

*In the opinion of Bond Counsel, under existing law and assuming compliance with certain covenants, interest on the Bonds is not includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended, and is exempt from Nebraska state income taxes. No opinion is expressed with respect to the additional corporate minimum tax on adjusted current earnings or any other tax. See “LEGAL MATTERS—Tax Exemption” herein. Sanitary and Improvement District No. 264 of Sarpy County, Nebraska (the “District”) has designated the Bonds as “Qualified Tax-Exempt Obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.*

**\$6,695,000**  
**SANITARY AND IMPROVEMENT DISTRICT NO. 264**  
**OF SARPY COUNTY, NEBRASKA**  
**(Shadow Lake)**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2020A**

Dated: May 21, 2020

Due: October 15, as shown below

Sanitary and Improvement District No. 264 of Sarpy County, Nebraska (Shadow Lake), a body corporate and politic and a political subdivision of the State of Nebraska (the “District”), is issuing the above-captioned bonds (the “Bonds”) pursuant to its authority under Sections 10-615 and 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended, and a resolution of the District’s Board of Trustees (the “Resolution”).

The District is issuing the Bonds in fully registered form which, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will serve as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Bonds will not receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the security depository with respect to the Bonds. See “THE BONDS — Book-Entry Only System” herein.

Interest is payable semiannually on October 15 and April 15 of each year, commencing October 15, 2020. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal or redemption price of and interest on the Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC. UMB Bank, NA, West Des Moines, Iowa will serve as paying agent and registrar (the “Paying Agent”) for the Bonds. For terms relating to payments made to DTC or its nominee or in the event that the use of book-entry form is discontinued, see “THE BONDS — Book-Entry-Only System” herein.

The Bonds maturing on or after October 15, 2025 are subject to optional redemption prior to maturity at the option of the District, in whole or in part, at any time on or after May 21, 2025 at the principal amount thereof plus interest to the redemption date, all as described in this Official Statement.

The Bonds and the interest thereon constitute general obligations of the District, payable from ad valorem taxes, without limitation as to rate or amount, which, together with any collections of special assessments or any other funds legally available for the purpose, will be sufficient to meet the punctual payment of principal of and interest on the Bonds as such principal and interest become due.

**MATURITY SCHEDULE**

Type	Maturity Date (October 15)	Principal Amount	Interest Rate	Price	Type	Maturity Date (October 15)	Principal Amount	Interest Rate	Price
Serial	2020	\$125,000	1.65%	100%	Serial	2030	\$350,000	2.50%	100%
Serial	2021	165,000	1.75	100	Serial	2031	355,000	2.65	100
Serial	2022	200,000	1.85	100	Serial	2032	500,000	2.80	100
Serial	2023	210,000	1.90	100	Serial	2033	500,000	2.90	100
Serial	2024	220,000	1.95	100	Serial	2034	500,000	3.00	100
Serial	2025	230,000	2.00	100	Serial	2035	500,000	3.00	100
Serial	2026	235,000	2.10	100	Serial	2036	500,000	3.05	100
Serial	2027	255,000	2.20	100	Serial	2037	600,000	3.05	100
Serial	2028	275,000	2.30	100	Serial	2038	645,000	3.10	100
Serial	2029	330,000	2.40	100					

**(plus accrued interest from May 21, 2020)**

SEE “BONDHOLDERS’ RISKS” HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED (IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN) IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

*This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*

The Bonds are offered when, as and if issued, and received by the Underwriter subject to the approval of legality of the Bonds by Baird Holm LLP, Bond Counsel, and to certain other conditions. Kutak Rock LLP, Underwriter’s Counsel, will provide certain legal advice to the Underwriter regarding this Official Statement. It is expected that the Bonds in definitive form will be available for delivery at DTC in New York, New York, on or about May 21, 2020.

**AMERITAS INVESTMENT COMPANY, LLC**

Dated: April 17, 2020

**SANITARY AND IMPROVEMENT DISTRICT  
NO. 264  
OF SARPY COUNTY, NEBRASKA**

**BOARD OF TRUSTEES**

John F. O'Neill..... Chair  
Anthony Fontana ..... Clerk  
Jane Shanahan ..... Trustee  
Deborah Fontenot..... Trustee  
Peter Huggins ..... Trustee

**BOND COUNSEL**

Baird Holm LLP

**ATTORNEY FOR DISTRICT**

Pansing Hogan Ernst & Bachman LLP

**PAYING AGENT AND REGISTRAR**

UMB Bank, NA

**ACCOUNTANT**

Lutz & Company, P.C.

**UNDERWRITER**

Ameritas Investment Company, LLC

**UNDERWRITER'S COUNSEL**

Kutak Rock LLP

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations in connection with the Bonds or the matters described herein, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds 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 has been obtained from the District and from other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion contained herein are subject to change, without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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**THE UNDERWRITER INTENDS TO OFFER THE BONDS INITIALLY AT THE OFFERING PRICES SET FORTH ON THE COVER PAGE OF THIS OFFICIAL STATEMENT, WHICH MAY SUBSEQUENTLY CHANGE WITHOUT ANY REQUIREMENT OF PRIOR NOTICE. IN CONNECTION WITH ITS REOFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND**

**RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. THESE FORWARD-LOOKING STATEMENTS INCLUDE, AMONG OTHERS, STATEMENTS CONCERNING EXPECTATIONS, BELIEFS, OPINIONS, FUTURE PLANS AND STRATEGIES, ANTICIPATED EVENTS OR TRENDS AND SIMILAR EXPRESSIONS CONCERNING MATTERS THAT ARE NOT HISTORICAL FACTS. THE FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN OR IMPLIED BY SUCH STATEMENTS. THE DISTRICT HAS NO DUTY OR OBLIGATION TO UPDATE ANY OF THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT.**

## OFFICIAL STATEMENT

**\$6,695,000**  
**SANITARY AND IMPROVEMENT DISTRICT NO. 264**  
**OF SARPY COUNTY, NEBRASKA**  
**(SHADOW LAKE)**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2020A**

### INTRODUCTION

This Official Statement has been prepared in connection with the offer for sale of \$6,695,000 in aggregate principal amount of General Obligation Refunding Bonds, Series 2020A (the “Bonds”) issued by Sanitary and Improvement District No. 264 of Sarpy County, Nebraska (Shadow Lake), a body corporate and politic and a political subdivision of the State of Nebraska (the “District”).

Pursuant to Sections 10-615 and 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended (the “Act”), a sanitary and improvement district may, finance or refinance the capital costs of public improvements and public infrastructure within the boundaries of such district. Once duly established, a sanitary and improvement district possesses certain powers, including, but not limited to, the authority to issue warrants and bonds for its authorized purposes, to assess special assessments and to levy ad valorem taxes to repay its indebtedness.

Brief descriptions of the Bonds, the security therefor and the District are included in this Official Statement together with summaries of certain provisions of the Bonds and the District’s Resolution (as hereinafter defined) authorizing the issuance of the Bonds. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds and the Resolution are qualified in their entirety by reference to the complete documents, copies of which are available for inspection at the office of the Underwriter, Ameritas Investment Company, LLC, 5900 O Street, Lincoln, Nebraska 68510, Attention: Ms. Jen Kobza, during normal business hours.

Prospective investors are advised to read carefully “BONDHOLDERS’ RISKS” herein for a description of certain risk factors that should be considered (in addition to other matters set forth herein) in evaluating the investment quality of the Bonds.

### THE BONDS

#### General Description

The Bonds will be dated May 21, 2020, and will bear interest from that date, payable October 15, 2020 and semiannually thereafter on April 15 and October 15 of each year (each an “Interest Payment Date”). The Bonds will mature on October 15 in the years and principal amounts and bear interest at the rates referred to on the cover page of this Official Statement.

Pursuant to the Resolution, the Bonds will be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof, not exceeding the amount of each maturity. Interest on the Bonds will be calculated based on twelve 30-day months and a 360-day year.

## **Authority for Issuance and Use of Proceeds**

The District is issuing the Bonds pursuant to and by authority of the Act and a Bond Resolution (the “Resolution”) adopted by the District’s Board of Trustees on April 17, 2020, which Resolution authorized the issuance and sale of the Bonds. The District previously issued its (a) General Obligation Bonds, Series 2012, dated October 1, 2012 in the original aggregate principal amount of \$4,550,000 (the “Prior Series 2012 Bonds”), and (b) General Obligation Bonds, Series 2014, dated September 1, 2014 in the original aggregate principal amount of \$2,470,000 (the “Prior Series 2014 Bonds”). The District used the proceeds of the Prior Series 2012 Bonds and the Prior Series 2014 Bonds to redeem construction fund warrants issued by the District to pay the costs of installing the public improvements and public infrastructure in the District.

The Prior Series 2012 Bonds maturing on or after October 1, 2018 are subject to redemption, in whole or in part, prior to maturity at the option of the District at any time on or after October 1, 2017 at a price equal to the principal amount so called for redemption plus accrued interest to the date set for redemption, with no redemption premium. The Prior Series 2014 Bonds maturing on or after September 1, 2020 are subject to redemption, in whole or in part, prior to maturity at the option of the District at any time on or after September 1, 2019 at a price equal to the principal amount so called for redemption plus accrued interest to the date set for redemption, with no redemption premium.

The District will use the proceeds of the Bonds to refund on a current refunding basis on May 21, 2020 (the “Redemption Date”) (a) \$3,990,000 outstanding aggregate principal amount of the Prior Series 2012 Bonds (the “Refunded Series 2012 Bonds”), and (b) \$2,395,000 outstanding aggregate principal amount of the Prior Series 2014 Bonds (the “Refunded Series 2014 Bonds” and together with the Refunded Series 2012 Bonds, the “Refunded Bonds”).

The District’s General Obligation and Refunding Bonds, Series 2015A, its General Obligation Refunding Bonds, Series 2015B, its General Obligation and Refunding Bonds, Series 2016, and its General Obligation and Refunding Bonds, Series 2017 (collectively, the “Parity Bonds”), which are secured on parity with the Bonds, are outstanding in the aggregate principal amounts of \$7,210,000, \$3,365,000, \$5,710,000, and \$4,145,000, respectively.

## **Registration, Transfer and Payment**

The principal of the Bonds is payable upon presentation and surrender thereof at the principal corporate trust office of UMB Bank, NA, West Des Moines, Iowa, as Paying Agent and Registrar (the “Paying Agent”). The interest on the Bonds will be payable by check or draft mailed to registered owners appearing on the books of the Paying Agent at the close of business fifteen days prior to the Interest Payment Date (the “Record Date”).

The District and the Paying Agent may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payment thereof and for all other purposes and neither the District nor the Paying Agent shall be bound by any notice or knowledge to the contrary, whether such Bond shall be overdue or not. All payments of or on account of interest to any registered owner of any Bond and all payments of or on account of principal to the registered owner of any Bond, shall be valid and effectual and shall be a discharge of the District and the Paying Agent, in respect of the liability upon the Bond or claim for interest, as the case may be, to the extent of the sum or sums paid.

The District will cause books for the registration and transfer of the Bonds to be kept at the principal office of the Paying Agent at all times while any of such Bonds shall be outstanding. Any Bond may be transferred pursuant to its provisions at the principal office of the Paying Agent by surrender of such Bond

for cancellation, accompanied by a written instrument of transfer in a form satisfactory to such Paying Agent, duly executed by the registered owner in person or by his duly authorized agent, and thereupon the Paying Agent will authenticate and deliver at the office of the Paying Agent (or send by registered mail to the owner thereof at such owner's expense), in the name of the transferee or transferees, a new Bond of the same series, interest rate, principal amount and maturity, dated so there shall result no gain or loss of interest as a result of such transfer. To the extent of denominations authorized for Bonds by the Resolution, one Bond may be transferred for several other Bonds of the same series, interest rate and maturity, and for a like aggregate principal amount and several such Bonds may be transferred for one or several such Bonds, respectively, of the same series, interest rate and maturity and for a like aggregate principal amount. As a condition of any registration or transfer, the Paying Agent may at its option require the payment of a sum sufficient to reimburse it or the District for any tax or other governmental charge that may be imposed thereon. The Paying Agent may charge reasonable fees for a transfer; provided, however, the District shall not pay any such fees.

The Paying Agent shall not be required (a) to issue, transfer or exchange Bonds from the Record Date to the next Interest Payment Date; (b) to issue, register or transfer any Bonds for a period of 15 days immediately preceding any selection of Bonds for redemption or for a period of 15 days thereafter; or (c) to register, transfer or exchange any Bonds which have been designated for redemption within a period of 30 days immediately preceding the date fixed for redemption.

Transfer of interests by Beneficial Owners, so long as there is a securities depository serving, will be governed by the procedures described under "THE BONDS — Book-Entry-Only System" herein.

### **Book-Entry-Only System**

The Bonds initially are being issued solely in book-entry form to be held in the book-entry-only system maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and Beneficial Owners (as hereinafter defined) will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Resolution. The following information about the book-entry-only system applicable to the Bonds has been supplied by DTC. Neither the District nor the Paying Agent makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing

corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices be provided directly to them. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District, as issuer of the Bonds, as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).



Principal and interest payments, redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered to DTC. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

NEITHER THE DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE PAYING AGENT AS BEING A HOLDER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender Bonds or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments. Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the Bonds.

THE DISTRICT AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS, (ii) BONDS REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE

REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT “RULES” APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT “PROCEDURES” OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS ARE ON FILE WITH DTC.

### **Optional Redemption**

The Bonds maturing on or after October 15, 2025 are subject to optional redemption prior to maturity at the option of the District, in whole or in part, at any time on or after May 21, 2025 at the principal amount thereof plus interest to the redemption date, with no redemption premium. The District may select the maturity of the Bonds so to be redeemed in its sole discretion.

### **Notice of Redemption**

Notice of redemption of any Bond or any portion thereof shall be given by first-class mail to the registered owner of such Bond, addressed to his or her registered address and placed in the mail not less than 30 nor more than 60 days prior to the date fixed for redemption. Such notice shall specify the numbers of the Bonds called for redemption, the redemption date and the place where the redemption amount will be payable, and in the case of Bonds to be redeemed in part only, such notice shall specify the respective portion of the principal amount thereof to be redeemed. If the Paying Agent shall hold funds sufficient for such redemption on the date fixed for redemption and such notice shall have been given, the Bonds or the portion thereof thus called for redemption shall not bear interest after the date fixed for redemption. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent shall determine, in its sole discretion, in any manner deemed by it to be fair and equitable, the particular Bonds or portions of Bonds of such maturity so to be redeemed. Any Bond shall be subject to redemption in part in a principal amount equal to \$5,000 or any integral multiple thereof.

### **Security for Bonds**

Pursuant to the Resolution, the District irrevocably pledged its full faith, credit and resources and its taxing power for the prompt payment of the principal of and the interest on the Bonds as the same become due. The District agrees that it will cause to be levied annually upon all the taxable property in the District an ad valorem tax which, together with collections of any special assessments or any other funds legally available for the purpose, will be sufficient to meet the payment of principal of and interest on the Bonds, the Parity Bonds and any other bonds now or hereafter issued by the District, as such principal and interest become due. The Resolution does not limit such ad valorem tax as to rate or amount and it does not limit the ability or authority of the District to issue additional bonds in the future. See “APPENDIX A — Budget and Levy Limitations” thereunder for a discussion of challenges to Nebraska’s property tax system. See also “BONDHOLDERS’ RISKS — Parity Bonds.”

### **Sources and Uses of Funds**

The District shall provide the proceeds from the sale of the Bonds (net of Underwriter’s discount and other costs of issuance) to the County Treasurer of Sarpy County, Nebraska, acting as the District’s ex-officio treasurer, for deposit into the District’s Bond Fund. The District will use the net proceeds of the Bonds, together with certain other moneys on deposit in the Bond Fund and available for such purpose, to redeem the Refunded Bonds as set forth below:

#### **Sources:**

Bond Proceeds (net of accrued interest, if any) .....	\$6,695,000.00
Bond Fund Cash .....	<u>0.00</u>
Total .....	<u>\$6,695,000.00</u>
<b>Uses:</b>	
Principal Redemption of Refunded Series 2012 Bonds.....	\$3,990,000.00
Interest on Refunded Series 2012 Bonds to the Redemption Date .....	21,796.53
Principal Redemption of Refunded Series 2014 Bonds.....	2,395,000.00
Interest on Refunded Series 2014 Bonds to the Redemption Date .....	22,582.22
Cost of Issuance (including underwriter's discount) .....	264,405
Rounding Amount .....	<u>1,216.25</u>
Total .....	<u>\$6,695,000.00</u>

## **BONDHOLDERS' RISKS**

### **Adverse Property Sale Conditions**

Development in the District is near completion. See “APPENDIX A — District Development” herein. Accordingly, the District does not expect the risks described under this paragraph to materially affect the repayment of the Bonds. The development and sale of sanitary and improvement district properties are contingent upon numerous factors. Changes in general economic conditions, including fluctuations in the local real estate market, interest rates on construction loans, the availability of mortgage money, and other similar factors, may adversely affect the development of a district. Other factors influencing decisions to buy property in a district would include the overall tax levels, the convenience to local shopping and employment, accessibility to major highways and interstates, the proximity and reputation of schools and the availability and cost of utility services. Land development is subject to comprehensive federal, state and local regulations. There can be no assurance that future government policies will not adversely affect land development operations within a district. The ultimate consequence of such adverse conditions may be an inability by a district to pay its debts, including its bonds.

### **Challenges to Property Tax System**

The levy and collection of ad valorem taxes by taxing jurisdictions in the State of Nebraska has been the object of legislative, judicial and electoral action. Ad valorem tax revenues are the primary source of payment of the Bonds; any diminution in the legal authority to levy and collect such taxes could adversely affect the timely payment of the Bonds. See “APPENDIX A — Budget and Levy Limitations.”

### **Delinquent Special Assessments**

Even in the absence of adverse property development conditions, from time to time, the payment of special assessments with respect to various parcels of property in the District may be delinquent. A district may collect special assessments at the time of the sale of a developed lot with the sale price inclusive of the amount of the special assessments outstanding. Alternatively, a property owner may assume the obligation to repay special assessments in installments. Installments of special assessments are due and payable annually. Amounts available to the District from ad valorem tax revenues and other sources may not be sufficient to make up any special assessment shortfall.

## **Parity Bonds**

Other than the Parity Bonds, the District presently has no other bonds outstanding that are payable from or secured by the pledge of ad valorem taxes as permitted under the Act. However, neither the Act nor the Resolution limits the ability or the authority of the District to issue additional bonds secured by a pledge of the revenues derived from such tax. No assurance can be given that the District will not elect to issue additional bonds payable from such tax levy prior to the final maturity of the Bonds.

## **Bankruptcy of District**

Significant delays in the development of a sanitary and improvement district after the incurrence of indebtedness for public improvements while interest on such indebtedness continues to compound can result in a debt burden and a significant tax levy that discourages sale of property and impedes the ability of the district to provide services to current residents. For such reasons, among others, several Nebraska sanitary and improvement districts over the years have 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 bondholders of a Chapter 9 bankruptcy filing could include material modification of the terms of the Bonds and related documents and significant delays in the payment, or loss of all or a portion, of the principal and interest on the Bonds. The Nebraska Supreme Court has held that the payment of a district's bonds would have priority over the payment of such district's construction fund warrants.

## **Bankruptcy of Property Owners**

The payment of property owners' taxes and special assessments and the ability of the District or Sarpy County to foreclose the lien of a delinquent unpaid tax or assessment, as discussed under "Remedies for Delinquencies" in Appendix A, 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 or tax certificate sales. 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 extinguish the outstanding ad valorem taxes or special assessments, the bankruptcy of a property owner could result in a delay in prosecuting foreclosure proceedings. Such delay in prosecuting foreclosure proceedings would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of partial or incomplete payments on delinquent installments of taxes or assessments. The dispersal of ownership of the property within the District to hundreds of property owners mitigates the potential risk of delay in the payment of the principal and interest on the Bonds due to a single District property owner filing for bankruptcy. See "APPENDIX A — District Development" and "APPENDIX B — Major Taxpayers".

## **No Investment Rating**

None of the Bonds, Parity Bonds, or any other debt obligation of the District is rated by a securities rating agency. The District has not applied, and does not intend to apply, for any such rating. The absence of an investment rating may adversely affect the marketability of the Bonds.

## **No Secondary Market Maker**

The Underwriter has not agreed to maintain a secondary market for the District's bonds, including the Bonds, and the District does not anticipate that such a market will exist. Prospective purchasers of the Bonds should be prepared, therefore, to hold their Bonds until retired by the District.

## **Operational Disruption Risk; COVID-19**

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the operations and effectiveness of municipal governments, such as the District. One such external event is the recent global outbreak of COVID-19 ("COVID-19"), a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization, which is affecting the national capital markets and which may negatively impact the State's housing market and its overall economy. The threat from the Pandemic is being addressed on a national, federal, state and local levels in various forms, including executive orders and legislative actions.

On March 13, 2020, the President of the United States declared a national emergency with respect to the Pandemic. The United States Congress recently enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020, which provides over \$2 trillion of direct financial aid to American families, payroll and operating expense support for small businesses, and loan assistance for distressed industries, as well as providing funds to and directing the Federal Reserve System to support the capital markets. On March 13, 2020, the Governor of Nebraska declared a State emergency with respect to the Pandemic. By executive orders, the Governor also has announced Statewide social distancing restrictions, limited mass gatherings, ordered the closure of schools, restaurants, bars and other public accommodations, as well as other actions affecting state and local governments and Nebraska families. Each such order is subject to change and/or extension.

The District has not at this point experienced any material adverse financial impacts from the Pandemic. While the District does not currently expect any significant adverse financial impacts, there could be reductions in property tax receipts for a period of time and the ultimate financial impact of economic disruption from Pandemic is uncertain.

## **ONGOING DISCLOSURE**

Subject to the provisions of a Dissemination Agent Agreement, by and between the District and UMB Bank, NA, as dissemination agent, the District will provide a Continuing Disclosure Certificate (the "Undertaking") on behalf of the Bondholders and beneficial owners requiring the District to provide annually to the Municipal Securities Rulemaking Board ("MSRB"), in an electronic format accompanied by identifying information as prescribed by the MSRB, (a) financial information and operating data about the District, (b) notices of the listed events specified by Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), and (c) notice of a failure to provide the information in (a) by the date set in the Undertaking. See "APPENDIX D — Form of Continuing Disclosure Undertaking."

A failure by the District to comply with the Undertaking will not constitute an event of default with respect to the Bonds, although any holder will have any available remedy at law or in equity, including seeking specific performance by court order, to cause the District to comply with its obligations under the Undertaking. During the previous five years, the District the District did not file certain of its operating data for one or more of its outstanding issues of general obligation bonds and construction fund warrants and failed to report such failures to file, as required under the Rule and the District's previous continuing

disclosure undertakings. The District also inadvertently failed to properly indicate that filed audited financial statements and operating data applied to undertakings associated with the District's construction fund warrants during the past five years and failed to report this failure.

Pursuant to the Act, the District must annually file its independently audited financial statements with the Nebraska State Auditor of Public Accounts, where they are available as public records for inspection during normal business hours. See "FINANCIAL STATEMENTS."

## **LEGAL MATTERS**

### **Legal Opinion**

The legal opinion of Baird Holm LLP, Omaha, Nebraska ("Bond Counsel"), approving the validity of the Bonds, will be provided to purchasers at the time of original delivery of the Bonds. 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 Official Statement or any of the information contained herein, other than as it relates to its opinion. Certain legal matters will be passed upon for the Underwriter by its Underwriter's Counsel, Kutak Rock LLP.

### **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 Bonds 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 Bonds are not "private activity bonds" as defined in the Code.

Bond Counsel also is of the opinion that the Bonds 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 Bonds as arbitrage bonds.

No opinion is expressed by Bond Counsel with respect to the treatment of interest on the Bonds 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 based thereon or with respect to any other consequences affecting the federal income tax liability of a recipient of interest on the Bonds.

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 Bonds 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 Bonds to be included in gross income retroactive to the date of issue of the Bonds.

The accrual or receipt of interest on the Bonds 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, taxpayers otherwise entitled to claim the earned income credit, or taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, 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 Bonds.

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 Bonds. It cannot be predicted whether, or in what form, any such proposal might be enacted or whether if enacted it would apply to bonds 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 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds 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 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

The District has designated the Bonds as its "qualified tax exempt obligations" under Section 265(b)(3)(B)(i)(III) of the Code and has covenanted and warranted that the District does not reasonably expect to issue warrants or bonds or other obligations aggregating in the principal amount of more than \$10,000,000 during the current calendar year. Financial institutions considering investing in the Bonds should consult with their tax advisors regarding the tax consequences of investing in the Bonds.

The rights of the holders of the Bonds 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.

#### **NO 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 Bonds or in any way contesting or affecting the validity or tax-exempt status of the Bonds or the Resolution approving the Bonds or contesting the powers or authority of the District to issue the Bonds or to adopt such Resolution.

#### **UNDERWRITING**

Ameritas Investment Company, LLC is purchasing the Bonds from the District for resale at a purchase price of \$6,494,150 (principal amount of the Bonds, less an underwriting discount of \$200,850), plus accrued interest, if any. Ameritas Investment Company, LLC shall make a public offering of the Bonds at not in excess of the public offering prices set forth on the cover page of this Official Statement. The Underwriter is obligated to purchase all of the Bonds if any of such Bonds are purchased. The Bonds may be offered and sold to certain dealers at prices lower than such public offering prices and the Underwriter may change such public offering prices from time to time.

## **FINANCIAL STATEMENTS**

The audited financial statements of the District for the fiscal year ended June 30, 2019 are included in this Official Statement as Part Two of Appendix B and should be read in their entirety. Audited financial statements for the District for fiscal years ending prior to June 30, 2019 are available for inspection at the offices of the attorney for the District in Omaha, Nebraska and at the offices of the State Auditor of Public Accounts in Lincoln, Nebraska. Lutz & Company, P.C., as independent auditors, audited the financial statements of the District as of June 30, 2019 included in Appendix B of this Official Statement, as stated in their report appearing therein.

## **MISCELLANEOUS**

The Chair of the Board of Trustees, on behalf of the District, executed and delivered this Official Statement. At the date of this Official Statement and at the date of delivery of the Bonds, (i) the information and statements, including financial statements, of or pertaining to the District, contained in this Official Statement were and are correct in all material respects; and (ii) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement 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 Official Statement 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 contained in this Official Statement has been obtained from the District and other sources believed to be reliable, but said information is not warranted or guaranteed, either expressly or impliedly, as to accuracy or completeness by the Underwriter.

Any statement in this Official Statement involving matter of opinion, whether or not expressly so stated, is intended as such and not as representations of fact. The appendices attached hereto are an integral part of this Official Statement, and should be read in conjunction with the foregoing material.



**AUTHORIZATION OF OFFICIAL STATEMENT**

The District hereby duly authorizes the delivery of this Official Statement.

SANITARY AND IMPROVEMENT DISTRICT  
NO. 264 OF SARPY COUNTY, NEBRASKA

By /s/ John F. O'Neill  
Chair

## APPENDIX A — GENERAL INFORMATION

### SANITARY AND IMPROVEMENT DISTRICT NO. 264 OF SARPY COUNTY, NEBRASKA

(Shadow Lake)

#### The District

The original developer established Sanitary and Improvement District No. 264 of Sarpy County, Nebraska, (the “District”), commonly known as Shadow Lake, in April of 2005 in accordance with Section 31-727 et seq., Reissue Revised Statutes of Nebraska, as amended (the “Act”). The District, the City of Papillion and the District’s developer entered into a Subdivision Agreement pursuant to which the City of Papillion approved the zoning and platting of the District, and the District agreed to levy special assessments with respect to the District’s public improvements and to levy ad valorem taxes.

Installation of the public infrastructure in the District is complete. The City of Papillion provides sanitary sewer and water services to the District. Black Hills Energy and Omaha Public Power District provide natural gas and electric utility services, respectively, to the District and its residents. The District lies within the Papillion–La Vista Public School District, which operates an elementary school within the District. There is also a middle school (Papillion Jr. High School) and a high school (Papillion–La Vista South High School) within two miles of the District.

#### District Development

Development of the District as a single-family residential subdivision and mixed-use development is substantially complete. The District consists of 733 platted single-family lots and 3 mixed-use lots. All 733 of such platted single-family lots contain completed homes. One of the mixed-use lots contains a completed apartment complex, while the other 2 mixed-use lots are currently empty. Also, and as mentioned above, Papillion-La Vista Public School District operates an elementary school within the boundaries of the District.

#### Board of Trustees

A five-member Board of Trustees governs the District. The current members are as follows:

<b>Name</b>	<b>Position</b>
John F. O’Neill	Chair
Anthony Fontana	Clerk
Jane Shanahan	Trustee
Deborah Fontenot	Trustee
Peter Huggins	Trustee

At present, each member of the Board of Trustees is a resident property owner in the District. Thus, the control of the Board has shifted from the original developer to the resident property owners. Under the Act, elections for members of the Board of Trustees occur every two years. The next Board of Trustees election is in September 2020.

#### Financial Information

As of May 21, 2020, the District will have outstanding general obligation bonds in the principal amount of \$27,125,000 and no outstanding construction fund warrants. The District’s 2019/2020 Bond

Fund tax levy is set at \$0.68 and the General Fund tax levy is set at \$0.20 per \$100 of taxable valuation. The 2019 taxable valuation of all real property in the District is \$290,198,446.

### **Description of Budget Process**

As described below, budgets of sanitary and improvement districts in existence more than five years are subject to statutory budget limitations and the property tax levies of such districts are subject to tax levy limitations.

A sanitary and improvement district is required by state law to file its budget with the county clerk and state auditor on or before September 20 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 in tax rates or valuation. Such differences are principally due to the fact that while the fiscal year for a district begins on July 1, tax dollars generated by the budget are not received by the district until the following calendar year. The first half of such tax receipts is received during the spring of the following calendar year (April 1). The second half tax receipts are not received until the late summer of the following calendar year (August 1), several weeks into the ensuing fiscal year.

The proposed budget contains line items detailing, among other things, revenues and expenses in both the General Fund and the Bond Fund. Revenues in the General Fund cover noncapital items, i.e., operating expenses including insurance, streetlights, legal and accounting fees, and maintenance expenses. Revenues in the Bond Fund principally cover construction expenses (including associated professional fees), interest on registered construction fund warrants, principal redemption of registered construction fund warrants, and payments of principal and interest under outstanding bond issues. Revenues in the General Fund are generated primarily by ad valorem taxes, with a small amount coming from various state and local sources. Bond Fund revenues are generated in the same way, plus special assessments and interest thereon. The proposed budget compares total anticipated expenses with total anticipated revenues, other than those to be collected from property taxes, to arrive at a net amount that must be generated 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 municipal advisor, if applicable. Prior to its adoption, a budget summary is published in a local legal newspaper one time at least five days prior to the budget meeting, with a copy of the meeting notice being given at least one week prior to the 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 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. It is then registered with the date of presentment for payment determining the date when interest begins to accrue and determining the priority of payment. Warrants are paid in the order of registration.

### **Ad valorem Taxes**

Property taxes received by sanitary and improvement districts are levied and collected in the same manner as property taxes for other political subdivisions. Once all taxing authorities have submitted their budgets to the county in which they are located after any final adjustments have been made in the valuation of property within a district, the dollar requirements of each taxing authority are converted to a tax rate

(based on cents per \$100 of actual taxable valuation) and total tax bills for the ensuing calendar year (not fiscal year) are compiled showing the breakdown of taxes attributable to each taxing authority and the total tax bill related to each parcel of property.

During December of each year, the Sarpy County Treasurer sends a tax statement to each owner of property within the county, which states that the property taxes for such year are due on December 31 of that year. Half of such tax amount becomes delinquent April 1 of the subsequent year and the other half delinquent August 1. Taxes not paid before the date of delinquency draw interest at the rate of 14%.

If taxes are not paid within three years of the due date, the parcel of property to which the taxes appertain is subject to foreclosure by Sarpy County, Nebraska. Prior to entry of a decree of foreclosure and sale for delinquent taxes, the county treasurer may conduct a tax certificate sale with respect to such parcel. See “Remedies for Delinquencies” below.

When the Sarpy County Treasurer receives tax payments, they allocate the payments among the various taxing authorities levying taxes. The Sarpy County Treasurer is the ex-officio treasurer for all sanitary and improvement districts within Sarpy County, Nebraska, including the District. Those funds collected pursuant to a district’s tax levy are then deposited into such district’s General Fund and Bond Fund, as applicable. A district’s claim for its share of general ad valorem taxes is of equal priority with the tax claims of other taxing authorities, and such taxes constitute a first lien against the property, superior to purchase money mortgages, special assessments and all other liens.

Bondholders are paid the principal of and the interest on bonds issued by sanitary and improvements districts generally from ad valorem taxes and special assessments. Individual bondholders do not enjoy a lien on the real property within a district. The remedies of a tax certificate sale and foreclosure available to the county and a district, as applicable, may accrue to the benefit of the bondholders, but are not directly available to bondholders. If the payment of bond principal has been in default for over 90 days, a majority of the bondholders may petition for the appointment of an administrator in lieu of the district board of trustees. The board of trustees or the new administrator, if any, may negotiate agreements to compromise the indebtedness, including the issuance of new bonds in conjunction with a workout. This effort can include a voluntary Chapter 9 bankruptcy filing by the district. See “BONDHOLDERS’ RISKS — Bankruptcy of District.”

### **Budget and Levy Limitations**

The Nebraska 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 of Nebraska (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 increases 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, such as the Bonds, or budgeted for capital improvements. 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 of 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 bonded indebtedness, such as the Bonds, approved according to law and secured by a levy on property. 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 Nebraska's system of assessing 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 Nebraska 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.

### **Special Assessments**

*As of February of 2020, the District has outstanding special assessments in the amount of \$700,010.* Under the Act, the District assesses against specially benefitted property, a portion of the costs of the work for which the District issues construction fund warrants. After the Board of Trustees of the District levies such assessments, the Sarpy County Treasurer collects them 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 within the District. The lien of the District is inferior only to the general taxes levied by the State and its political subdivisions, including the District. Special assessments are due without interest 50 days after the date of levy, but if not so paid they shall bear interest thereafter on a per annum basis. Interest accrues on annual installments at the interest rate per annum of the greater of (a) the rate of interest accruing on the construction fund warrants registered against the District 60 days prior to the actual levy of the special assessments or (b) the average rate of interest accruing on the District's construction fund warrants issued to pay for the improvements for which the special assessments are to be levied adjusted to the next greater ½%. Such assessments shall become delinquent in equal annual installments over such periods of years (not exceeding 20 years and typically 10 years), as the Board of Trustees determines at the time of making the levy. Delinquent installments bear interest at the rate of 2% per annum above the rate set by the District on such installments before delinquency, subject to a 14% per annum ceiling (subject to adjustment from time to time by the Legislature). If three or more annual installments become delinquent, the Board of Trustees of the District may declare all remaining annual installments due and payable and increase to 14% per annum (subject to adjustment from time to time by the Legislature) the interest rate on all installments.

### **Remedies for Delinquencies**

***Tax Certificate Sale and Tax Deed.*** Nebraska law provides two statutory schemes for clearing the tax liens of delinquent special assessment installments and 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 in question is located. County treasurers are empowered to sell tax certificates for real estate on which taxes or assessments have not been paid as provided by law 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 certificate 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 assessments and any other taxes are transferred to the purchaser, and the county treasurer will distribute to the district that portion of sale price attributable to the delinquent special assessment installments 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 certificate sale. The owner of the property will have three years from the tax certificate sale date to redeem the tax certificates, after which time the purchaser of the tax certificates, if not so redeemed, may obtain a tax deed pursuant to Section 77-1837, Reissue Revised Statutes of Nebraska, as amended, or foreclose on the tax lien via a sheriff's sale as discussed below. If the purchaser

exercises its right to acquire a tax deed, the district's lien for special assessments, if not so included in the tax certificate sale, will remain and the tax deed will be subject to the lien of special assessments. In order to obtain a tax deed or a sheriff's deed, the tax certificate holder must act under either method within nine months of the end of the three-year redemption period. If a tax certificate is not sold, the owner retains the property, but interest still will accrue as aforesaid. The county treasurer conducts the tax certificate sale and maintains the records.

***Foreclosure Proceedings and Sheriff's Deed.*** The second statutory method for clearing liens of taxes or assessments is foreclosure against the property in question. Either the sanitary and improvement district or the county may exercise the right to foreclose; however, a district may only foreclose its tax lien in the case of delinquent special assessments.

Additionally, as mentioned above, the purchaser of a tax certificate may also obtain a sheriff's deed via the foreclosure proceedings. Upon exercising the remedy of foreclosure pursuant to its tax certificate lien, the county court may immediately confirm the sale and issue a sheriff's deed to the tax certificate purchaser.

The district's board of trustees may initiate foreclosure proceedings once special assessment installments are delinquent for three years running and may bid its tax lien in the amount of delinquent special assessments at the sheriff sale. The district will take the property if there are no other 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. However, the district is not entitled to any surplus unless the county treasurer has first offered the special assessments for sale via the tax certificate sale process describe above.

Alternatively, the county may foreclose the lien of delinquent taxes or special assessments against property within a district. If taxes or assessments are delinquent for three years or more, the county must foreclose in order to recapture anticipated proceeds from property taxes and special assessments. If the special assessments are not requested by a district to be included in the tax foreclosure proceeding and the county treasurer has not previously offered the delinquent special assessments for sale, then the district's special assessment lien will survive the foreclosure sale.

Confirmation of the sale of foreclosed property pursuant to a sheriff's sale is not available until the passage of a two-year redemption period (during which time the delinquent property owner may satisfy the delinquency and remove the outstanding lien of taxes or special assessments), running from the sale date. Thus, the winning bidder must wait two years before receiving clear title. However, the purchaser of a tax certificate may foreclose its lien at the conclusion of the three year redemption period specifically associated with the tax certificate sale and will not be subject to an additional two year redemption period. Under the foreclosure proceedings, 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 bondholders whole.

## DEBT SERVICE REQUIREMENTS

The annual debt service requirements on the Bonds and the Parity Bonds are shown below.

<b>For Fiscal Year Ending June 30</b>	<b>Debt Service on Parity Bonds</b>	<b>Debt Service on the Bonds</b>	<b>Total</b>
2020	\$1,621,940.00	\$195,609.00	\$1,817,549.00
2021	1,632,235.00	339,460.00	1,971,695.00
2022	1,640,472.50	371,572.50	2,012,045.00
2023	1,651,302.50	377,872.50	2,029,175.00
2024	1,654,325.00	383,882.50	2,038,207.50
2025	1,659,565.00	389,592.50	2,049,157.50
2026	1,667,052.50	389,992.50	2,057,045.00
2027	1,666,687.50	405,057.50	2,071,745.00
2028	1,663,497.50	419,447.50	2,082,945.00
2029	1,687,795.00	468,122.50	2,155,917.50
2030	1,713,560.00	480,202.50	2,193,762.50
2031	1,755,937.50	476,452.50	2,232,390.00
2032	652,065.00	612,045.00	1,264,110.00
2033	1,529,040.00	598,045.00	2,127,085.00
2034	333,710.00	583,545.00	917,255.00
2035	1,854,772.50	568,545.00	2,423,317.50
2036	1,920,287.50	553,545.00	2,473,832.50
2037	1,879,200.00	638,295.00	2,517,495.00
2038	0.00	664,995.00	664,995.00
<b>TOTAL</b>	<u>\$28,183,445.00</u>	<u>\$8,916,279.00</u>	<u>\$37,099,724.00</u>

**APPENDIX B — FINANCIAL INFORMATION & ANNUAL AUDIT**

**SANITARY AND IMPROVEMENT DISTRICT NO. 264  
OF SARPY COUNTY, NEBRASKA—**

*Part One*

*Selected District Financial Information*



## SELECTED FINANCIAL INFORMATION

2019 Taxable Valuation	\$290,198,446
Outstanding District Bonded Debt (Including the Bonds)	\$27,125,000
Outstanding District Construction Fund Warrants	\$0
Total Outstanding District Debt (Following issuance of the Bonds)	\$27,125,000
Bond Fund Balance (Following issuance of the Bonds)	\$1,188,795
Outstanding Special Assessments with accrued interest (as of Feb 2020)	\$700,010
Total Net District Debt (Net District Debt=Outstanding District Debt, less Bond Fund Cash and Uncollected Special Assessments)	\$25,236,195
Ratio of Net District Debt to 2019 Taxable Valuation	8.70%
Ratio of District Debt to 2019 Taxable Valuation	9.35%

## STATEMENT OF DIRECT DEBT

### Direct Debt

General Obligation and Refunding Bonds, Series 2015A	7,210,000
General Obligation Refunding Bonds, Series 2015B	3,365,000
General Obligation and Refunding Bonds, Series 2016	5,710,000
General Obligation and Refunding Bonds, Series 2017	4,145,000
General Obligation and Refunding Bonds, Series 2020 (this issue)	<u>6,695,000</u>
	27,125,000

Source: Sarpy County Treasurer; Sarpy County Assessor & Nebraska State Auditor Website

## OVERLAPPING DEBT

	<b>Taxable Valuation</b>	<b>Bonded Debt</b>	<b>Bonded Debt Applicable to S.I.D. No. 264</b>
Sarpy County	\$16,801,973,211	\$6,450,000	\$111,402
Papillion-LaVista Public School District	\$6,209,434,652	\$121,550,000	\$5,680,649
Springfield Platteview Community Schools	\$1,711,718,579	\$3,910,000	\$662,887
Papillion Rural Fire District	\$2,897,026,131	\$0	<u>\$0</u>
Total Overlapping Debt			\$6,454,939
Total Direct Debt of District (Following issuance of the Bonds)			\$27,125,000
Total Direct and Overlapping General Obligation Debt			\$33,579,939
2019 Taxable Valuation			\$290,198,446
Ratio of Direct & Overlapping Debt to 2019 Taxable Valuation			11.57%

Source: Sarpy County Assessor & Nebraska State Auditor Website

**TOTAL PROPERTY TAX LEVIES**  
**Sanitary and Improvement District No. 264**  
**Of Sarpy County, Nebraska**  
**(Levy rates are dollars per \$100 of actual valuation)**

<b>SID No. 264</b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
General Fund	\$0.200000	\$0.200000	\$0.200000
Bond Fund	0.680000	0.680000	0.680000
Total	\$0.880000	\$0.880000	\$0.880000
<b>Other Taxing Units</b>			
Sarpy County	\$0.296900	\$0.296900	\$0.296900
Papillion Special Building	\$0.025000	\$0.000000	\$0.000000
Papillion-LaVista Public School District	1.046958	1.070696	1.075987
Springfield Palteview Community Schools	0.017301	0.019050	0.021023
School Dist 27 Bond 4	0.051313	0.054395	0.056456
School Dist 27 Bond 5	0.063469	0.066685	0.071911
School Dist 27 Bond 6	0.037732	0.015033	0.000000
Learning Community	0.016052	0.016250	0.016250
Papio Natural Resource District	0.031015	0.030852	0.030788
Papillion Rural Fire District	0.115000	0.125657	0.125028
Papillion Fire Bond	0.015104	0.010052	0.010002
Papillion NRD Bond	0.006369	0.006742	0.007009
Metropolitan Community College	0.095000	0.095000	0.095000
Agricultural Society	0.002758	0.002742	0.002587
Educational Service Unit #3	0.015000	0.015000	0.015000
<b>Total</b>	\$1.834971	\$1.825054	\$1.823941
Total Levy	\$2.714971	\$2.705054	\$2.703941

Source: Sarpy County Clerk

**PROPERTY VALUATIONS**  
**Sanitary and Improvement District No. 264**  
**of Sarpy County, Nebraska**

<b>Year</b>	<b>Taxable Valuation</b>
2019	\$290,198,446
2018	\$283,639,298
2017	\$273,576,344
2016	\$259,842,916
2015	\$245,609,232

Source: Douglas County Assessor

**PROPERTY TAX COLLECTIONS**  
**Sanitary and Improvement District No. 264**  
**of Sarpy County, Nebraska**

<u>Year</u>	<u>Due *</u>	<u>Levied</u>	<u>Collected</u>	<u>Percent Collected</u>
2019/2020	12/31/2019	\$2,553,746	N/A	N/A
2018/2019	12/31/2018	\$2,496,026	\$2,496,026	100%
2017/2018	12/31/2017	\$2,407,472	\$2,407,472	100%

\* Taxes are due on December 31 of the year levied, but may be paid in two equal installments due April 1 and August 1 of the following year. The taxes for the 2019/2020 year, accordingly, are due on December 31, 2019, but the first installment of such taxes will not become delinquent until April 1, 2020 and the second installment will not become delinquent until August 1, 2020.

*Source: Douglas County Treasurer*

**MAJOR TAXPAYERS**

No property owner in the District owns property with a taxable valuation in excess of 5.00% of the District's 2019 taxable valuation.

*Source: Douglas County Assessor*

**DISTRICT DEVELOPMENT**

<u>District Build Out</u>	<u>Built or Under Construction Homes</u>	<u>Platted Lots</u>	<u>Percent Complete</u>
Single Family/Townhome Lots	733	733	100%
Mixed Use Lots	1	3	33.33%

*Source: Market Graphics*



## APPENDIX C — SARPY COUNTY, NEBRASKA INFORMATION

The following information about Sarpy County, Nebraska is included because the District is located within the County. The Bonds are not a debt of, nor are they payable by, Sarpy County.

### General Description of the County

The County encompasses approximately 249 square miles, or 159,360 acres in area, and is located on the eastern border of Nebraska. Sarpy County is surrounded by Douglas County on the north, Saunders County on the west, and Cass County on the south, and borders with the State of Iowa on the east. The Missouri River separates Iowa and Nebraska on Sarpy County's eastern edge. Papillion, the county seat of Sarpy County, is located ten miles from Omaha, Nebraska, and 45 miles from Lincoln, Nebraska. The current population of the County is estimated at 184,459.

Sarpy County, unlike most of Nebraska, does not have an agriculturally oriented economy. Offutt Air Force Base is located in the County, making the U.S. military the County's largest employer. Offutt is the headquarters for the Strategic Command ("STRATCOM").

The major highways serving Sarpy County include Interstate 80 running from the north-center County line to the southwest corner of the County and connecting Omaha with Lincoln. U.S. Routes 73/75, and 6, and the Kennedy Freeway run north-south along with Nebraska Routes 50 and 85. The major east-west thoroughfare is Nebraska Route 370.

Rail facilities serving the County include the Union Pacific Railroad and the Burlington Northern Santa Fe Railroad. Residents of the County use Omaha's Eppley Airfield for air transportation.

*Source: US Census ([www.quickfacts.census.gov](http://www.quickfacts.census.gov))*

*Source: Sarpy County (for Offutt information and size of county)*

### The Economy

The economy of Sarpy County can be described as follows:

**Labor Force.** According to the Nebraska Department of Labor, the average monthly civilian labor force in Sarpy County in April 2019 was 95,891. According to Offutt Air Force Base, as of 2017 there are 16,753 military and civilian personnel employed on the base in Bellevue.

*Source: State of Nebraska, <http://networks.nebraska.gov> (for civilian labor)  
Offutt Economic Impact Statement Fiscal Year 2017 (for military and civilian assigned).*

**Per Capita Personal Income.** In 2017, the per capita personal income of Sarpy County residents was \$48,129 which was 94.7% of the Nebraska average per capita income of \$50,809. The lower per capita income is explained by Sarpy County's 27.6% population under age 18.

*Source: <http://quickfacts.census.gov> (for population under 18)  
<http://bea.gov> (for per capita personal income by County)*

**Median Household Income.** In 2017 the median income of households in Sarpy County was \$75,752.

*Source: <http://quickfacts.census.gov> - most recent info available*

## Sales

Net taxable sales (excluding motor vehicles) within the County increased from \$1,743,450,920 in 2016 to \$1,835,611,916 in 2017, representing a 5.3% increase over the prior year.

*Source: Sarpy County*

## Employers

The ten largest employers located in the County and the nature of their businesses are as follows:

Company	Industry
Offutt Air Force Base	Government
PayPal, Inc.	Service
Infogroup, Inc.	Data/Marketing
Oriental Trading Company	Warehouse/ Distribution
Papillion-La Vista Public Schools	Education
Bellevue Public Schools	Education
Werner Enterprises	Trucking
Wal-Mart Stores & Sam's Club	Retail
Bellevue University	Education
Hillcrest Health Systems	Healthcare

*Source: Sarpy County Economic Development Corporation, 2018*

## Indebtedness

The County by law may assess taxes in an amount not to exceed \$0.50 per \$100 of actual valuation without an approving vote of the citizens of the County. The County's total tax levy for fiscal year 2018-2019 is 29.690 cents per \$100 of actual valuation.

*Source: Sarpy County*

## Actual Value of Taxable Property

Tax Year	Actual Valuation	Percentage of Increase
2014	\$11,995,964,919.00	3.40
2015	\$12,785,158,397.00	6.58
2016	\$13,565,438,185.00	6.10
2017	\$14,493,101,695.00	6.84
2018	\$15,511,549,423.00	7.03

*Source: Sarpy County Assessor*

## 10 Largest Taxpayers

The largest taxpayers located in the County, the actual taxes of their properties and the types of their businesses include the following:

Business Name	2018 Taxes	Nature of Business
Shadow Lake Towne Center LLC	\$2,250,821	Retail Businesses
Omaha Outlets LLC	\$1,610,493	Retail Business
JQH La Vista Conference/CY Dev/III Dev	\$1,375,430	Conference Center & Hotel
Offutt AFB America	\$1,295,102	Base Housing
Walmart Real Estate/Stores/Business Trust/Neighborhood Market	\$1,243,659	Retail Business
Edward Rose Development	\$989,363	Apartments
PayPal	\$956,289	Commercial Business
MFR Partners IX/XVI LLC	\$851,689	Apartments
Werner Enterprises	\$784,679	Trucking
Harrison Hills Apartments	\$783,330	Apartments

\*Totals based on names on file.

Source: Sarpy County Treasurer's Office.

## History of County Tax Levies (Cents per \$100 of Assessed Valuation)

Year	Amount
2014	29.990
2015	29.690
2016	29.690
2017	29.690
2018	29.690

Source: Sarpy County

## Tax Levies and Collections

Tax Certified by the Assessor

	2015	2016	2017
Real Estate	\$266,992,173	\$284,736,799	\$304,381,624
Personal	6,923,756	7,045,338	7,428,978
Centrally Assessed	1,515,907	1,641,119	1,747,151
	<u>\$275,431,836</u>	<u>\$293,423,256</u>	<u>\$313,557,753</u>

Source: Sarpy County Unaudited Financial Statements

**Sarpy County Population**

July 2014 (estimate)	172,193
July 2015 (estimate)	175,692
July 2016 (estimate)	179,023
July 2017 (estimate)	181,439
July 2018 (estimate)*	184,459

Source: U.S. Census (\*Based on Census Bureau Vintage 2018 Population Estimate)

**Sarpy County Building Permits\***

Year	Single Family		Multi Family	
	Permits	Value	Permits	Value
2014	320	\$ 76,495,447	1	\$ 4,535,687
2015	330	\$ 79,457,683	1	\$ 1,966,328
2016	276	\$ 68,739,432	0	\$ -
2017	342	\$ 84,666,636	0	\$ -
2018	329	\$ 81,169,710	0	\$ -

Year	Commercial/Industrial	Value
	Permits	
2014	9	\$23,277,076
2015	28	\$36,792,946
2016	52	\$33,244,920
2017	57	\$34,262,992
2018	87	\$20,185,899

Source: Sarpy County Building and Planning Department

\*Includes only areas outside city zoning jurisdictions.



## APPENDIX D — FORM OF CONTINUING DISCLOSURE UNDERTAKING

*Following is the form of Continuing Disclosure Certificate that will be entered into by the District pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5).*

This Continuing Disclosure Certificate, dated on or about May 21, 2020 is executed and delivered by Sanitary and Improvement District No. 264 of Sarpy County, Nebraska (the “District”) in connection with the issuance by the District of \$6,695,000 in aggregate principal amount of its General Obligation Refunding Bonds, Series 2020A (the “Bonds”). The Bonds are being issued pursuant to a resolution dated April 17, 2020 (the “Resolution”) authorizing the issuance of the Bonds and authorizing the District to enter into this Undertaking. In consideration of the purchase of such Bonds by the owners thereof, the District hereby covenants and agrees as follows:

(a) That the District does hereby covenant and agree and enters into this written undertaking (the “Undertaking”) for the benefit of the holders and beneficial owners of the Bonds in accordance with Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. § 240.15c2-12) (the “Rule”). Capitalized terms used in this Undertaking and not otherwise defined in this Undertaking shall have the meanings assigned such terms in subsection (d) hereof. It being the intention of the District that there be full and complete compliance with the Rule, this Undertaking shall be construed in accordance with the written interpretative guidance and no-action letters published from time to time by the Securities and Exchange Commission and its staff with respect to the Rule.

(b) The District undertakes to provide, via UMB Bank, NA, as Dissemination Agent pursuant to a Dissemination Agent Agreement between the District and UMB Bank, NA (the “Dissemination Agent”), the following information as provided in this Undertaking:

- (i) Annual Financial Information;
- (ii) Audited Financial Statements, if any; and
- (iii) Listed Event Notices.

(c) The District shall provide any information or notice required by this Undertaking to the Dissemination Agent. The Dissemination Agent will not be responsible for compiling any of the information required to be provided by this Undertaking. The District shall while any Bonds are outstanding provide:

(i) the Annual Financial Information on or before March 31 of each year (the “Report Date”) to the MSRB in an electronic format accompanied by identifying information as prescribed by the MSRB. If the District changes its fiscal year, it shall provide written notice of the change of fiscal year to the MSRB. It shall be sufficient if the District provides to the MSRB any or all of the Annual Financial Information by specific reference to documents previously provided to the MSRB or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(ii) If not provided as part of the Annual Financial Information, the District shall provide the Audited Financial Statements when and if available while any Bonds are outstanding to the MSRB.

(iii) If a Listed Event occurs while any Bonds are outstanding, the District shall provide a Listed Event Notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB. Each Listed Event Notice shall be so captioned and shall prominently state the date and title of the Bonds.

(iv) The District shall provide in a timely manner to the MSRB notice of any failure by the District while any Bonds are outstanding to provide to the MSRB Annual Financial Information on or before the Report Date.

(v) Any filing or report under this Undertaking may be made solely by transmitting such filing or report to the MSRB in an electronic format accompanied by identifying information as prescribed by the MSRB.

(d) The following are the definitions of the capitalized terms used in this Undertaking and not otherwise defined in this Undertaking:

(i) “*Annual Financial Information*” means the financial information or operating data with respect to the District, provided at least annually, of the type included in Appendix B of the Official Statement. The financial statements included in the Annual Financial Information shall be prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Government Accounting Standards Board (“GASB”). Such financial statements may, but are not required to be, Audited Financial Statements.

(ii) “*Audited Financial Statements*” means the District’s annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Nebraska.

(iii) “*Listed Event*” means any of the following events with respect to the Bonds:

(A) Principal and interest payment delinquencies;

(B) Non-payment related defaults, if material;

(C) Unscheduled draws on debt service reserves reflecting financial difficulties;

(D) Unscheduled draws on credit enhancements reflecting financial difficulties;

(E) Substitution of credit or liquidity providers, or their failure to perform;

(F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(G) Modifications to rights of Bondholders, if material;

- (H) Bond calls, if material, and tender offers;
- (I) Defeasances;
- (J) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (K) Rating changes;
- (L) Bankruptcy, insolvency, receivership or similar event of the District;
- (M) The consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(N) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material.

(O) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and

(P) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(iv) “*Listed Event Notice*” means electronic notice of a Listed Event.

(v) “*MSRB*” means the Municipal Securities Rulemaking Board. On July 1, 2009 the MSRB became the sole repository to which the District must electronically submit Annual Financial Information, Audited Financial Statements, if any, and Listed Event Notices pursuant to this Undertaking. Reference is made to Commission Release No. 34-59062, December 8, 2008 (the “*Release*”) relating to the MSRB’s Electronic Municipal Market Access (“*EMMA*”) system for municipal securities disclosure which became effective on July 1, 2009. To the extent applicable to this Undertaking, the District shall comply with the *Release* and with *EMMA*.

(e) The continuing obligation hereunder of the District to provide Annual Financial Information, Audited Financial Statements, if any, and Listed Event Notices shall terminate immediately once the Bonds no longer are outstanding. This Undertaking, or any provision hereof, shall be null and void in the event that the District obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds, provided that the District shall have provided notice of such delivery and the cancellation of this Undertaking to the MSRB.

(f) This Undertaking may be amended, without the consent of the Bondholders, but only upon the District obtaining an opinion of nationally recognized bond counsel to the effect that

such amendment, and giving effect thereto, will not adversely affect the compliance of this Undertaking by the District with the Rule, provided that the District shall have provided notice of such delivery and of the amendment to the MSRB. Any such amendment shall satisfy, unless otherwise permitted by the Rule, the following conditions:

(i) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the District or type of business conducted;

(ii) This Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment either (i) is approved by the Bondholders in the same manner as provided in the Resolution for amendments thereto with the consent of Bondholders, or (ii) does not, in the opinion of the Dissemination Agent or nationally recognized bond counsel, materially impair the interests of the Bondholders.

(g) The initial Annual Financial Information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change, if any, in the type of operating data or financial information being provided.

(h) Any failure by the District to perform in accordance with this Undertaking shall not constitute an event of default with respect to the Bonds. If the District fails to comply herewith, any Bondholder or beneficial owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations hereunder.

*[Signature Page to Follow]*

THIS CERTIFICATE IS EXECUTED AND DATED May 21, 2020

SANITARY AND IMPROVEMENT  
DISTRICT NO. 264 OF SARPY  
COUNTY, NEBRASKA

By: \_\_\_\_\_  
Chair, Board of Trustees