filing by the District. There is no assurance under such circumstances that warrant holders will receive full payment of amount owed to them on their warrants. SEE "WARRANTHOLDERS' RISKS" herein.

Ad Valorem Tax

General. The County Treasurer collects ad valorem taxes on behalf of the District in the same manner and at the same time as all other ad valorem taxes within the county are collected. The District applies the ad valorem tax revenues so collected to pay the District's administrative costs in accordance with its budget, including the payment of the District's general fund warrants. Ad valorem tax revenues, if available, may also be applied to the payment of the principal of construction fund warrants. Until such time as the property within the District is fully developed, it is unlikely that the District's ad valorem tax revenues will be in an amount sufficient to be a significant source of payment of the construction fund warrants.

The County has available the tax certificate sale and foreclosure processes described above under "SOURCES OF PAYMENT FOR THE WARRANTS-Remedies for Delinquencies" in the event of delinquencies in ad valorem tax payments.

Revision of State Property Tax System. The State of Nebraska's system of assessing and taxing personal property for purposes of local ad valorem taxation for support of local political subdivisions, including Sanitary and Improvement Districts, has been the subject in recent years of constitutional amendment, legislation and litigation.

The State of Nebraska's method of assessing and taxing personal property for purchase of local ad valorem taxation for support of local political subdivisions, including sanitary and improvement districts, has been the subject in recent years of constitutional amendment legislation and litigation.

The State Legislature has imposed budget limitations and property tax restrictions on Nebraska political subdivisions, including sanitary and improvement districts, intended to reduce the level of property taxation and expenditures in the State. State law prohibits governmental units, including sanitary and improvement districts in existence for more than five years, from adopting budgets in excess of 102.5% of the prior fiscal year's budget plus allowable growth (which includes increased in taxable valuation for such things as new construction and annexations). However, such budgetary limitations do not apply, among other things, to revenues pledged to retire bonded indebtedness, or budgeted for capital improvements, such as the proceeds of the Construction Fund Warrants. Provision also is made for a governmental unit to exceed the budget limit for a given fiscal year by up to an additional 1% upon the affirmative vote of at least 75% of the governing body or in such amount as is approved by a majority vote of the electorate. State law also limits the maximum rates that may be levied by each type of governmental unit. The general fund levy by a sanitary and improvement district in existence for more than five years is limited to a maximum of 40¢ per \$100 of taxable valuation (districts in existence less than five years are not subject to any maximum general fund levy until they reach their fifth anniversary). The levy limit does not apply to tax levies for bonds or warrants approved according to law and secured by a levy on property (such as the bond fund levy of the District). Taxable value of motor vehicles no longer constitutes a portion of the ad valorem tax base of sanitary and improvement districts and districts do not receive motor vehicle taxes. Special assessments are not property taxes subject to the levy limitation. State law permits a political subdivision to exceed its levy limitation for a period of up to five years by majority vote of the electorate.

There can be no assurance that State's system of asserting and taxing real property will remain substantially unchanged. Such changes could materially and adversely affect the amount of property tax revenues the District could collect in future years. The District does not believe that the State Legislature, subject to constitutional restrictions, if any, would leave the District without adequate taxing resources to pay for its programs and meet its financial obligations, including the repayment of its warrants, bonds and other obligations.

Description of Budget Process

Sanitary and Improvement Districts are required by state law to file a budget document with the County Clerk and State Auditor on or before September 20th of each year. The District's accountant prepares a budget draft in July of each year based on actual expenses and revenues for the three preceding fiscal years and proposed expenses and revenues for the coming fiscal year. District budgets as proposed and adopted can frequently differ substantially from actual figures reviewed after the fact, especially in those years with major changes upward or downward in the tax rate or valuation. This is principally due to the fact that while the fiscal year for a District begins on July 1, tax dollars generated by tax receipts are not received by the District until the following calendar year. The first half of such tax receipts is received during the spring of that calendar year. The second-half tax receipts are not received until late summer of that calendar year, weeks into the ensuing fiscal year.

The proposed budget contains line items for a number of expense and revenue sources in both the general (or operating) fund and bond (or construction) fund. Expenses in the general fund cover noncapital expenses, including insurance, street lights, legal and accounting fees and maintenance expenses. Expenses in the construction fund consist principally of construction expenses (including professional fees), interest on registered warrants and payments of principal and interest under outstanding bond issues. Revenues in the general fund consist principally of ad valorem taxes, with a small amount coming from various state and local sources. Bond fund revenues are derived from those same sources plus special assessments and interest thereon.

The proposed budget compares total anticipated expenses with total anticipated revenues aside from property taxes to arrive at a net amount to be received in each fund from ad valorem taxes. The proposed budget is reviewed by the Board of Trustees of the District, in consultation with the District's attorney, accountant and fiscal agent. The aim is to strike a balance so that the anticipated tax revenue on property in the District will be sufficiently high to generate income necessary for the District's needs (both short- and long-term), yet low enough to stay competitive with other similar areas.

Once the preliminary budget is approved, a budget summary is published in a local legal newspaper one time at least five days prior to the budget meeting. At the meeting, the budget is discussed in open and public session, after which it can be adopted as proposed or as modified at the meeting. If modified, a summary of the modifications must be published one time in a legal newspaper within 20 days of adoption of the budget.

While the District budgets must "balance," that balance is often accomplished through the registration of warrants. Under the warrant registration process, a warrant drawn on the District is not paid when presented to the County Treasurer if adequate funds are not then on hand in that particular District fund to pay the warrant. The date the warrant is registered at the County Treasurer is the date when interest begins to accrue and determines the priority of payment. Warrants are paid in the order of registration.

Construction fund warrants are commonly issued in connection with a prearranged funding agreement with the Underwriter where the Underwriter agrees to place a predetermined amount of warrants for a particular construction project with the anticipation that those warrants will be retired within five years of the date of issuance through funds generated by a bond issue. Davidson has entered in to an agreement with the District to serve as Underwriter. SEE "UNDERWRITER" herein.

THE DEVELOPER

The Developer owns the property in the District and will sell the lots to builders for construction of homes or multi-family units and ultimate sale to homeowners or in the case of a commercial development to businesses for construction and sale of offices or store units. As provided by the Act, the District Court, at the request of the Developer, appoints the original members of the Board of Trustees of the District. In a newer District the Developer effectively controls the decisions of the Board of Trustees relating to District matters, including the letting of construction contracts and the issuance of bonds and warrants. As the ownership of land transfers to homeowners and/or business owners the membership of the Board of Trustees also shifts towards the new property owners who then have an increasing voice in the affairs of the District as it develops.

The Developer is critical to the development of the District and ultimate payment of the District's construction fund warrants. This is particularly the case of new Districts. The Developer is responsible for the planning and organization of the District and for the sale of lots in the District. As the initial sole landowner in the District, the ability of the Developer to pay the special assessments and ad valorem taxes is crucial to the timely payment of the warrants. The real and personal property is subject to a lien for the payment of all special assessments and ad valorem taxes levied upon its properties within the District. The Developer is not personally liable for the payment of any such assessments or taxes, and the District has no recourse in the event of delinquency against any assets of the Developer (or any other property owner) other than its real property located in the District on which the taxes are levied. It is not expected that the special assessments on a given parcel of property will be paid unless and until such parcel is developed and built upon. *Consequently, delinquencies in the payment of special assessments are anticipated*, which delinquencies may adversely affect the timely payment of the warrants. SEE "WARRANTHOLDERS' RISKS-Delinquent Special Assessments and Extension of Warrant Maturity" herein. If the Developer is unable for any reason to complete development of the District's public improvements and sells District lots and if the planned lots in the District are not built and sold, there is a substantial risk of delayed payment on the warrants or nonpayment of the warrants. SEE "WARRANTHOLDERS' RISKS" herein. **PERSONAL FINANCIAL STATEMENTS OF THE DEVELOPER ARE NOT AVAILABLE, HAVE NOT BEEN PROVIDED TO THE UNDERWRITER, AND WILL NOT BE PROVIDED IN THE FUTURE.**

WARRANTHOLDERS' RISKS

Adverse Property Development Conditions

The full and timely payment of the principal of and interest on the warrants is subject to the successful development of the District and the sale of developed properties. Prospective owners of the warrants should take such factors into consideration in evaluating the investment quality of the warrants. In general, the development of the District may be adversely affected by change in general economic conditions, fluctuations in the local real estate market, interest rates on construction loans, the availability of mortgage money and other similar factors. Other factors influencing decisions to buy in the District will include the overall tax levels, the proximity and reputation of schools, the convenience to shopping and local employment and the availability and cost of utility services. The financial strength, ability and reputation of the Developer are critical, because, although the Developer is not directly obligated on the warrants, business problems or business failure on the part of the Developer would likely cause delays of indefinite duration in the development of the District. The Developer is the original and sole District property owner. Because of this concentration of ownership and development responsibilities, the District is especially exposed to the business risks of the Developer. Furthermore, land development is subject to comprehensive federal, state and local regulations. There can be no assurance that land development operations within the District will not be adversely affected by future government policies. The ultimate consequence of such adverse conditions may be an inability by the District to pay its debts, including warrants. SEE "Bankruptcy of District" below and "SOURCES OF PAYMENT FOR THE WARRANTS- Remedies for Delinquencies" herein.

Delinquent Special Assessments

Even in the absence of adverse property development conditions, the District anticipates that, from time to time, the payment of special assessments, once levied, with respect to various parcels of property in the District will be delinquent. The District does not expect to collect a special assessment unless and until the lot to which it relates is developed and built upon, at which time the sale price may include the amount of the special assessment. Installments of special assessments are due and payable annually, but the development and sales of District properties (and related collection of special assessments) may not occur by the time necessary to retire the warrants on or before their maturity date. Amounts available to the District from ad valorem tax revenues and other sources may not be sufficient to make up any special assessment shortfall. SEE "Extension of Warrant Maturity" below and "SOURCES OF PAYMENT FOR THE WARRANTS- Remedies for Delinquencies" herein.

Interest Payable in Warrants

The District annually must issue additional construction fund warrants representing the interest due on the warrants and will seek to sell warrants through the Underwriter to obtain money to pay warrant interest when due. The Underwriter is not obligated, however, to offer such warrants for sale, and there can be no assurance that any such sale will be possible otherwise. If the District is unable for any reason to sell the interest warrants, the District will issue such warrants directly to warrant holders in lieu of cash.

Extension of Warrant Maturity

Construction fund warrants must become due no later than five years after their date of issuance. The Act permits the extension of such maturity (without being in default), upon petition by the District to the County District Court, for a period determined by the District court (often three years). The District would file such a petition if delays in the development of the District, and the consequent inability of the Developer (or homebuilders) to clear special assessments through the sale of homes, should leave the District without sufficient moneys to pay the warrants' principal at the original maturity.

Warrantholders receive notice of and may appear at the hearing held by the District Court preliminary to the issuance of the Court's order. Because the warrants will be paid and retired in the order registered, the holders of later registered warrants are more exposed to delay in or nonpayment of the payment of their principal than are the holders of the warrants first registered.

Bankruptcy of District

Significant delays in the development of a District after the incurrence of debt for public improvements while interest on the debt continues to compound can result in a debt burden that discourages sales of houses and impedes the ability of the District to provide services to residents. For such reasons, among others, several Nebraska Sanitary and Improvement Districts have over the years filed bankruptcy petitions under Chapter 9 of the United States Bankruptcy Code. Such a filing by the District would result in an automatic stay of certain District payments, including its debt service payments, and enforcement actions against the District or its property. The consequences for the District's warrantholders of a Chapter 9 filing could include material modification of the terms of the warrants and related documents and significant delays in the payment of, or the lost of, all or a portion of the principal of and the interest on the warrants. The Nebraska Supreme Court has held that the payment of a District's bonds would have priority over the payment of such District's warrants, including those warrants issued before the bonds.

Bankruptcy of Property Owners

The payment of property owners' special assessments and taxes and the ability of the District or the County to foreclose on the lien of a delinquent unpaid special assessment or tax, as discussed in "SOURCES OF PAYMENT FOR THE WARRANTS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of Nebraska relating to judicial foreclosure. Bond Counsel's approving legal opinion will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although personal bankruptcy proceedings would not cancel or diminish the outstanding ad valorem taxes or special assessments owed by a property owner, the bankruptcy of a property owner could result in a delay in prosecuting foreclosure proceedings. A delay in prosecuting foreclosure proceedings would increase the likelihood of a delay or default in payment of the principal of and interest on the warrants and the possibility of delinquent installments of taxes and special assessments not being paid in full. The Developer owns a significant portion of the property within the District, the risk of delay in payment of principal and interest on the warrants due to a bankruptcy filing by a single property owners (namely, the Developer) will decrease as the undeveloped property within the District is dispersed to a larger number of property owners.

Challenges to Property Tax System

The levy and collection of ad valorem taxes by taxing jurisdictions in the State of Nebraska have been the subject of recent legislative, judicial and elector action. Ad valorem tax revenues are a source a payment of the warrants and any diminution in the legal authority to levy and collect such taxes could adversely affect the timely payment of the warrants. SEE "SOURCES OF PAYMENT FOR THE WARRANTS-Ad Valorem Tax-Revision of State Property Tax System" herein.

No Issuance of District Bonds

The Act contemplates and the District intends to issue bonds for the purpose of retiring the District's warrants. However, the District may be unable to issue such bonds or, if issued, in the total amount necessary (together with other available moneys) to retire all of the warrants. General market conditions or changes in federal or state laws, including income tax laws, may preclude such an issuance. SEE "SOURCES OF PAYMENT FOR THE WARRANTS-Ad Valorem Tax-Revisions of State Property Tax System" herein. The District also may not issue such bonds unless and until the District has, in the judgment of the Underwriter, sufficient taxable value to support (together with special assessments and other available moneys) the payment of debt service on the bonds. There can be no assurance that the District in fact will be able to issue bonds for the purpose of redeeming warrants, in which case the timely payment of the warrants will remain dependent on the collection of special assessments and ad valorem taxes. SEE "UNDERWRITER" herein.

No Investment Rating

Neither the warrants nor any other debt obligations of the District are rated by a securities rating agency. The District has not applied, and does not intend to apply, for such rating. The absence of an investment rating may adversely affect the marketability of the warrants.

Market Maker

Davidson may market the District's warrants on a secondary basis; however, no guarantee is made concerning the price of the warrants in the secondary market. Prospective purchasers of warrants should be prepared to hold their warrants until retired by the District.

UNDERWRITER

D.A. Davidson & Co, serves as Underwriter for the construction fund warrants for the District, at a price of 100% (or as market conditions dictate) of the principal amount plus accrued interest, if any. Davidson will receive a fee (payable in warrants) from the District, equal to a percentage of the aggregate principal amount of the warrants as shown in the Offering Circular.

In its agreements with the District, Davidson agreed to underwrite the District's construction fund warrants at such times and in such amounts as Davidson determines, in the aggregate principal amount agreed upon. Such agreement is subject, among other factors, to the continued availability of unqualified Bond Counsel opinions as to the tax exemption of such warrants.

Davidson at its option may underwrite general fund warrants issued by the District.

The District has agreed with Davidson not to award or enter into any contract for any improvement in excess of the construction cost figure shown in the District engineer's estimate and not to amend any contract to bring the total price to any amount in excess of the construction cost figure in such estimate without the prior consent of Davidson. The District has further agreed that it will not install nor in any manner become obligated for any improvement not covered by the engineer's estimate without the prior consent of Davidson. In addition, Davidson (or its officers and employees) has the right to purchase warrants for its own account, and any profit made or loss suffered on any subsequent resale of such warrants shall be for the account of Davidson (or its officers and employees).

The District is required to pay annual interest upon the warrants, and the District will issue additional warrants to pay such interest. Davidson has no obligation to place such warrants to provide cash for interest payments on warrants. If cash is not available for payment of interest on the warrants, such additional warrants for interest due will be issued directly to the warrant holder.

Davidson has further agreed to underwrite bonds of the District in an amount, which, after considering other available funds, will be sufficient to retire warrants and provide for an appropriate reserve. The proceeds of such bond issue or issues may or may not be sufficient in amount to retire all outstanding warrants. The decision of Davidson to underwrite the bonds of the District would be based upon the taxable value of the District, the amount of special assessments, the reasonableness of the tax levy and the amount of development to date as well as general market conditions and interest rate levels. The bonds would be issued at one time or from time to time as and when determined by the Davidson. The District and Davidson have not identified a projected issuance date for such bonds, and there can be no assurance that any such bonds will be issued. Davidson's obligation to purchase any such bonds is subject to receipt at the time of issuance of an unqualified opinion of recognized Bond Counsel that the bonds are legally and validly issued, are general obligations of the District and that the interest thereon is exempt from federal and Nebraska state income taxes.

LEGAL MATTERS

Legal Opinion

The legal opinion of Baird Holm LLP, Omaha, Nebraska ("Bond Counsel"), approving the validity of the warrants will be available to purchasers at the time of original delivery. Bond Counsel examined a transcript of the District's proceedings and relied thereon without undertaking to verify the same by independent investigation. Bond Counsel has not reviewed, and undertakes no responsibility for this Information Circular or the District's Offering Circular or any of the information contained herein.

Tax Exemption

In the opinion of Bond Counsel, under existing laws and assuming compliance by the District with certain covenants:

- (a) The interest on the warrants is not includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"); and
- (b) The warrants are not "private activity bonds" as defined in the Code.

Bond Counsel also is of the opinion that warrants are not "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code and regulations applicable thereto. Such opinion, however, is subject to qualification that certain intentional actions on the part of the District under the terms of the Code could result in the classification of the warrants as arbitrage bonds.

No opinion is expressed by Bond Counsel with respect to the treatment of interest on the warrants under the additional corporate minimum tax on "adjusted current earnings" as provided for in Sections 56(c) and (g) of the Code or with respect to any other tax base thereon.

Under existing laws with respect to Nebraska state income taxes, such state income taxes are based upon the federal income taxes and federal taxable income and interest on the warrants in the hands of the holders thereof will be subject to Nebraska state income taxes only to the extent that it may be subject to federal income taxes.

The opinions set forth above are subject to continuing compliance by the District with its covenants regarding federal tax laws in the Resolution. Failure to comply with such covenants could cause interest on the warrants to be included in gross income retroactive to the date of issue of the warrants.

The accrual or receipt of interest on the warrants may otherwise affect the federal income tax liability of certain recipients such as banks, thrift institutions, property and casualty insurance companies, corporations (including S corporations and foreign corporations operating branches in the United States), Social Security or Railroad Retirement benefit recipients or individuals who itemize deductions, among others. The extent of these other tax consequences will depend upon the recipients' particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences and investors should consult their own tax advisors regarding the tax consequences of purchasing or holding the warrants.

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the warrants. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to warrants issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the warrants. Purchasers of the warrants should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the warrants, and Bond Counsel has expressed no opinion as of any date subsequent hereto or with respect to any pending legislation, regulatory initiatives or litigation.

The District has designated the warrants as its "qualified tax exempt obligations" under Section 265(b)(3)(B)(i)(III) of the Code and has covenanted and warrants that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$5,000,000 during the current calendar year.

The rights of the holders of the warrants and the priorities and enforceability thereof may be subject to valid bankruptcy, insolvency, reorganization, moratorium, extension, compromise and other similar laws for the relief of debtors.

ONGOING DISCLOSURE

The offering of the Warrants is not subject to the continuing disclosure requirements of the Securities and Exchange Commission Rule 15c2-12 by virtue of paragraph (a) of such Rule.

FINANCIAL STATEMENTS

Audited financial statements for the District for its fiscal years ending June 30, 2018 and thereafter will be available for inspection at the offices of the D.A. Davidson & Co. in Omaha, Nebraska and at the offices of the State Auditor of Public Accounts in Lincoln, Nebraska. The District has retained independent auditors, to audit its financial statements.

APPENDIX A

Saunders County, Nebraska

The following information about Saunders County, Nebraska is included because the District is located within the County. *The Warrants and the Bonds issued by the District are not a debt of, nor are they payable by Saunders County, Nebraska:*

Saunders County, Nebraska

www.saunderscounty.ne.gov

Saunders County is a county in the U.S. state of Nebraska. As of the 2010 census, the population was 20,780. Its county seat is Wahoo. Saunders County is included in the Omaha-Council Bluffs, NE-IA Metropolitan Statistical Area. According to the U.S. Census Bureau, the county has an area of 760 square miles of which 750 square miles is land and 9.6 square miles is water.

As of the census of 2000, there were 19,830 people, 7,498 households, and 5,443 families residing in the county. The population density was 26 people per square mile. There were 8,266 housing units at an average density of 11 per square mile. The racial makeup of the county was 98.49% White, 0.11% Black or African American, 0.29% Native American, 0.22% Asian, 0.01% Pacific Islander, 0.35% from other races, and 0.55% from two or more races. 1.03% of the population were Hispanic or Latino of any race.

There were 7,498 households out of which 34.20% had children under the age of 18 living with them, 62.60% were married couples living together, 6.70% had a female householder with no husband present, and 27.40% were non-families. 23.60% of all households were made up of individuals and 11.90% had someone living alone who was 65 years of age or older. The average household size was 2.61 and the average family size was 3.11.

In the county, the population was spread out with 27.90% under the age of 18, 6.30% from 18 to 24, 27.60% from 25 to 44, 22.90% from 45 to 64, and 15.30% who were 65 years of age or older. The median age was 38 years. For every 100 females there were 99.10 males. For every 100 females age 18 and over, there were 98.10 males.

The median income for a household in the county was \$42,173, and the median income for a family was \$49,443. Males had a median income of \$33,309 versus \$22,922 for females. The per capita income for the county was \$18,392. About 5.30% of families and 6.60% of the population were below the poverty line, including 7.30% of those under age 18 and 7.00% of those age 65 or over.

Source: U.S. Census, Saunders County

County Overview

With a total area of 750 square miles, Saunders had 21,016 residents, per the Census Bureau Quick Facts for 2015, a slight population increase over the 2010 US Census. In a review of the past fifty-five years, Saunders has seen a steady rise in population of 22% (Nebraska Department of Economic Development). Reports indicated that 78% of county residents were homeowners and 88% of residents occupied the same residence as in the prior year (Census Quick Facts).

The majority of the commercial properties in Saunders convene in and around Wahoo, the county seat, as well as Ashland, due to Ashland's proximity to the interstate. Per the latest information available from the U.S. Census Bureau, there were 535 employer establishments in Saunders. Countywide employment was at 10,709 people, a steady employment rate relative to the 2010 Census (Nebraska Department of Labor).

Simultaneously, the agricultural economy has remained another strong anchor for Saunders that has fortified the local rural area economies. Saunders is included in both the Lower Platte North and Lower Platte South Natural Resource Districts (NRD). Dry land makes up the majority of the land in the county. When compared against the top crops of the other counties in Nebraska, Saunders ranks second in soybeans for grain. (USDA AgCensus). An ethanol plant located in Mead also contributes to the local economy.

Source: Revenue Dept. State of Nebraska

Underwriter: D.A. Davidson & Co., is underwriting the construction fund warrants for the District, at a price of 100% (or as market conditions dictate) of the principal amount plus accrued interest. D.A. Davidson & Co. will receive a fee of 1.5% of the amount of warrants underwritten payable in the form of warrants. This fee is in payment of the underwriting services to be provided throughout the development of the District until all bonds have been issued, as well as for underwriter expenses, commissions and profits. SEE "UNDERWRITER" in the attached Information Circular.

The Developer: SID No. 8 does not have a Developer. The original Developer, John Poehling, purchased the land for the development of residential lake homes. Mr. Poehling leased the land to lake users who built cabins and lake homes. Approximately 20 years ago the Mr. Poehling sold the lots to the residents. In June 1996, Woodcliff Lakes was formed into a Sanitary and Improvement District. Originally the Developer effectively controlled the decisions of the Board of Trustees relating to District matters, including the letting of construction contracts and the issuance of bonds and warrants. The Developer is not personally liable for the payment of special assessments or taxes within the District. SEE "THE DEVELOPER" in the attached Information Circular".

Board of Trustees: All five members of the Board of Trustees are resident property owners in the District. The Board of Trustees are elected every two years. The next election is in September 2019. Up to five trustees may serve on the Board of Trustees, the current Trustees for the District are:

Lonnie Mahrt, **Chairman**; Tom Sawyer, **Clerk**; Nick Borman, Sean Kenney and Barry Taylor, **Trustees**.

Litigation: No litigation is pending or, to the knowledge of the District, threatened in any court to restrain or enjoin the issuance or delivery of any of the warrants or in any way contesting or affecting the validity of the warrants or the District's resolution approving the warrants or contesting the powers or authority of the District to issue the warrants or to adopt such resolution.

Miscellaneous: This Offering Circular has been executed and delivered by the Chairman and Board of Trustees of the District, on behalf of the District. At the date of this Offering Circular and at the date of delivery of the Warrants (i) the information and statements, including financial statements, of or pertaining to the District, contained in this Offering Circular were and are correct in all material respects; and (ii) insofar as the District and its affairs, including its financial affairs, are concerned, this Offering Circular did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District further confirms that insofar as the descriptions and statements, including financial data, contained in this Offering Circular of or pertaining to nongovernmental bodies or governmental bodies other than the District are concerned, such descriptions, statements and data have been obtained from sources believed by the District to be reliable, and that the District has no reason to believe that they are untrue or incomplete in any material respect.

The Information Circular attached hereto is an integral part of this Offering Circular and should be read in conjunction with the foregoing material.

So far as any statements made in this Offering Circular involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

AUTHORIZATION OF OFFERING CIRCULAR

This Offering Circular and its distribution and use by D.A. Davidson & Co. has been duly authorized by the District.

SANITARY AND IMPROVEMENT
DISTRICT NO. 8 OF SAUNDERS COUNTY, NEBRASKA

By: s/s 
Chairman, Board of Trustees

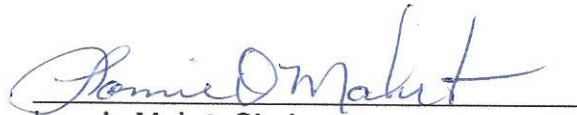
RESOLUTION NO. 2018-2
SANITARY & IMPROVEMENT
DISTRICT NO. 8 BOARD OF TRUSTEES

WHEREAS, the District provided all proper and required notices of meeting of Board of Trustees on adopting procedures for federal tax law and disclosure requirements for outstanding bonds and warrants;

AND WHEREAS, the Board of Trustees held a meeting Thursday, May 17, 2018 at 5:30 p.m. at the District Office, Lot T-1018, 980 County Rd. W, Fremont, Nebraska, constituting a regular meeting of the Board of Trustees of Sanitary and Improvement District No. 8 of Saunders County, Nebraska;


NOW THEREFORE, by unanimous vote of its Board of Trustees of Sanitary and Improvement District No. 8 Saunders County, Nebraska, it is hereby resolved as follows:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 8 of Dodge County, Nebraska that the District hereby adopts, approves and confirms the procedures set forth in the attached Procedures for Federal Tax Law and Disclosure Requirements for Outstanding Bonds and Warrants, the purpose of which is to establish policies and procedures in connection with the issuance of the District's tax exempt bonds and warrants to ensure that (a) interest on its Tax-Exempt Obligations remains exempt from Federal income tax and (b) compliance with any continuing disclosure obligations of the District with respect to its outstanding Tax-Exempt Obligations. The District reserves the right to change these policies and procedures from time to time, without notice.



Lonnie Mahrt, Chairman
S.I.D. No. 8, Saunders County

ATTEST



Tom B. Sawyer, Clerk

**Procedures
Federal Tax Law and Disclosure Requirements for
Outstanding Bonds and Warrants**

POLICY

It is the policy of Sanitary and Improvement No. 8 of Saunders County, Nebraska, (the "District") to comply with all Federal tax requirements and securities law continuing disclosure obligations for its outstanding tax-exempt bonds and warrants (the "Tax-Exempt Obligations") to ensure (a) that interest on its Tax-Exempt Obligations remains exempt from Federal income tax and (b) compliance with any continuing disclosure obligations of the District with respect to its outstanding Tax-Exempt Obligations.

PROCEDURES

Compliance Officer. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Clerk of the District (the "Compliance Officer").

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

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

Scope of Review.

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

- (a) the resolution(s) adopted by the governing body of the District authorizing the issuance of its outstanding Tax-Exempt Obligations, together with any documents setting the final rates and terms of such Tax-Exempt Obligations (the "Authorizing Proceedings"),
- (b) the tax documentation associated with each Tax-Exempt Obligation (the "Tax Documents"),
- (c) the District's continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement, as the case may be (the "Continuing Disclosure Obligations"), and
- (d) any communications or other materials received by the District or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the Internal Revenue Service (the "IRS"), or any other material correspondence relating to the tax-exempt status of the District's Tax-Exempt Obligations, or relating to the District's Continuing Disclosure Obligations.

Use and Timely Expenditure of Bond Proceeds. Expenditure of proceeds of outstanding Tax-Exempt Obligations shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax

Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents and (c) that any mandatory redemptions from excess proceeds of Tax-Exempt Obligations are timely made if required under the Authorizing Proceedings and the Tax Documents.

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

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

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

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

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

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

VCAP and Remedial Actions. The District is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the IRS which allows Districts under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to Districts of certain obligations under Section 1.141-12 of the Income Tax Regulations for private use of property financed with Tax-Exempt Obligations which was not expected at the time the Tax-Exempt Obligations were issued.