



NOTICE

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)

Tuesday, March 1, 2022, 1:30 p.m. CT/12:30 p.m. MT

PLEASE TAKE NOTICE that on **Tuesday, March 1, 2022, at 1:30 p.m. CT/12:30 p.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting at the Cornhusker Marriott Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska. An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted. The meeting will also be made available by Zoom via Computer, Smart Device or Telephone-at <https://us06web.zoom.us/j/88050973997?pwd=RTFNUw1eUQyM29LV3FLd3BsVDhPZz09> or via phone at 346-248-7799. The Meeting ID is 880 5097 3997 and the passcode is 615182.

On February 23, 2022, a notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne.



AGENDA

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM)

Tuesday, March 1, 2022, 1:30 p.m. CT/12:30 p.m. MT

Cornhusker Marriott Hotel - Grand Ballroom, B and C

333 South 13th Street, Lincoln, NE

In accordance with the Open Meetings Act, Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed is available to the public at the meeting and at the links below for examination and copying. The LARM Board may pass motions to go into closed session on agenda items pursuant to the requirements of the Open Meetings Act.

You also may join the meeting by Zoom via Computer, Smart Device or Telephone <https://us06web.zoom.us/j/88050973997?pwd=RTFhNUw1eUQyM29LV3FLd3BsVDhPZz09> or via phone at 346-248-7799. The Meeting ID is 880 5097 3997 and the passcode is 615182.

Officials of LARM members and members of the public may comment on agenda items or listen to the Board Meeting; however, if the Board votes to hold a closed session pursuant to the Open Meetings Act, officials of LARM members and members of the public may not comment or listen during that time.

1. Call meeting to order:

- a. 1:30 p.m. CT/12:30 p.m. MT – Hickman Mayor Doug Hanson, Chair of the LARM Board, will call the meeting to order.
- b. Roll call.
- c. Indicate that on February 23, 2022, a notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials were available for public inspection at 1335 L Street, in Lincoln, Nebraska, and also posted with the following links kept continually current: an electronic copy of the agenda and all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne
- d. Inform the public about the location of the Open Meetings Act which is accessible to members of the public and at www.larmpool.org along with a copy of all reproducible written materials to be discussed at this meeting.
- e. Pledge of Allegiance to the Flag of the United States of America.
- f. Public comment on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.

2. Consider a motion as provided in Article 1, Section 1 of LARM's Bylaws to approve LARM Administrator Lynn Rex's recommendation to appoint Chris Rector, City Administrator of Holdrege, to fill the vacancy and serve the unexpired term of former City of Beaver City Clerk/Treasurer Teresa Youngquist on the LARM Board of Directors.

· *Lynn Rex, Administrator, LARM*

3. Consider a motion to re-elect Doug Hanson, Mayor of Hickman, as Chairperson and Lanette Doane, Clerk-Treasurer of Ansley, as Vice Chairperson for one-year terms as provided in Article V, Section 1 of LARM's Bylaws.

· *Lynn Rex, Administrator, LARM*

4. Consider a motion to approve the minutes of the December 1, 2021, Meeting of the LARM Board of Directors.

· *Dave Bos, Executive Director, LARM*

See pages 1-6

5. Consider a motion to accept the quarterly update on LARM investments.

· *Michael Maloney, Senior Portfolio Manager, US Bank*

See pages 7-62

6. Consider a motion to accept the quarterly update on LARM financials.

· *Mark Weaver, Director of Financial Reporting, Sedgwick Risk Pooling Services*

See pages 63-83

7. Consider a motion to accept a report on the current state of the property reinsurance market.

· *Justin Swarbrick, Senior Vice-President, Alliant Insurance Services, Inc.*

See pages 84-97

8. Public disclosure of release and settlement agreement between Light of the World Gospel Ministries, Inc. and the Village of Walthill and the League Association of Risk Management in consideration of payment of the total sum of \$500,000 to provide release and discharge to the Village of Walthill and the League Association of Risk Management for a liability claim, in compliance with Nebraska Revised Statute 84-713.

See pages 98-151

· *Dave Bos, Executive Director, LARM*

9. Public disclosure of release and settlement agreement between Traci Hansen and Kurt Hansen and the Village of Wolbach and the League Association of Risk Management in consideration of payment of the total sum of \$225,000 to provide release and discharge to the Village of Wolbach and the League Association of Risk Management for a liability claim, in compliance with Nebraska Revised Statute 84-713.

See pages 152-158

· *Dave Bos, Executive Director, LARM*

10. Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation.

· *Andy Barry, Cline Williams*

· *Trent Sidders, Cline Williams*

· *Dave Bos, Executive Director, LARM*

· *John Baum, Litigation Claims Manager, Sedgwick Risk Pooling Services*

11. Discuss the date for the next meeting of the LARM Board of Directors.

· *Lynn Rex, Administrator, LARM*

· *Dave Bos, Executive Director, LARM*

12. Consider a motion to adjourn.

MINUTES
MEETING OF THE BOARD OF DIRECTORS
OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT

Wednesday, Dec. 1, 2021, 11:00 a.m. CT/10:00 a.m. MT
Cornhusker Marriott Hotel – Grand Ballroom, B and C
333 S 13th Street, Lincoln NE

A Meeting of the League Association of Risk Management (LARM) Board of Directors was held December 1, 2021, at 11:00 a.m. CT/10:00 a.m. MT in the Grand Ballroom, B & C at the Cornhusker Marriott Hotel at 333 S 13th Street in Lincoln, Nebraska.

(AGENDA ITEM #1) **Call to Order.** At 11:01 a.m. CT, **LARM Board Chair Mayor Doug Hanson**, called the Meeting to order.

The roll call was read with the following voting Board Members present: **Connie Jo Beck**, Clerk/Deputy Treasurer, City of St. Paul; **Pam Buethe**, Board Member, Sarpy County SID #29; **Lanette Doane**, Clerk/Treasurer, Village of Ansley; **Mayor Don Groesser**, City of Ralston; **Mayor Doug Hanson**, City of Hickman; **Melissa Harrell**, Administrator/Treasurer, City of Wahoo; **Jo Leyland**, Administrator/Clerk/Treasurer, City of Imperial; **Tom Ourada**, Administrator, City of Crete; **Sandra Schendt**, Clerk/Treasurer, City of Nelson; **Mayor Joey Spellerberg**, City of Fremont; and **Mayor Deb VanMatre**, City of Gibbon.

At the time of roll call: 11 voting Board Members were present; 4 were absent (**LeAnn Brown**, Clerk/Treasurer, City of Oshkosh; **Mayor Tony Kaufman**, City of Gering; **Mayor Josh Moenning**, City of Norfolk and **Teresa Youngquist**, Clerk/Treasurer, City of Beaver City). Ex-officio (non-voting) Board Member **L. Lynn Rex**, Executive Director of the League of Nebraska Municipalities and Administrator of LARM was present; ex-officio (non-voting) Board Member **Mayor Paul Lambert**, City of Plattsmouth, and President of the League of Nebraska Municipalities, was absent. Teresa Youngquist participated via Zoom but was unable to vote due to not being able to attend the meeting in-person.

Other participants included: **LARM** – Dave Bos (via Zoom), Tracy Juranek, Diane Becker, Elizabeth Becker, Fred Wiebelhaus, Randy Peters, Drew Cook, Nate Fox and Clint Simmons; **League of Nebraska Municipalities** – Shirley Riley; **US Bank** – Mike Maloney; **Lamson Dugan & Murray** – Jason Grams; **Cline Williams Law Firm** – representing LARM, Andy Barry and Trent Sidders; **Sedgwick** (LARM's third party administrator) – Chris Cadwell, Mark Weaver and John Baum.

Board Chair Mayor Doug Hanson indicated that on November 23, 2021, notice of this Meeting with the agenda and other materials was sent to all LARM members and the LARM Board. Notice of this Meeting with the agenda and other materials was available for public inspection at 1335 L Street in Lincoln, Nebraska, and also was posted with the following links kept continually current: an electronic copy of the agenda and all

documents being considered at the meeting, with a link to the current Open Meetings Act on LARM's website – larmpool.org and Facebook page- www.facebook.com/larmne.

Board Chair Mayor Doug Hanson stated in accordance with Chapter 84, Article 14 of the Reissue Revised Statutes of the State of Nebraska 1943, as amended, one copy of all reproducible written materials to be discussed was available to the public at this meeting for examination. The Open Meetings Act was posted in the meeting room and was accessible to members of the public. Chair Mayor Doug Hanson informed the public about the location of the Open Meetings Act posted in the meeting room and stated that the LARM Board may pass motions to go into closed session on any agenda item pursuant to the requirements of the Open Meetings Act.

The pledge of allegiance to the United States of America was recited.

Board Chair Mayor Doug Hanson said that public comment on any agenda item(s): Pursuant to the Open Meetings Act, the LARM Board Chair reserves the right to limit comments on agenda items. In accordance with the Open Meetings Act, there is no time limit on comments made by members of the LARM Board of Directors.

(AGENDA ITEM #2) Consider a motion to approve the minutes of the September 22, 2021, Meeting of the LARM Board of Directors. *(Presented by Dave Bos, Executive Director, LARM).* Jo Leyland moved, seconded by Pam Buethe to approve the minutes of the September 22, 2021, Meeting of the LARM Board of Directors. Chair Mayor Doug Hanson asked if there was any other discussion; there was none. Roll call vote. Ayes: Beck, Buethe, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Brown, Kaufman, Moenning and Youngquist. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

(AGENDA ITEM #3) Consider a motion to accept the resolutions and/or minutes of the respective governing bodies of the following individuals to approve them to serve as a candidate for or a member of the LARM Board by the governing body of the participating member. *(These members were elected at the September 22, 2021, Annual Members' Meeting of LARM to a three-year term on the LARM Board beginning on January 1, 2022):*

Tom Ourada, Administrator of the City of Crete

Sandra Schendt, Clerk/Treasurer of the City of Nelson

Deb VanMatre, Mayor of the City of Gibbon

Pamela Buethe, Board Member of the Sarpy County SID #29

Connie Jo Beck, Clerk/Deputy Treasurer of the City of St. Paul

(Presented by Dave Bos, Executive Director, LARM and Lynn Rex, LARM Administrator)

Lanette Doane moved, seconded by Mayor Don Groesser to accept the resolutions and/or minutes of the respective governing bodies of the following individuals to approve them to serve as a candidate for or a member of the LARM Board by the governing body of the participating member. *(These members were elected at the September 22, 2021,*

Annual Members' Meeting of LARM to a three-year term on the LARM Board beginning on January 1, 2022):

Tom Ourada, Administrator of the City of Crete

Sandra Schendt, Clerk/Treasurer of the City of Nelson

Deb VanMatre, Mayor of the City of Gibbon

Pamela Buethe, Board Member of the Sarpy County SID #29

Connie Jo Beck, Clerk of the City of St. Paul

Chair Mayor Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Beck, Buethe, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Brown, Kaufman, Moenning and Youngquist. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

(AGENDA ITEM #4) **Consider a motion to accept the quarterly update on LARM investments.** *(Presented by Michael Maloney, Senior Portfolio Manager, US Bank).* Mayor Deb VanMatre moved, seconded by Pam Buethe to accept the quarterly update on LARM investments. Chair Mayor Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Beck, Buethe, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Brown, Kaufman, Moenning and Youngquist. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

(AGENDA ITEM #5) **Consider a motion to accept the quarterly update on LARM financials.** *(Presented by Mark Weaver, CPA, Director of Financial Reporting, Sedgwick).* Melissa Harrell moved, seconded by Sandra Schendt to accept the quarterly update on LARM financials. Roll call vote. Ayes: Beck, Buethe, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Brown, Kaufman, Moenning and Youngquist. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

(AGENDA ITEM #6) **Consider a motion to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation.** *(Presented by Andy Barry and Trent Sidders, Cline Williams; Dave Bos, Executive Director, LARM and John Baum, Litigation Claims Manager, Sedgwick Risk Pooling Services).* Jo Leyland moved, seconded by Lanette Doane to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, John Baum, Jason Grams, Andy Barry and Trent Sidders. Roll call vote. Ayes: Beck, Buethe, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Brown, Kaufman, Moenning and Youngquist. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

(AGENDA ITEM #7) **Consider a motion to go into closed session to protect the public interest to receive legal advice from Jason Grams of Lamson Dugan &**

Murray LLP on whether to consent to jointly retain Cline Williams with the League of Nebraska Municipalities to establish new and/or update existing agreements between LARM and the League, if the League Executive Board consents to jointly retain Cline Williams with LARM. *(Presented by Jason Grams, Lamson Dugan & Murray; Andy Barry and Trent Sidders, Cline Williams and Dave Bos, Executive Director, LARM).* Jo Leyland moved, seconded by Sandra Schendt to go into closed session to protect the public interest to receive legal advice from Jason Grams of Lamson Dugan & Murray LLP on whether to consent to jointly retain Cline Williams with the League of Nebraska Municipalities to establish new and/or update existing agreements between LARM and the League, if the League Executive Board consents to jointly retain Cline Williams with LARM with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Jason Grams, Andy Barry and Trent Sidders. Chair Mayor Doug Hanson asked if there was any discussion; there was none. Roll call vote Ayes: Beck, Buethe, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Brown, Kaufman, Moenning and Youngquist. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

Chair Mayor Doug Hanson repeated the first motion again to go into closed session to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, John Baum, Jason Grams, Andy Barry and Trent Sidders.

Chair Mayor Doug Hanson repeated the second motion again to go into closed session to protect the public interest to receive legal advice from Jason Grams of Lamson Dugan & Murray LLP on whether to consent to jointly retain Cline Williams with the League of Nebraska Municipalities to establish new and/or update existing agreements between LARM and the League, if the League Executive Board consents to jointly retain Cline Williams with LARM with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Jason Grams, Andy Barry and Trent Sidders. As of 11:43 a.m. the Board was in closed session.

At 12:51 p.m., Chair Mayor Doug Hanson restated that the reason the Board went into closed session was to protect the public interest to receive an update regarding open LARM claims and litigation with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Jason Grams, Andy Barry and Trent Sidders. He went on to state that there was no action taken in the closed session on this matter.

Chair Mayor Doug Hanson restated that the other reason the Board went into closed session was to protect the public interest to receive legal advice from Jason Grams of Lamson Dugan & Murray LLP on whether to consent to jointly retain Cline Williams with the League of Nebraska Municipalities to establish new and/or update existing agreements between LARM and the League, if the League Executive Board consents to jointly retain Cline Williams with LARM with the following joining the LARM Board in closed session: Dave Bos, Tracy Juranek, Fred Wiebelhaus, Jason Grams, Andy Barry and

Trent Sidders. He went on to say that there was no action taken in the closed session on this matter and that the Board was back in open session.

(AGENDA ITEM #8) **Consider a motion to consent to joint representation by Cline Williams with the League of Nebraska Municipalities to establish new and/or update existing agreements between LARM and the League, if the League Executive Board consents to jointly retain Cline Williams with LARM.** *(Presented by Dave Bos, Executive Director, LARM).* Mayor Don Groesser moved, seconded by Jo Leyland to consent to joint representation by Cline Williams with the League of Nebraska Municipalities to establish new and/or update existing agreements between LARM and the League, if the League Executive Board consents to jointly retain Cline Williams with LARM. Roll call vote. Ayes: Beck, Buethe, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Brown, Kaufman, Moenning and Youngquist. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

(AGENDA ITEM #9) **Discuss the date for the next meeting of the LARM Board of Directors.** *(Presented by Lynn Rex, Administrator and Dave Bos, Executive Director, LARM).*

(AGENDA ITEM #10) **Motion to adjourn.** At 12:59 p.m., Pam Buethe moved, seconded by Connie Jo Beck to adjourn. Chair Mayor Doug Hanson asked if there was any discussion; there was none. Roll call vote. Ayes: Beck, Buethe, Doane, Groesser, Hanson, Harrell, Leyland, Ourada, Schendt, Spellerberg and VanMatre. Nays: None. Abstentions: None. Absent: Brown, Kaufman, Moenning and Youngquist. **Motion carried: 11 ayes, 0 nays, 0 abstentions and 4 absent.**

Approved on:

ATTEST:

Elizabeth Becker
Customer Service Representative
League Association of Risk Management

L. Lynn Rex
LARM Administrator

Ex-Officio, Non-Voting, LARM Board Member
Executive Director of the League of Nebraska Municipalities



NOTICE

MEETING OF THE BOARD OF DIRECTORS OF THE LEAGUE ASSOCIATION OF RISK MANAGEMENT (LARM) Wednesday, December 1, 2021, 11:00 a.m. CT/10:00 a.m. MT

PLEASE TAKE NOTICE that on **Wednesday, December 1, 2021, at 11:00 a.m. CT/10:00 a.m. MT**, the League Association of Risk Management (LARM), will hold a LARM Board of Directors meeting at the Cornhusker Marriott Hotel, Grand Ballroom, B and C, 333 South 13th Street, Lincoln, Nebraska. An agenda of subjects known at this time is included with this notice, and the agenda shall be kept continually current and readily available for public inspection at the principal office of LARM during normal business hours at 1335 L Street, Lincoln, Nebraska. A notice of this meeting with the agenda and other materials are available at this location with a copy of the Open Meetings Act posted. The meeting will also be made available by Zoom via Computer, Smart Device or Telephone <https://us06web.zoom.us/j/87298755453?pwd=ZVJCSyt0YXhUdFdBNnQvU1RLQnQrUT09> or via phone at 1-346-248-7799. The Meeting ID is 872 9875 5453 and the passcode is 526730.

On November 23, 2021, a notice of this meeting with the agenda and other materials were sent to all LARM members and the LARM Board. Notice of this meeting with the agenda and other materials also are available for public inspection at 1335 L Street, in Lincoln, Nebraska, and posted with the following links kept continually current: an electronic copy of the agenda, all documents being considered at the meeting, with a link to the current version of the Open Meetings Act on LARM's website- larmpool.org and Facebook page- www.facebook.com/larmne.



League Association of Risk Management

March 1, 2022

U.S. Bank Institutional Asset Management

Investment products and services are:

NOT A DEPOSIT

NOT FDIC INSURED

MAY LOSE VALUE

NOT BANK GUARANTEED

NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY



Your U.S. Bank Team



Michael T. Maloney

Senior Portfolio Manager
Institutional Asset Management
563-663-2640

Michael.Maloney@usbank.com

Craig A. Dana

Vice President
Relationship Manager
Institutional Trust & Custody
515-245-6257

Craig.Dana@usbank.com

Table of Contents

- Page 4 – League Association of Risk Management
 - Performance
 - Fixed Income Overview
 - Fixed Income Analysis
 - Holdings
- Page 11 – Investment Policy
- Page 15 – Market Outlook & Disclosures

LEAGUE ASSOC OF RISK MANAGEMENT

Period Ending: 01/31/2022

Selected Period Performance

	Market Value	1 Month	3 Months	Year to Date (1 Month)	1 Year	3 Years	5 Years	Inception to Date 11/01/2014
Total Portfolio Gross of Fees	20,292,015	-.84	-1.07	-.84	-1.86	.61	.85	.76
Total Portfolio Net of Fees	20,292,015	-.85	-1.10	-.85	-1.99	.47	.71	.62
Total Fixed Income	17,875,017	-1.04	-1.38	-1.04	-2.32	.56	.87	.81
Gov/Agency Bonds	17,630,220	-1.04	-1.38	-1.04	-2.33	.57	.91	
FTSE 1 Year Treasury Benchmark		-.26	-.39	-.26	-.35	1.39	1.35	1.08
FTSE 1-3 Year Treasury Index		-.66	-.91	-.66	-1.26	1.69	1.44	1.18
Taxable Fixed Other	244,797	-.76	-.93	-.76	-2.11			
Total Cash and Equivalents	2,416,998	.00	.00	.00	.01	.61	.65	.47
FTSE 1 Month Treasury Bill Index		.00	.02	.00	.04	.82	1.05	.76
FTSE 6 Month Treasury Bill Index		.01	.02	.01	.06	1.01	1.19	.90
Pending Cash	0	.00	.00	.00	.00	.00	.00	.00

For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

Investment products and services are:
NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

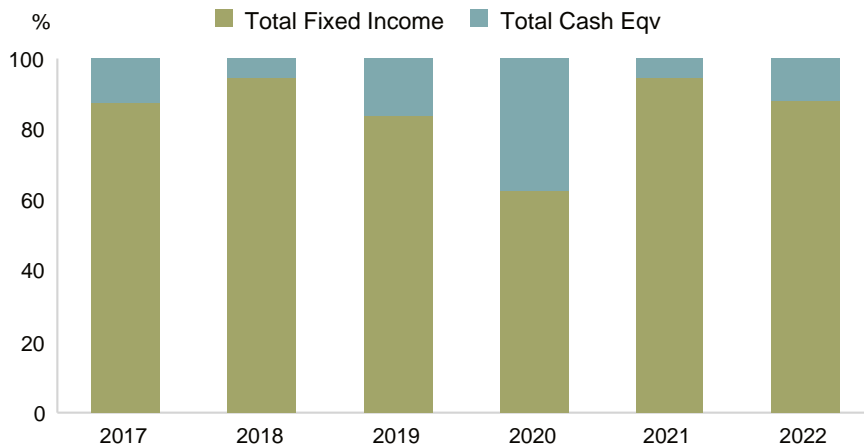


History of Asset Growth Graphs

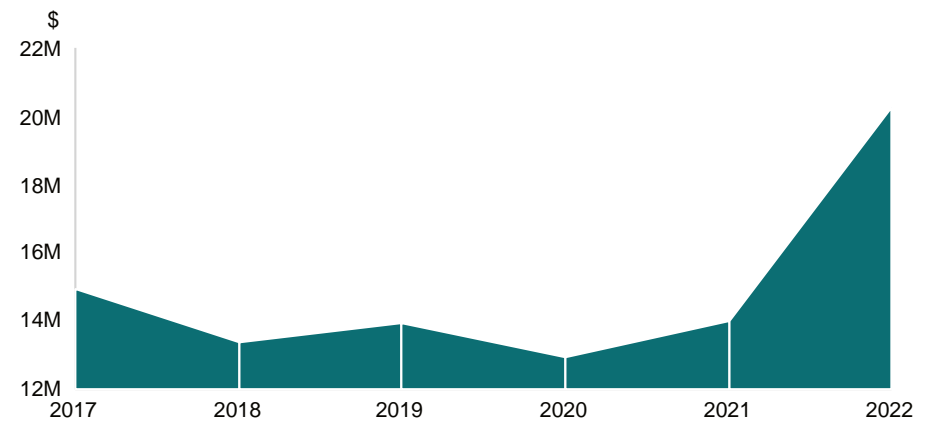
Annual Portfolio Values

	Consolidated	Oct 2016- Sep 2017	Oct 2017- Sep 2018	Oct 2018- Sep 2019	Oct 2019- Sep 2020	Oct 2020- Sep 2021	Oct 2021- Jan 2022
Beginning Portfolio Value	11,853,807	11,853,807	14,923,367	13,380,140	13,922,983	12,945,684	13,999,890
Contributions	34,750,000	6,300,000	4,750,000	4,600,000	3,700,000	7,900,000	7,500,000
Withdrawals	-26,906,682	-3,274,225	-6,405,776	-4,574,303	-4,921,961	-6,822,895	-907,523
Income Earned	1,024,496	162,643	230,600	304,987	209,553	87,451	29,262
Gain/Loss	-429,607	-118,859	-118,051	212,158	35,109	-110,350	-329,614
Ending Portfolio Value	20,292,015	14,923,367	13,380,140	13,922,983	12,945,684	13,999,890	20,292,015
Total Return	.75	.31	.79	3.14	1.52	-.12	-1.60
Principal	-.44	-.69	-.64	1.23	.18	-.63	-1.75
Income	1.19	1.00	1.44	1.89	1.34	.52	.15

Allocation Over Time



Ending Market Values Over Time



For performance and rate of return methodologies, as well as other important information, please refer to the Appendix/Disclosures provided.

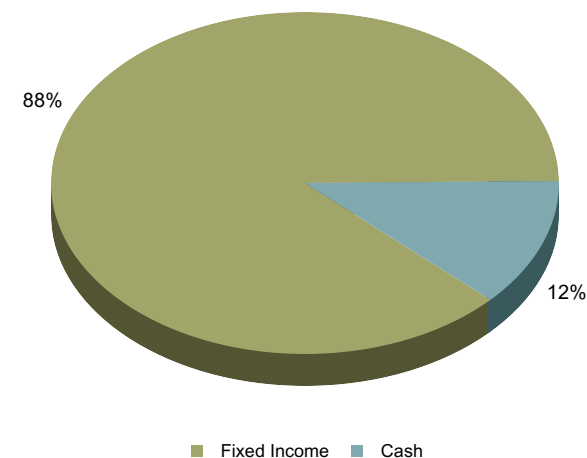
Investment products and services are:
NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Portfolio Summary

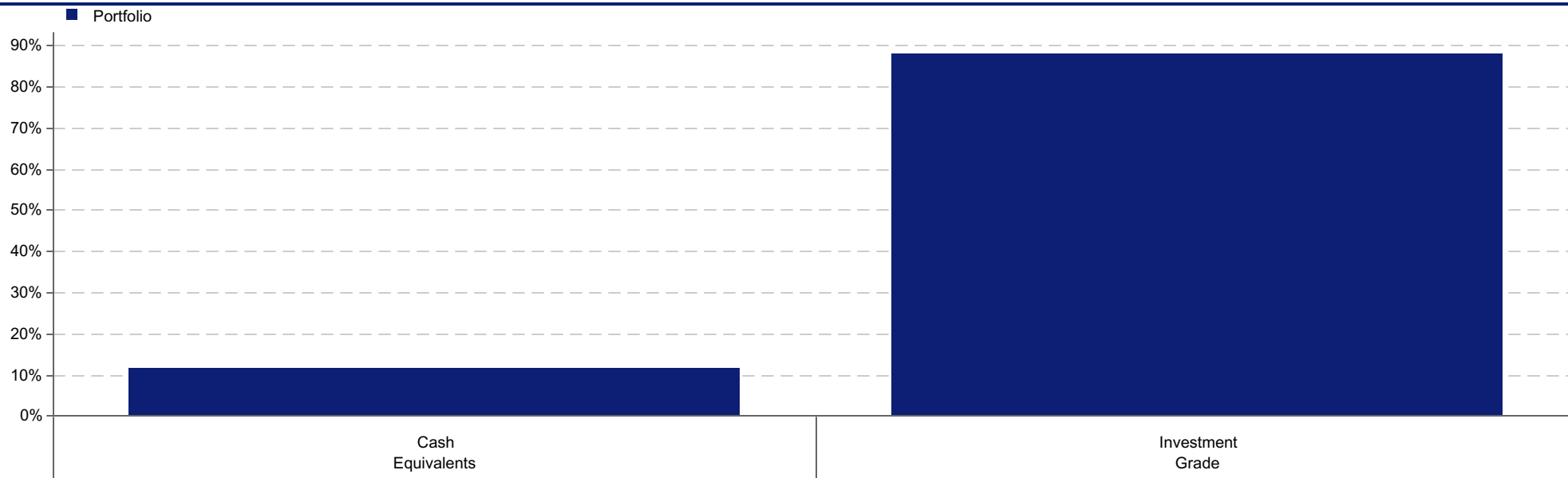
Inv. Objective	All Fixed/Non Taxable
Total Portfolio Value	\$20,263,491
Net Realized Cap Gains YTD	\$0
Annual Income Projected	\$97,908
Current Yield	.48%
Number of Securities	24
Portfolio Mgr.	Michael T. Maloney

Portfolio Asset Allocation

Fixed Income	\$17,846,510	88.07%
Cash	\$2,416,981	11.93%
Invested Total	\$20,263,491	100.00%



Portfolio Model Allocation

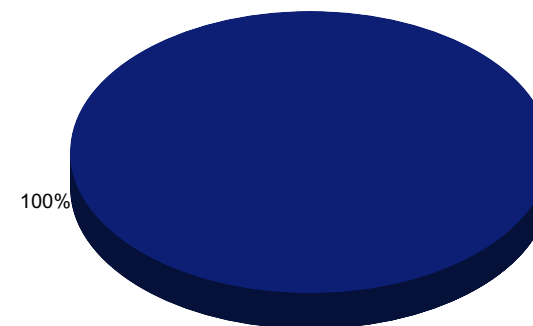


Fixed Income Summary

Inv. Objective	All Fixed/Non Taxable
Total Fixed Income Value	\$17,846,510
Current Yield	.55%
Annual Income Projected	\$97,788
Number of Securities	23
Portfolio Mgr.	Michael T. Maloney

Fixed Income Asset Allocation

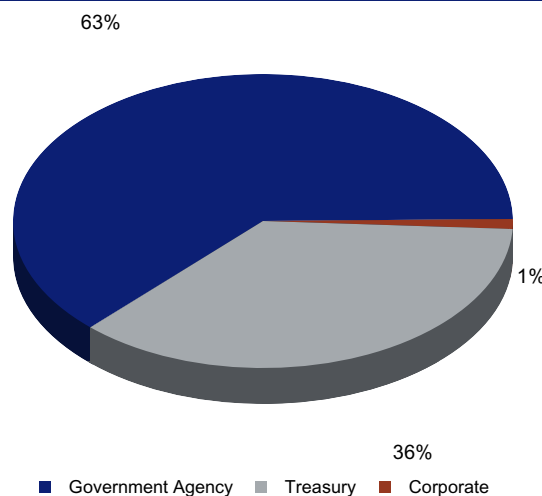
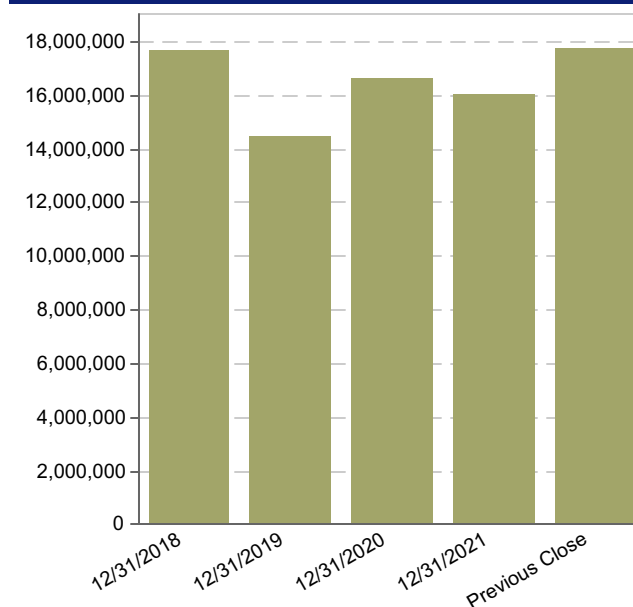
Investment Grade \$17,846,510 100.00%



■ Investment Grade

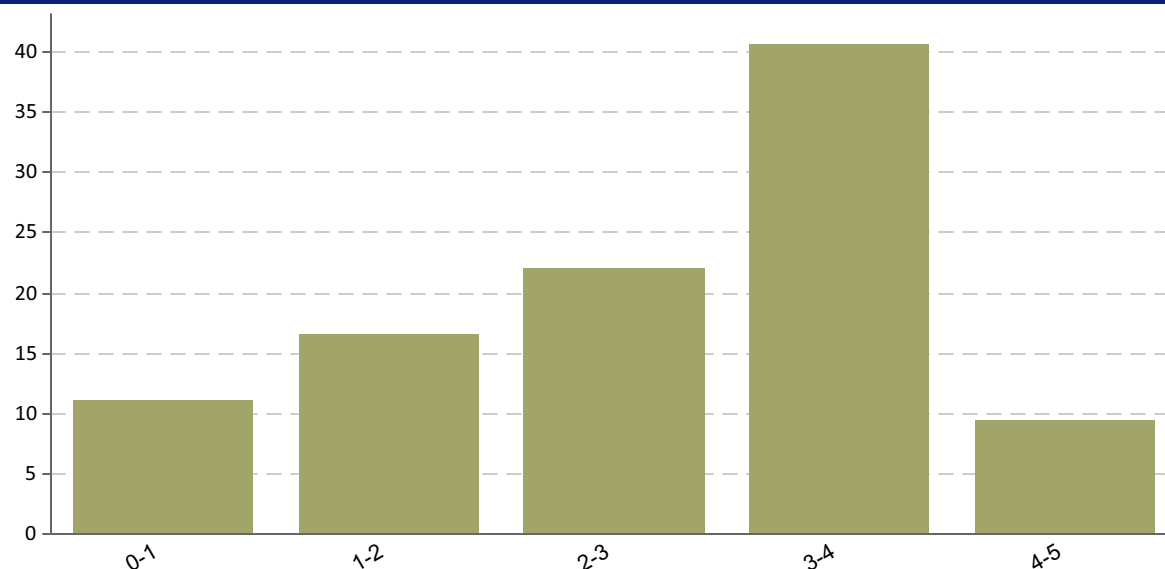
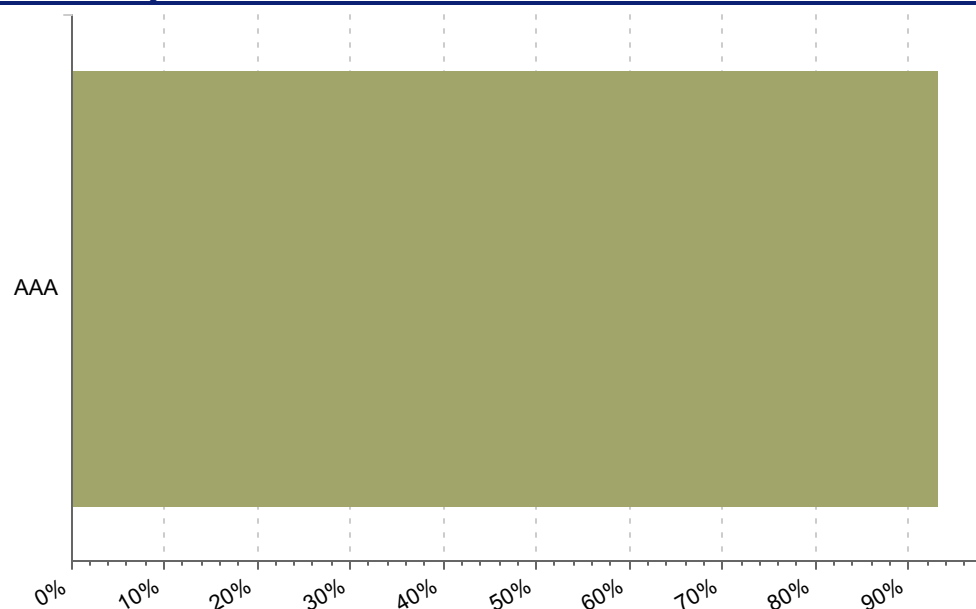
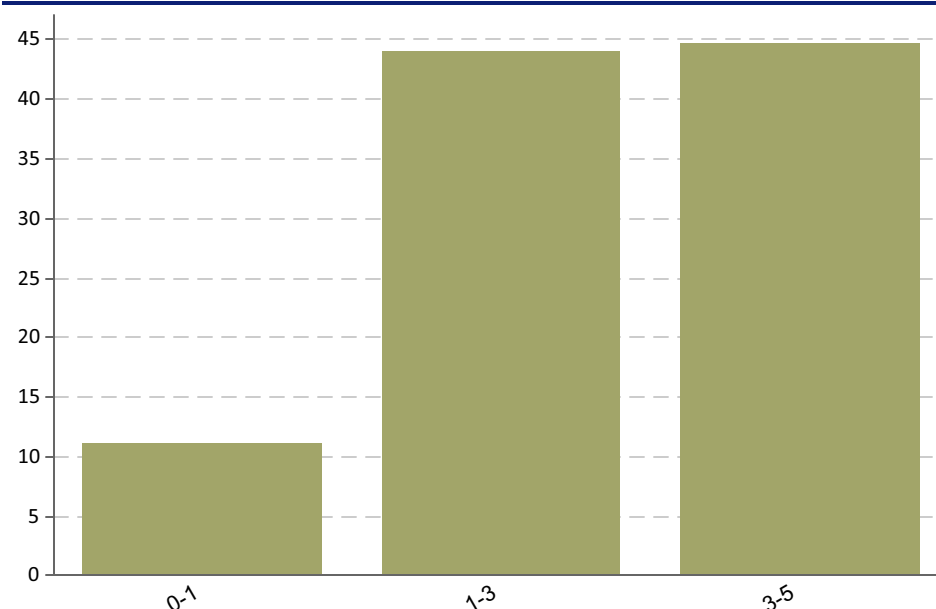
Fixed Income Sector Exposures

Government Agency	\$11,169,838	63.00%
Treasury	\$6,432,118	36.00%
Corporate	\$244,555	1.00%


Fixed Income Market Value


Bond Characteristics

	Portfolio	% Avail
Avg. Coupon (%)	.54	100
Current Yield (%)	.55	100
Yield To Maturity	1.29	100
Yield to Call/Worst (%)	1.29	100
Eff. Maturity (Yrs)	2.83	100
Effective Duration	2.73	100
Avg. Quality	AAA	96
# of Securities	23	100

Bond Effective Maturity

Bond Quality Distribution

Bond Duration Distribution




LEAGUE ASSOC OF RISK MANAGEMENT

Portfolio Holdings

Holdings Method: Direct

Report Date: 01/31/2022

	Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
Total		100.0			20,263,491	20,636,487	-372,996	0.48	97,908
Cash		11.93			2,416,981	2,416,981	.00	0.00	121
Cash Equivalents		11.93			2,416,981	2,416,981	.00	0.00	121
US BANK MONEY MARKET (MMDA) IT&C	991070749	11.93	1.00	2,416,981	2,416,981	2,416,981	.00	0.00	121
Fixed Income		88.07			17,846,510	18,219,506	-372,996	0.55	97,788
Investment Grade		88.07			17,846,510	18,219,506	-372,996	0.55	97,788
Corporate		1.21			244,555	249,500	-4,945	0.36	875
BMW BK NORTH C D	0.350% 10/23/24 05580AXH2	1.21	97.82	250,000	244,555	249,500	-4,945	0.36	875
Government Agency		55.12			11,169,838	11,490,612	-320,774	0.47	52,850
F H L M C M T N	0.250% 8/24/23 3137EAEV7	4.87	98.74	1,000,000	987,420	998,958	-11,538	0.25	2,500
F F C B DEB	0.220% 9/08/23 3133EL6J8	4.88	98.80	1,000,000	988,000	998,989	-10,989	0.22	2,200
F H L M C M T N	0.375% 7/29/24 3134GW4X1	3.62	97.88	750,000	734,108	749,775	-15,668	0.38	2,813
F H L M C M T N	0.420% 9/17/24 3134GWSW7	3.62	97.81	750,000	733,538	750,000	-16,463	0.43	3,150
F H L B DEB	0.375% 2/25/25 3130ALB52	4.77	96.68	1,000,000	966,760	1,000,000	-33,240	0.39	3,750
F F C B DEB	0.550% 8/26/25 3130AJZA0	3.57	96.33	750,000	722,498	749,850	-27,353	0.57	4,125
F N M A	0.600% 8/29/25 3136G4X24	3.58	96.74	750,000	725,558	752,138	-26,581	0.62	4,500
F H L M C M T N	0.375% 9/23/25 3137EAEX3	3.55	95.92	750,000	719,408	746,224	-26,816	0.39	2,813
F N M A M T N	0.580% 10/28/25 3135GA2A8	3.58	96.68	750,000	725,115	749,850	-24,735	0.60	4,350
F N M A	0.500% 11/07/25 3135G06G3	4.75	96.25	1,000,000	962,470	996,440	-33,970	0.52	5,000
F H L B DEB	0.570% 11/25/25 3130AKGD2	3.59	96.98	750,000	727,373	748,500	-21,128	0.59	4,275
F H L M C M T N	0.600% 11/25/25 3134GXCH5	4.79	97.12	1,000,000	971,220	1,000,000	-28,780	0.62	6,000
F N M A	0.650% 12/10/25 3135G06J7	3.57	96.53	750,000	723,998	749,888	-25,890	0.67	4,875
F H L B DEB	0.500% 2/10/26 3130AKW51	2.38	96.47	500,000	482,375	500,000	-17,625	0.52	2,500
Treasury		31.74			6,432,118	6,479,395	-47,277	0.69	44,062
U S TREASURY NT	0.125% 11/30/22 91282CAX9	4.91	99.53	1,000,000	995,270	996,523	-1,253	0.13	1,250
U S TREASURY NT	0.125% 12/31/22 91282CBD2	4.91	99.41	1,000,000	994,100	995,586	-1,486	0.13	1,250
U S TREASURY NT	0.125% 12/15/23 91282CBA8	4.84	98.11	1,000,000	981,130	991,445	-10,315	0.13	1,250
U S TREASURY NT	2.375% 2/29/24 9128286G0	3.79	102.41	750,000	768,105	750,059	18,046	2.32	17,813
U S TREASURY NT	0.375% 4/15/24 91282CBV2	2.42	98.16	500,000	490,780	500,801	-10,021	0.38	1,875

© 2019 FactSet Research Systems Inc. All rights reserved. Past Performance is no guarantee of future results.

Holdings Date: 1/31/2022

Not A Deposit | Not FDIC Insured | May Lose Value | Not Bank Guaranteed | Not Insured By Any Federal Government Agency

Material is based on data from sources deemed to be reliable, accuracy/completeness is not guaranteed.

Holdings Method: Direct
Report Date: 01/31/2022

		Symbol	% of Port.	Price	Shares/ Units	Portfolio Value	Cost Basis	Unrealized Gain/Loss	Current Yield	Projected Annual Income
U S TREASURY NT	0.750% 11/15/24	91282CDH1	4.85	98.34	1,000,000	983,440	998,086	-14,646	0.76	7,500
U S TREASURY NT	0.750% 4/30/26	91282CBW0	1.19	96.64	250,000	241,593	249,434	-7,841	0.78	1,875
U S TREASURY NT	1.125% 10/31/26	91282CDG3	4.82	97.77	1,000,000	977,700	997,461	-19,761	1.15	11,250

LEAGUE ASSOCIATION OF RISK MANAGEMENT

INVESTMENT POLICY

- I. Purpose. The purpose of this document is to establish the investment policy for the League Association of Risk Management, hereafter called LARM, and to provide guidance to the LARM Board, the Investment Committee, the LARM Administrator, and, if utilized, the Investment Manager or Custodian Bank pertaining to investment objectives and guidelines.
- II. Goal. The overall investment goal of LARM is to obtain a high rate of return on its portfolio assets, with a minimal risk, abiding by the appropriate statutes governing the investment of these funds and complying with the responsibility to LARM members.
- III. Priority Listing of Objectives.
 - A. Safety of Principal. Avoidance of financial risk or compromise of the financial integrity of the portfolio.
 - B. Liquidity. Provide sufficient liquidity for the payment of claims and expenses.

This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary and resale markets (dynamic liquidity). A portion of the portfolio may be placed in money market mutual funds which offer same day liquidity for short term funds.
 - C. Earn a High Rate of Return. Earn the highest rate of return with minimal risk. However, return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.
 - D. Diversification of Assets. Diversify assets by both the industry and the issuer in order to avoid undue exposure by any single industry or issuer.
 - E. All investments of LARM shall be in compliance with the Nebraska Insurer's Investment Act at all times.
- IV. Procedure.
 - A. LARM Board. The Board shall:
 1. Review and approve, at least quarterly, all purchases and disposals of investments.

2. Review, at least quarterly, whether all investments have been made in accordance with the Investment Policy.
3. Authorize the Investment Committee, under the general supervision of the LARM Board Chair, to manage the investments of LARM, either independently or through the utilization of the LARM Administrator or an Investment Manager or Custodian Bank.
4. Review the investment policy on an annual basis.

B. Investment Committee. The Investment Committee shall:

1. Receive and review summary reports on the investment portfolio, investment activities, and investment practices in order to determine whether the investment activity is consistent with the Investment Policy.
2. Provide such summary reports at least quarterly to the LARM Board for their review and approval.
3. Review and recommend revision of the Investment Policy to the LARM Board, as appropriate.
4. Review the Investment Manager or Custodian bank's performance and fees at least every 3 years.

C. LARM Administrator. The LARM Administrator shall:

1. Notify the Investment Committee of matters that bear upon the proper investment of the portfolio including pertinent financial, legal, or other information involving the investment of the portfolio and changes in investment objectives.
2. Meet regularly with the Investment Committee to report on progress of the portfolio.

D. Investment Manager or Custodian Bank. If utilized, the Investment Manager or Custodian Bank shall:

1. Meet regularly with the Investment Committee to report on progress of the portfolio.
2. Provide reports monthly to the Investment Committee.
3. Provide information concerning market trends and investment strategies.

V. Investment Guidelines.

A. Regulatory Limitations. The investment guidelines and restrictions as set forth by the Insurers Investment Act (Nebraska Revised Statutes Section 44-5101 et seq.) shall be adhered to at all times by the Board, the Investment Committee, the LARM Administrator, and any Investment Manager or Custodian Bank utilized by the Investment Committee in exercise of their discretion.

B. Prudence. The standard of prudence to be used for managing LARM's investments is the "prudent investor" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of

their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.”

C. General Strategies.

1. The Investment Committee, or an Investment Manager or Custodial Bank, if utilized, shall determine the appropriate allocation of funds among cash, cash equivalents, and investment grade fixed income securities.
2. Capital gains and losses may be realized when, in the judgment of the Investment Committee or its investment manager or custodian bank, if utilized, consistent with the goals, objectives, and guidelines of this policy, such action is in the best interest of the portfolio and will lead to a greater long-term total rate of return.
3. Securities purchased by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited in general maturity parameters as follows:

The maximum maturity of any security at date of purchase shall not exceed 60 months. The purchase of a security with a maturity longer than 60 months shall be approved by the LARM Board at the next quarterly meeting. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as money market funds to ensure appropriate liquidity is maintained to meet ongoing obligations.

Securities shall not be sold prior to maturity with the following exceptions:

A security with declining credit may be sold early to minimize loss of principal.

Liquidity needs of the portfolio require that the security be sold.

A security swap that would adjust the portfolio (quality, yield, or duration) in a manner that would allow it to better fulfill the investment objectives.

Security purchases and sales shall be made, so that at the time of purchase or sale they do not cause, or exacerbate, non-compliance with the LARM portfolio maturity limitations.

4. Investments made by the Investment Committee, the LARM Administrator, or an Investment Manager or Custodian Bank, if utilized, shall be limited according to the following:

<u>Asset Class</u>	<u>Limitation*</u>
Direct obligations of the United States or obligations for which the full faith and credit of the United States is pledged for the payment of all principal and interest	No Limit
Direct obligations of any agency or instrumentality of the United States or obligations for which the full faith and credit of any agency or instrumentality of the United States is pledged for the payment of all principal and interest	25% per issuer
Other investment grade fixed income securities	5% per issuer
Mutual funds investing in the above classes	<u>5% per issuer, not to exceed 25% in total if the fund is only allowed to invest in U.S. government obligations or U.S. agency or instrumentality obligations; and</u> <u>5% per issuer, not to exceed 10% if invested in other classes.</u>

**Limitations apply to the percentage of admitted assets as shown by the most recent financial statement filed with the Nebraska Department of Insurance.*

- VI. Standard of Performance. Consideration shall be given to the extent to which the investment results are consistent with the goals and objectives as set forth in this policy.

Revised 3-23-2007; 12-16-2009; 3-1-2011; 2-26-2018



Market views – February 2022

Investment and insurance products and services including annuities are:
NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE •
NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

From a "glass half-full" to a more balanced near-term outlook



Upfront conclusions

We recommend a more balanced portfolio orientation as capital markets transition to policy changes

Pro-growth central bank policies, low interest rates and a liquidity-driven capital market backdrop have provided a strong tailwind to riskier asset classes since March 2020, but as central banks change to more restrictive policies, markets may adjust and volatility increase, particularly if central banks become more restrictive as the economy slows.

We remain focused on two key investment horizons

The first horizon represents reopening activity (mobility, supply chain fluidity) around the globe and how steep and long that glidepath may be. The second horizon is the “steady state” that follows and how sustainable growth will be. We are seeing more reopening progress, yet it remains uneven around the globe given varied COVID policies.

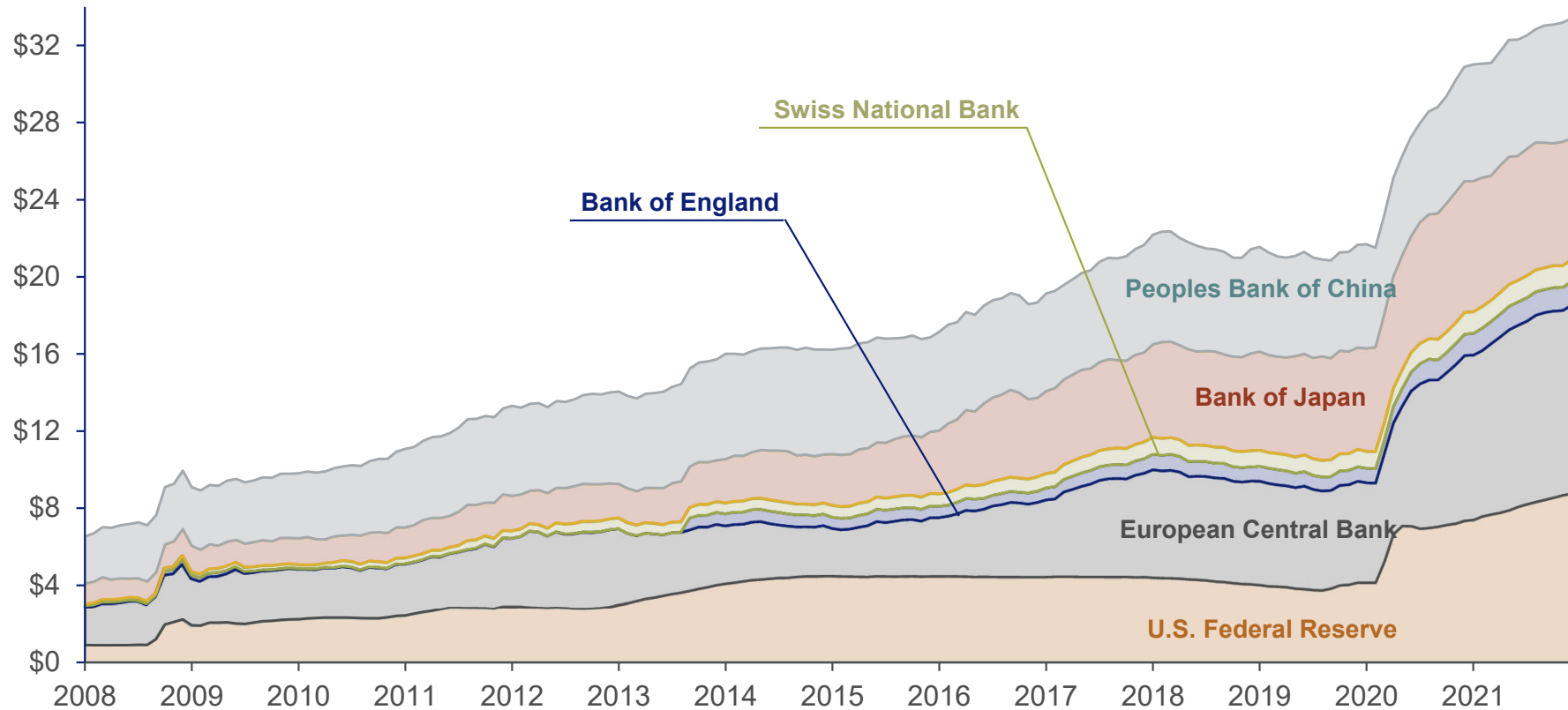
Inflation remains a nagging issue that could embolden a sharper policy response and increase volatility

While we anticipate inflation to dissipate from elevated levels later this year, higher oil prices, shelter costs and political pressure may force the U.S. Federal Reserve (Fed) to accelerate its tightening campaign into what we anticipate to be a slowing domestic economy over the next two quarters.

The “wall of money” remains high, but may shrink this year

Central banks have had a massive capital market presence since 2008, helping to keep interest rates low. The Federal Reserve has begun to slow its asset purchase program but decelerating bond purchases is different than actively reducing accumulated holdings, which may begin for the Fed in the year’s first half.

Total balance sheet size by major central banks
(\$ trillions)



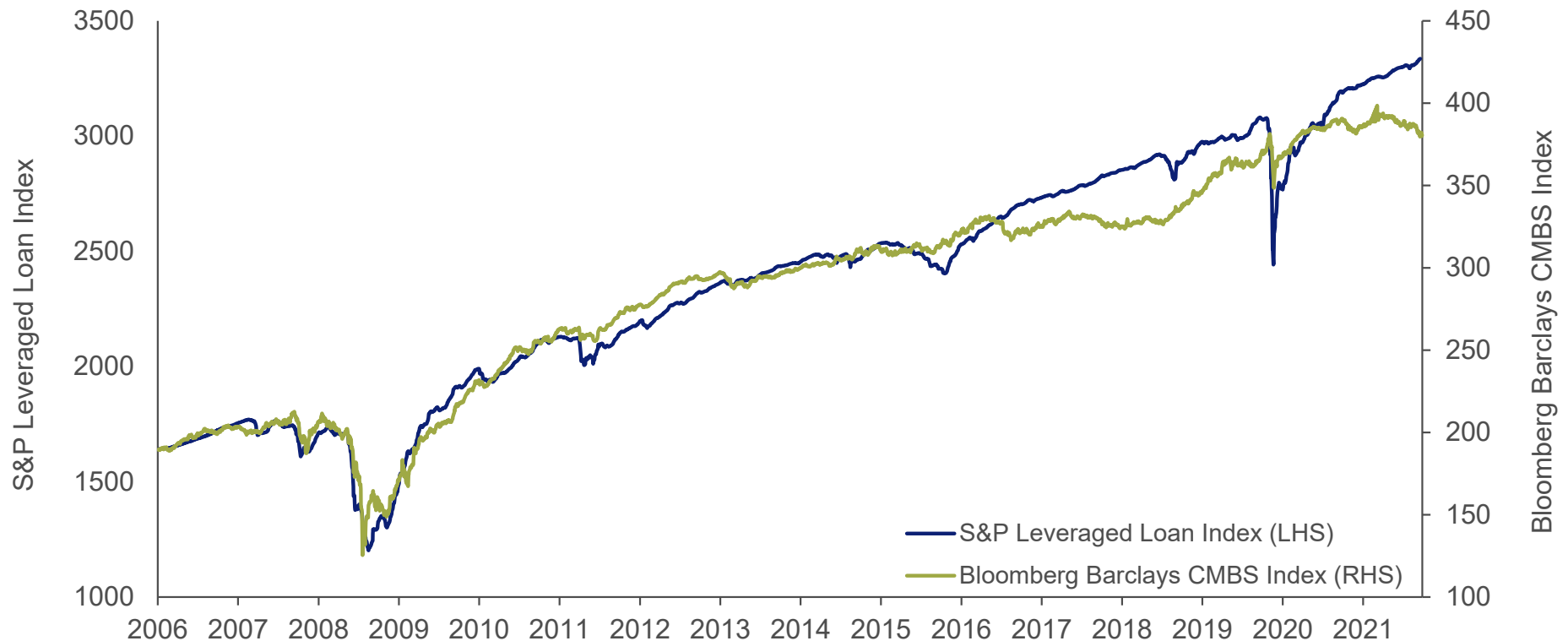
Sources: U.S. Bank Asset Management Group analysis, Bloomberg. Data period: January 2008 – December 31, 2021.

Credit stresses have eased in two key market areas, which have returned to a defined uptrend

Leveraged loans and commercial mortgage-backed securities (CMBS) are two areas we continue to monitor for potential weakness, along with general trends in high yield. The recent decline in the CMBS index bears watching, with COVID variants' spread challenging return-to-office trends.

Leveraged loan and commercial mortgage-backed securities indices

(May 2006 – January 28, 2022)



Source: Bloomberg. Data: January 1, 2006 – January 28, 2022. Returns shown represent results of market index and are not from actual investments and are shown for ILLUSTRATIVE PURPOSES ONLY.

Immediate-term focus

The next few months will be about how steadfast the Fed is about tightening policy into a slowing economy.

Low interest rates have been at least correlated with, and more like causal of, higher asset prices. When you discount cash flows at higher interest rates, those cash flows are less valuable. Central bank policy and interest rate follow-through are focal areas.

Inflation: Broad-based or becoming more contained?

Inflationary pressures have become a primary focus central bankers, and our more balanced forward view hinges on central banks attempting to thwart inflation out of their control, notably energy prices and supply chain-driven inflationary pressures.

Earnings have been the North Star for investors and companies, and the latter remain flush with cash.

We expect ongoing earnings momentum, albeit at a slower pace than last year. Companies have adequate cash and strong balance sheets that can withstand the mild economic slowdown we anticipate, but all eyes will be on potentially rising borrowing costs and liquidity trends as the Fed ceases bond buying and begins to raise interest rates.

The “real” issue: Real interest rates have risen off all-time low levels, and changes here are critical for our forward views

10-year Treasury real interest rate (in %)
(January 2003 – January 2022)

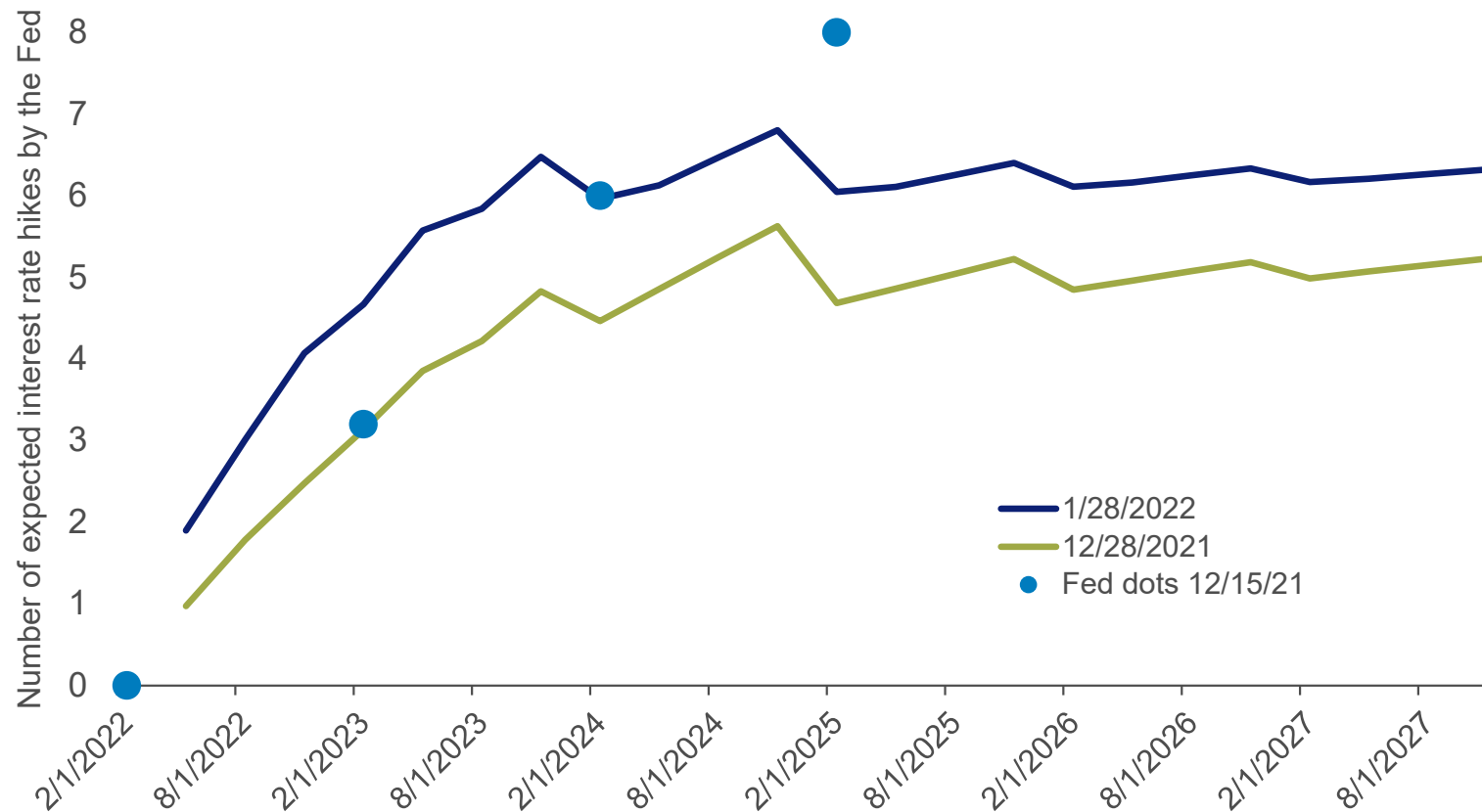


Source: U.S. Bank Asset Management Group analysis, Bloomberg, U.S. Federal Reserve. Data period: January 1, 2003, to January 28, 2022.

Market expects faster pace of Federal Reserve rate increases

Investors price in five Fed policy rate increases (“hikes”) in 2022. The markets are expecting a faster hiking pace in 2022 relative to the last Fed projections, but a slower hiking pace in 2023 and beyond. Markets are anticipating that the Fed will have limited ability to increase rates above 1.75 percent.

Rate hikes priced in by the market and projected by the Fed dots



Source: U.S. Bank Asset Management Group analysis, Bloomberg data: Projected hikes through 2028.

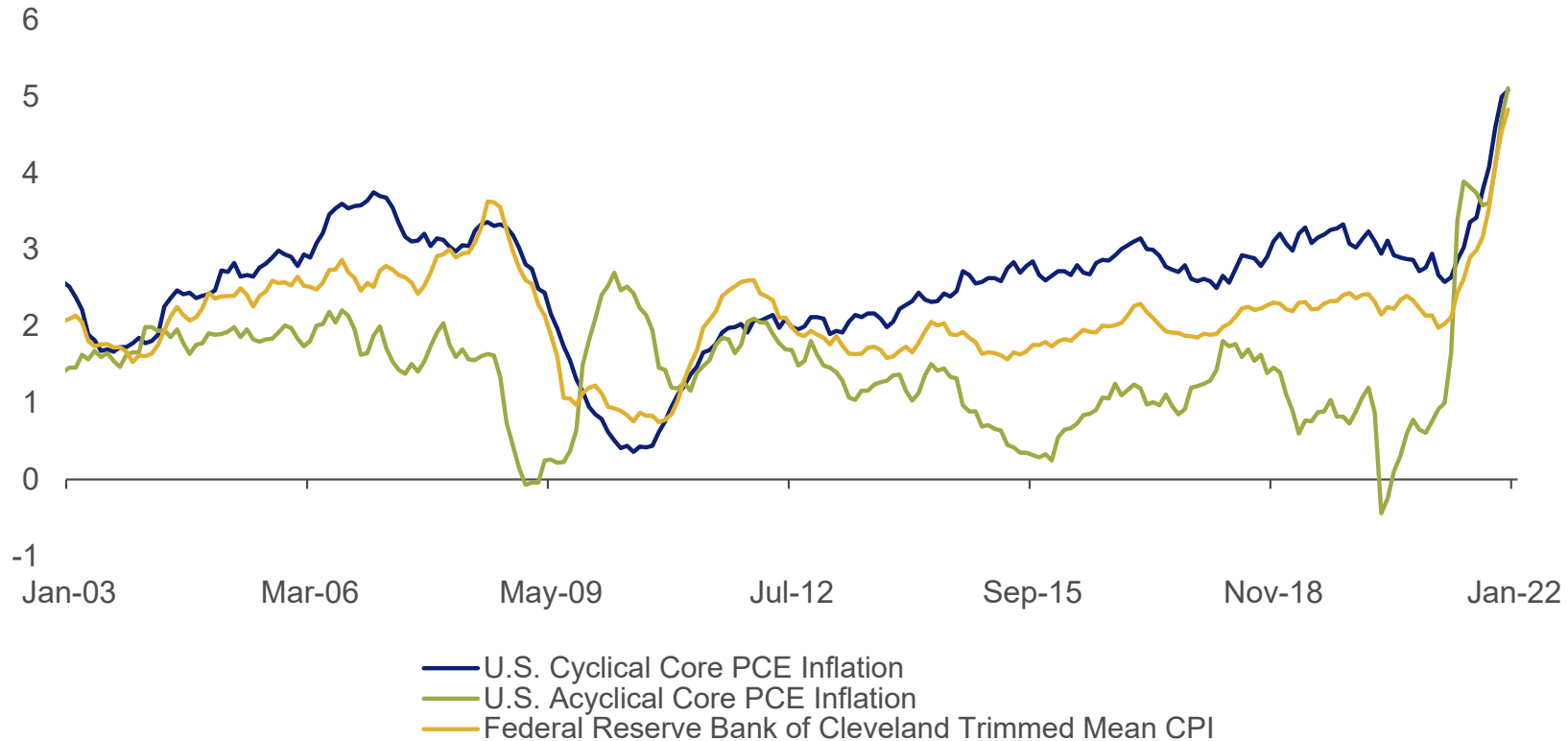
Inflation: Persistent and broad-based

Assessing more advanced inflationary measures

Investors often anchor on consumer and producer-level inflation via the Personal Consumption Expenditures Index and the Consumer and Producer Price Indices, but using some additional measures reveals inflation's reach across the economy.

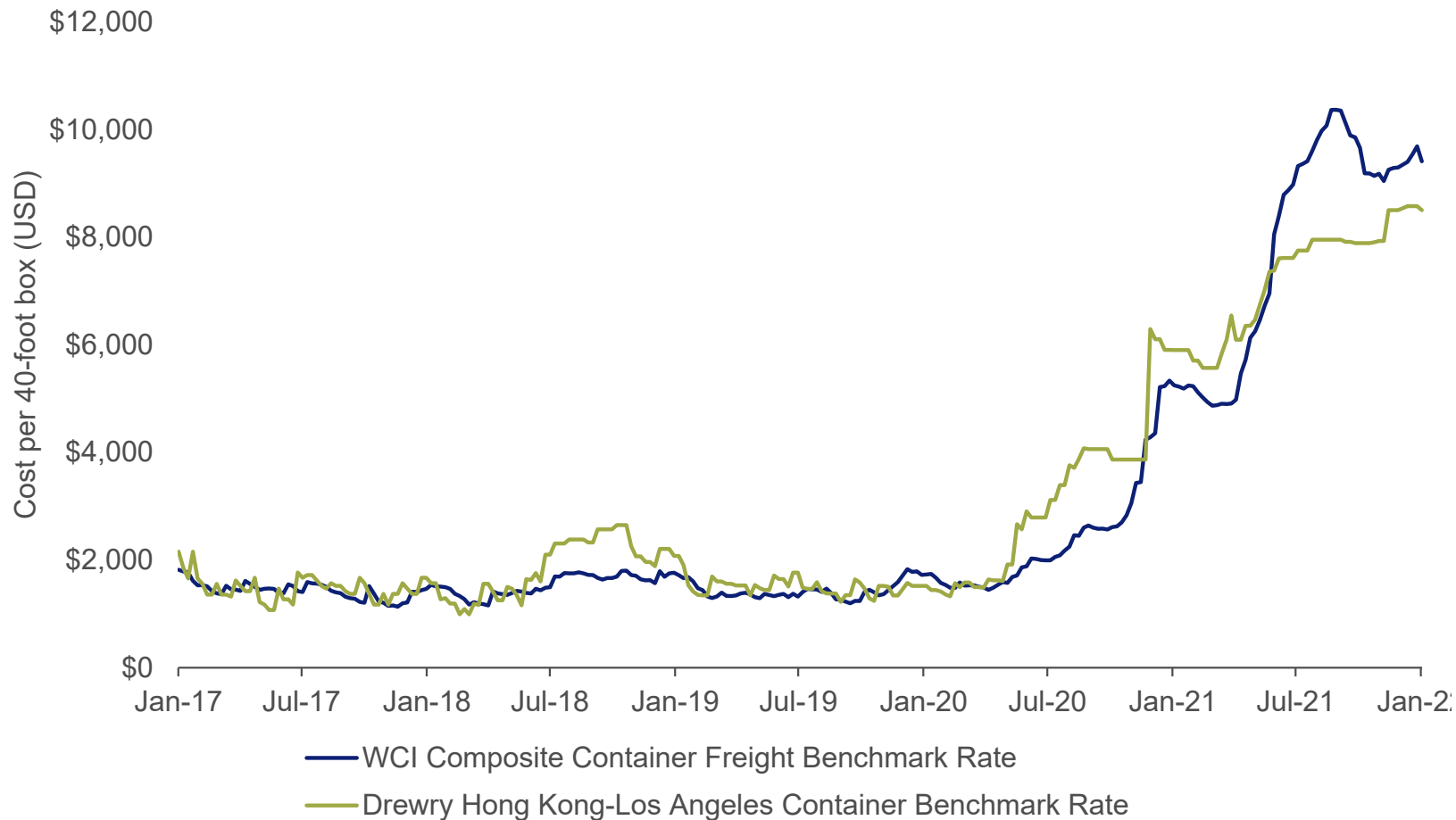
Various inflation measures

(January 2003 – January 4, 2022)



Supply chain pressures are persistent, but stabilizing shipping prices may presage improvement in 2022

Container shipping rates

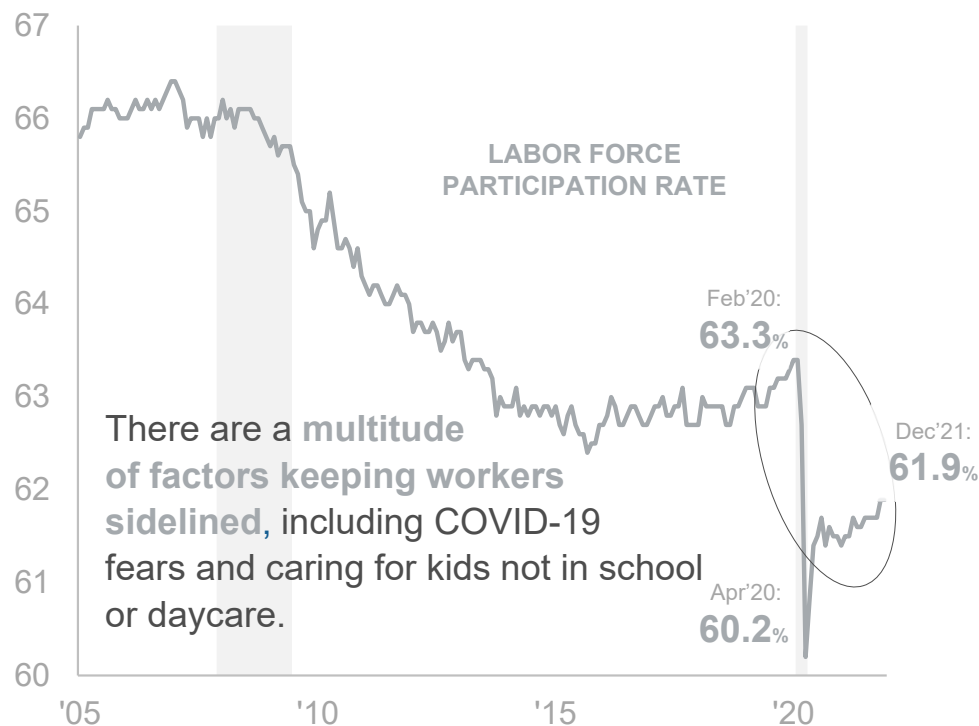


Source: U.S. Bank Asset Management Group analysis, Bloomberg data. Data period: January 2017 – January 2021.

Labor market is an important factor for 2022

Theme: Wage inflation is being driven by the continued shortfall in participation

U.S. labor force participation rate
Percent



U.S. wage growth

Atlanta Fed wage growth tracker, percent change



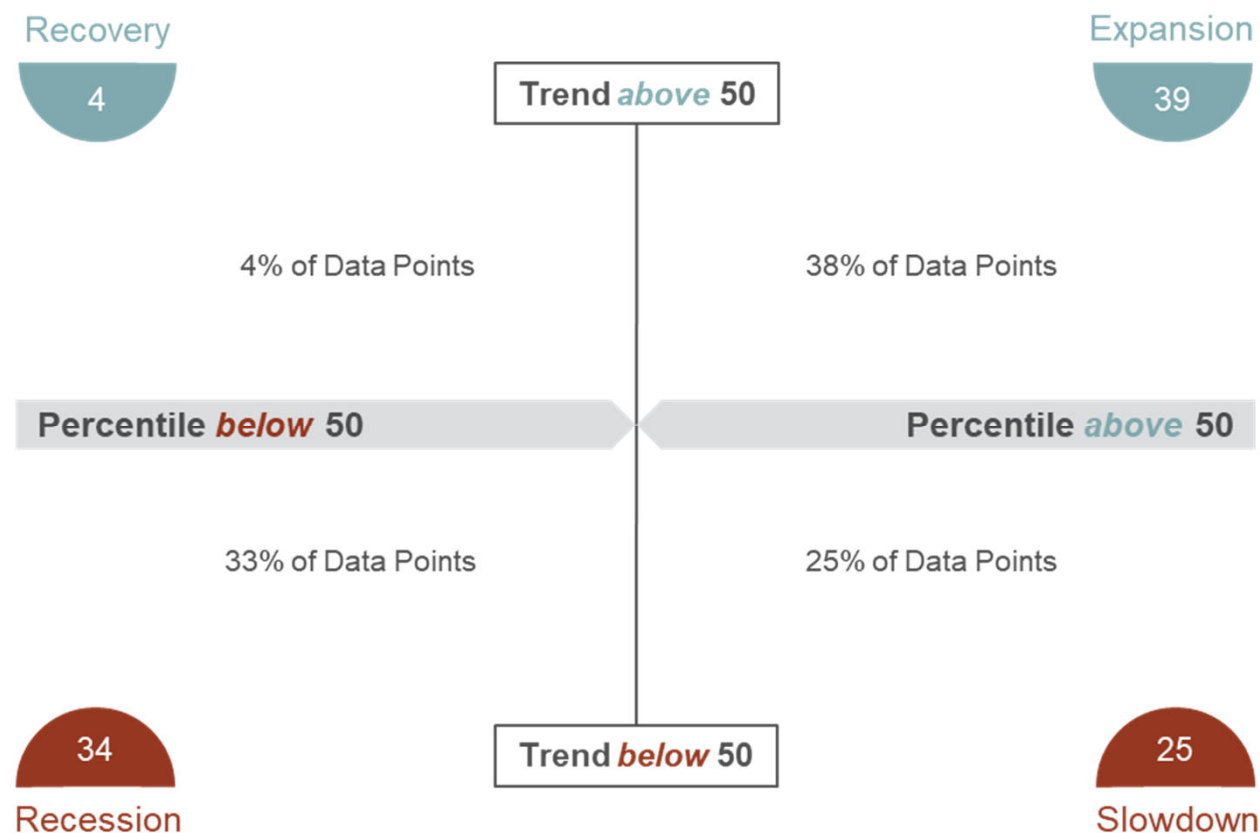
Upcoming policy events

- Monetary
 - Federal Reserve Open Markets Committee (FOMC) meeting: March 15-16.
 - Global monetary policy – emerging markets and developed markets divergence.
 - Rate hikes since July: U.K., New Zealand, Brazil, Chile, Columbia, Peru, Czech Republic, Hungary, Poland, Romania, Russia. Royal Bank of Australia concludes asset purchase program.
- U.S. fiscal agenda
 - Democrats are pursuing a strategy of passing separate parts of the Build Back Better package.
 - Current budget resolution expires Feb 18, 2022. Potential extension to end of fiscal year would be a hit to defense spending expectations.
 - President Biden's State of the Union Address: March 1, 2022.
- China policy agenda
 - China's regulatory push is limited to select industries, but market concerned about a push toward populism, expected to last into 2022.
 - Lunar New Year (LNY): January 31-Feb 6, 2022.
 - Beijing Winter Olympics: February 4 through 20.
 - Xi's second term ends (and third term begins): October-November 2022.

Financial markets \neq economics

U.S. Bank economic Health Check: **U.S.** economy

A plurality of U.S. data points are in the expansion phase, reflecting the strong reopening trajectory across many indicators. However, we're seeing some data migrate to the lower right quadrant (above-average growth but decelerating trend) as the recovery's pace slows.

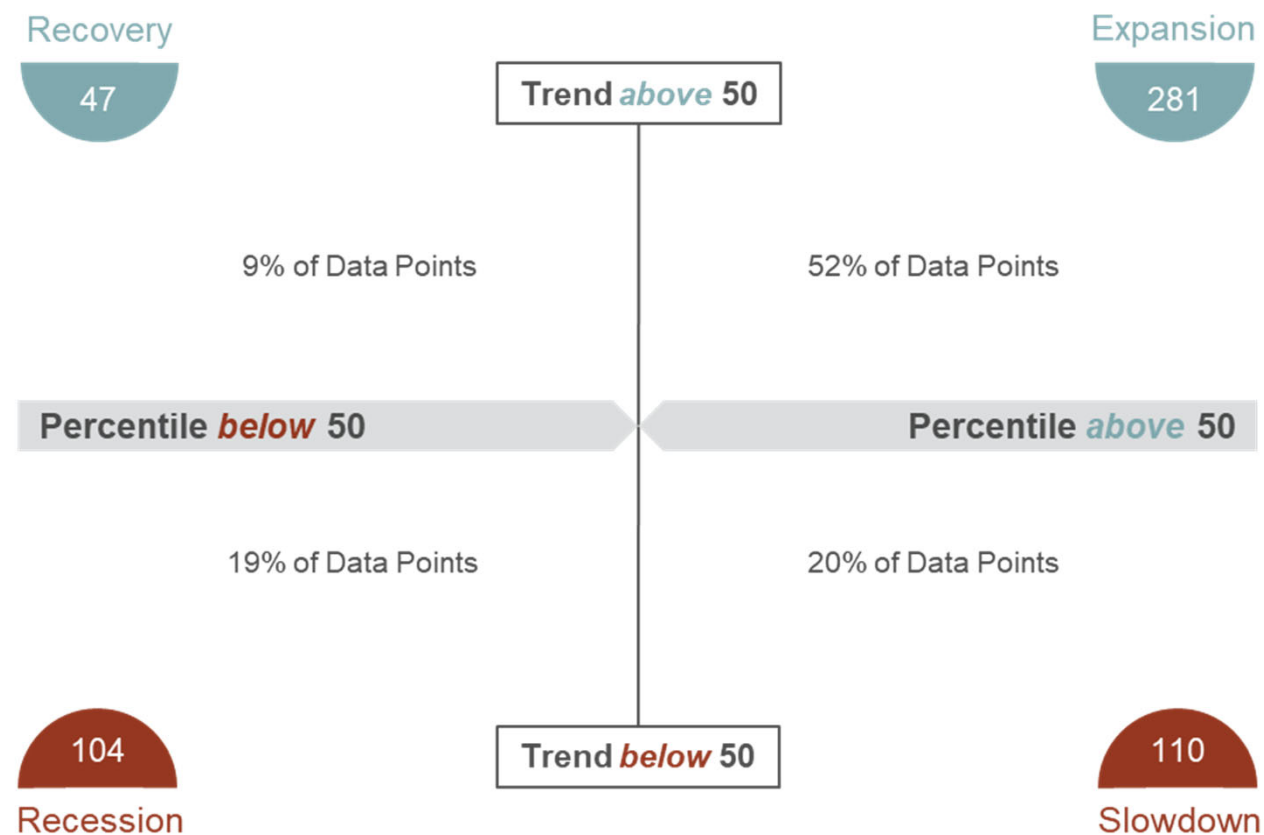


Sources: U.S. Bank Asset Management Group, Bloomberg. Data as of January 28, 2022. Percentages may not equal 100 due to rounding.

Financial markets \neq economics

U.S. Bank economic Health Check: International **developed** economies

A majority of foreign developed data points plot in the recovery or expansion phases. Accommodative monetary policy continues to support that region's economic reopening and growth prospects. High energy prices, supply chain challenges and the recent virus case growth surge may constrain near-term growth.



Sources: U.S. Bank Asset Management Group, Bloomberg. Data as of January 28, 2022. Percentages may not equal 100 due to rounding.

Diverging lockdown policies in response to COVID developments

Denmark becomes first EU country to lift all Covid-19 restrictions

By Scott McLean, Livvy Doherty and Lauren Kent, CNN

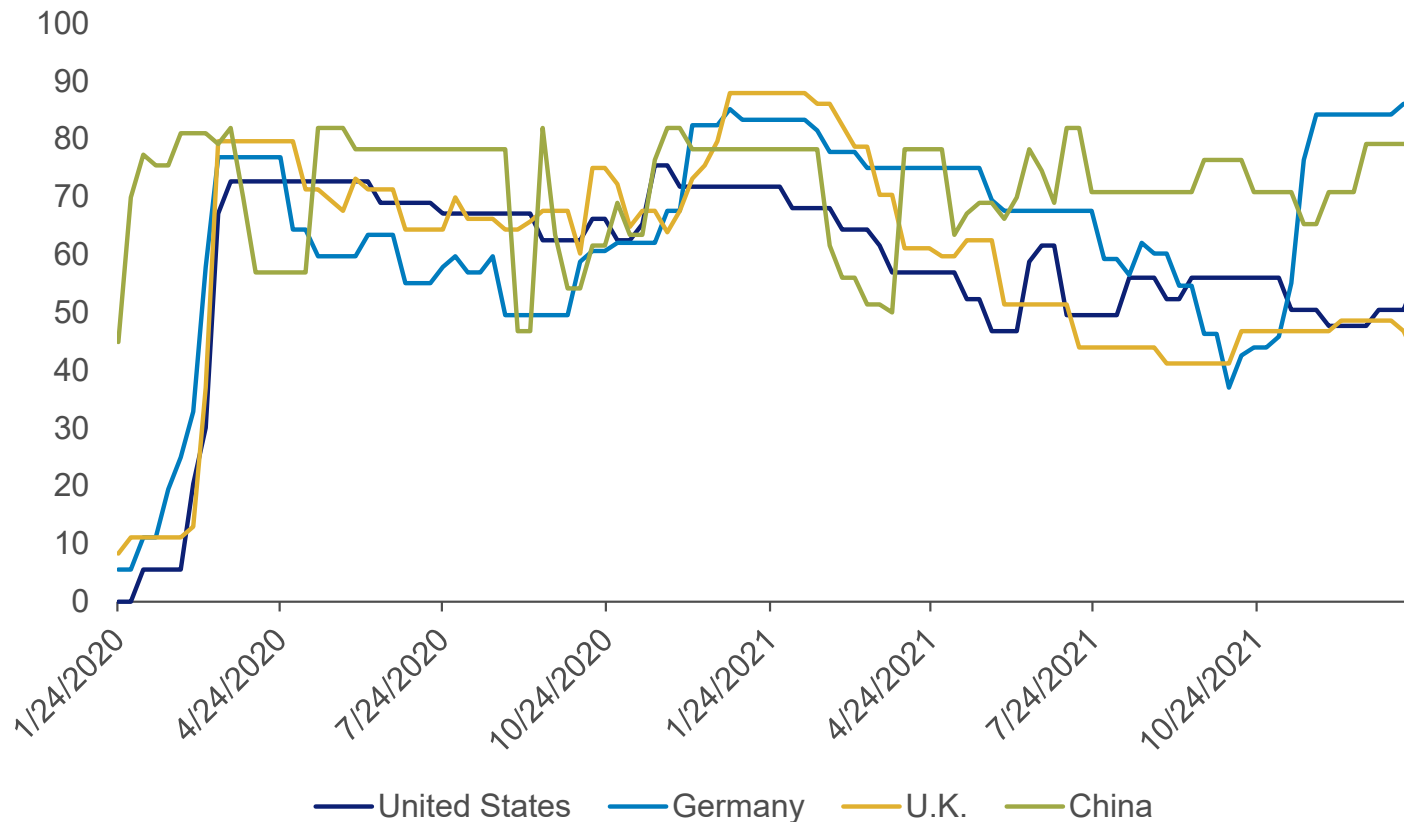
🕒 Updated 11:36 AM ET, Tue February 1, 2022

WHO warns nations about lifting COVID-19 restrictions

BY CAROLINE VAKIL - 02/02/22 10:22 AM EST

Global Lockdown Stringency Indexes

Oxford / Blavatnik Lockdown Stringency Indexes



Source: U.S. Bank Asset Management Group analysis, Bloomberg data from Blavatnik School at Oxford, Data period: January 2020 – December 31, 2021.

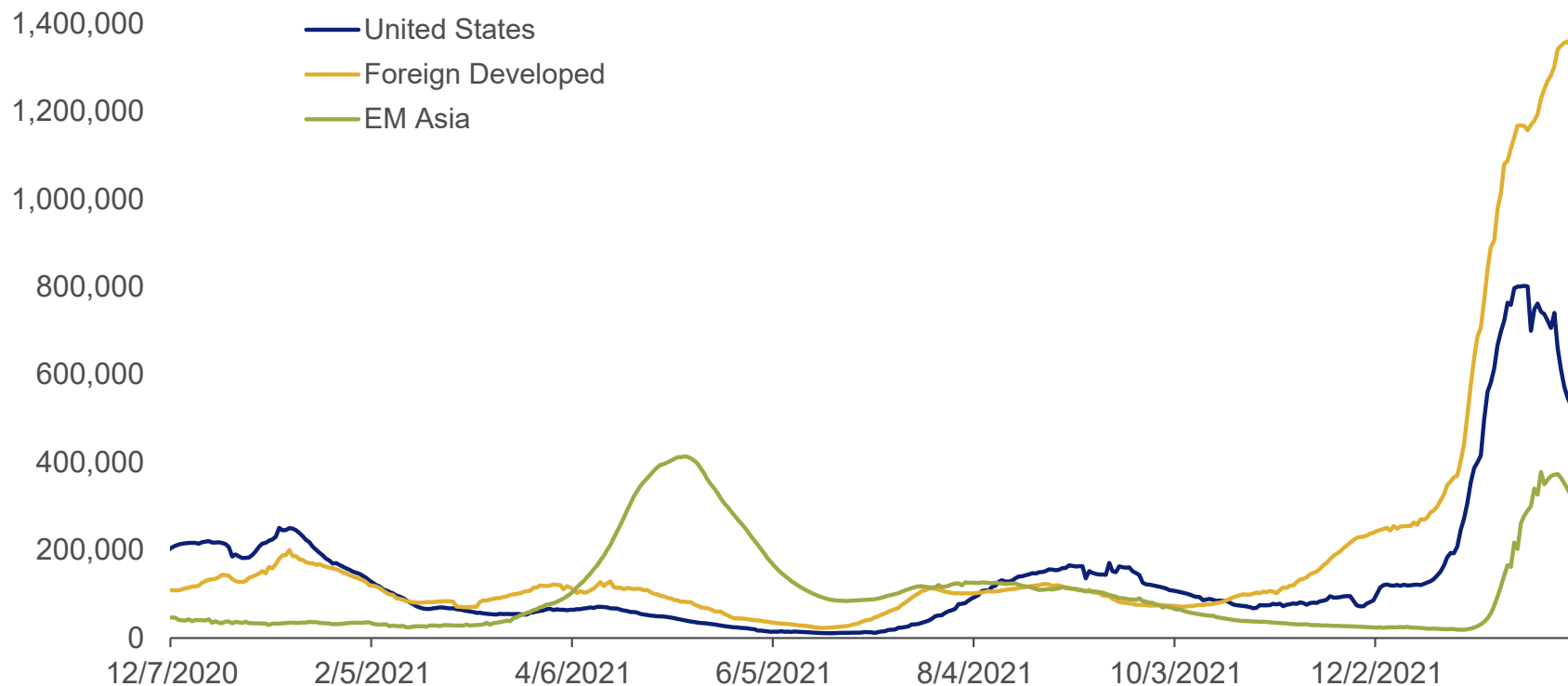
Note: The index records the strictness of 'lockdown style' policies that primarily restrict people's behavior. It is calculated using all ordinal containment and closure policy indicators, plus an indicator recording public information campaigns. Nine total response indicators are used, including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 being the strictest).

COVID-19 case growth by region through January 31, 2022

The new Omicron variant is driving a record surge in COVID-19 cases, with European cases peaking at higher levels than the U.S. Policy responses such as vaccination progress and activity and mobility restrictions have been uneven across foreign developed and emerging economies.

Confirmed COVID-19 cases

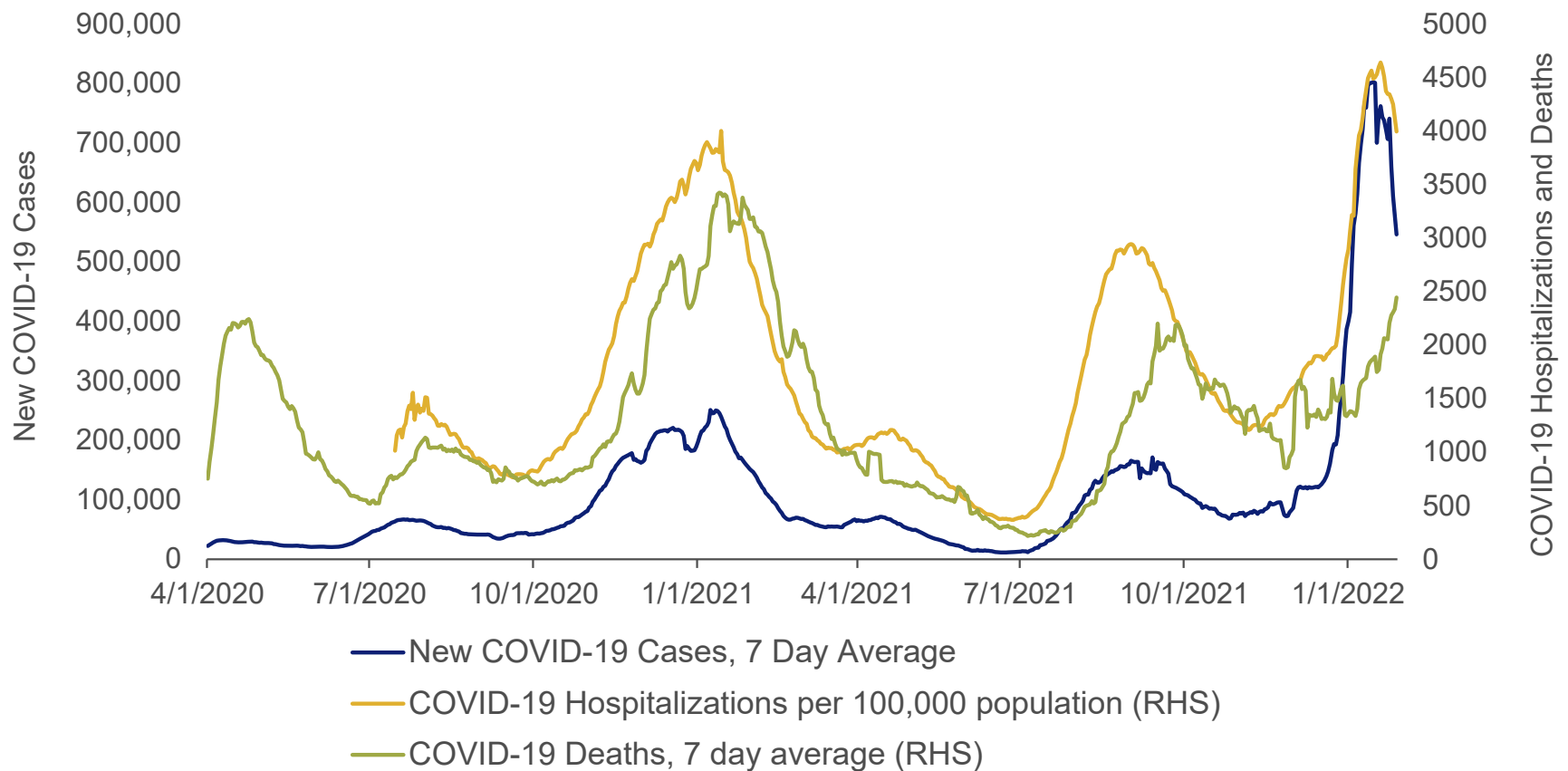
(Daily infection increase by region, seven-day average)



Source: Johns Hopkins CSSE. Data as of January 31, 2022.

U.S. COVID-19 hospitalizations have followed case growth higher, but deaths remain lower than prior COVID cycles

Case growth is spiking in the United States and hospitalizations are also elevated



Source: U.S. Bank Asset Management Group analysis, Our World In Data based on Centers for Disease Control data, and Bloomberg data: January 2020 – January 2022.

Domestic earnings are projected to trend higher in 2021 and 2022

Earnings projections reflect analysts' optimistic assessment of a post-pandemic world.

U.S. Wealth Management S&P 500 estimate summary (as of January 28, 2022; S&P 500 level: 4,432)

Consensus Estimates	Estimated Operating / Reported Earnings Per Share							P/E Est. Multiple		
	2019	2020	2021	2022	YoY Growth			2019	2021	2022
					20/19	21/20	22/21			
Firm										
• Bloomberg	152.3	122.5	187.2	221.0	-19.6%	52.8%	18.1%	29.1x	23.7x	20.1x
• FactSet (Bottom's Up-SP50)	163.1	140.5	205.6	224.4	-13.9%	46.4%	9.1%	27.2x	21.6x	19.8x
• S&P Global	164.0	142.5	206.4	221.7	-13.1%	44.8%	7.4%	27.0x	21.5x	20.0x
Blend	159.8	135.1	199.7	222.4	-15.4%	47.8%	11.3%	27.8x	22.2x	19.9x

Rising earnings provide valuation support and a basis for stocks to trend higher.

- Valuations are elevated yet short of dot-com era extremes.
- Rising earnings, moderate inflation and low interest rates provide valuation support.

Among fourth quarter items of consideration:

- Revenue and EPS growth trends
- Inflation and price trends
- Evidence of margin deterioration
- Timing of supply chain normalcy
- Guidance

4Q Earnings Releases

Week Ending	# of Cos.	% of S&P 500	Total % Reported
Prior	169	34%	34%
1/31/22	112	22%	56%
2/7/22	83	17%	73%
2/14/22	60	12%	85%
2/21/22	56	11%	96%
2/28/22	18	4%	100%

Source: Bloomberg, 1/30/22.

Large company impact (returns)

The attraction of large over small companies is a “crowded” trade following superb 2021 performance.

S&P 500 largest companies

Rank	Company	Sector	Price	Market Cap (\$B)	S&P 500 Weight	Cumulative Weight	2021 Total Return	YTD Total Return
1	Apple	Technology	\$174.78	\$2,852	7.1%	-	34%	-2%
2	Microsoft	Technology	\$310.98	\$2,331	6.1%	13%	52%	-8%
3	Alphabet A&C (both classes)	Comm Services	\$2,706.07	\$1,676	4.1%	17%	65%	-7%
4	Amazon.com	Discretionary	\$2,991.47	\$1,517	3.4%	21%	2%	-10%
5	Meta Platforms A	Comm Services	\$313.26	\$741	1.9%	23%	23%	-7%
6	Tesla	Discretionary	\$936.72	\$941	2.0%	25%	50%	-11%
7	Berkshire Hathaway B	Financials	\$313.02	\$699	1.5%	26%	29%	5%
8	NVIDIA	Technology	\$244.86	\$612	1.6%	28%	125%	-17%
9	Johnson & Johnson	Health Care	\$172.29	\$454	1.2%	29%	11%	1%
10	UnitedHealth Group	Health Care	\$472.57	\$445	1.2%	30%	45%	-6%
11	JPMorgan Chase	Financials	\$148.60	\$439	1.1%	31%	28%	-6%
12	Procter & Gamble	Staples	\$160.45	\$385	1.0%	32%	20%	-1%
13	Home Depot	Discretionary	\$366.98	\$383	1.0%	33%	59%	-12%
14	Visa A	Technology	\$226.17	\$375	1.0%	34%	0%	4%
15	Mastercard A	Technology	\$386.38	\$377	0.9%	35%	1%	8%
16	Bank of America	Financials	\$46.14	\$378	0.9%	36%	49%	4%
17	Exxon Mobil	Energy	\$75.96	\$322	0.8%	37%	57%	24%
18	Pfizer	Health Care	\$52.69	\$296	0.8%	38%	65%	-10%
19	Walt Disney	Comm Services	\$142.97	\$260	0.7%	38%	-15%	-8%
20	Chevron	Energy	\$131.33	\$253	0.7%	39%	45%	12%
Top 20 Company Weighted Average (uses current weight)						-	40%	-4%
S&P 500			4,515.55				27%	-5%

Source: FactSet Research Systems. Data: January 28, 2021.

A blue geometric graphic consisting of several overlapping rectangular outlines, creating a sense of depth and structure, located on the left side of the slide.

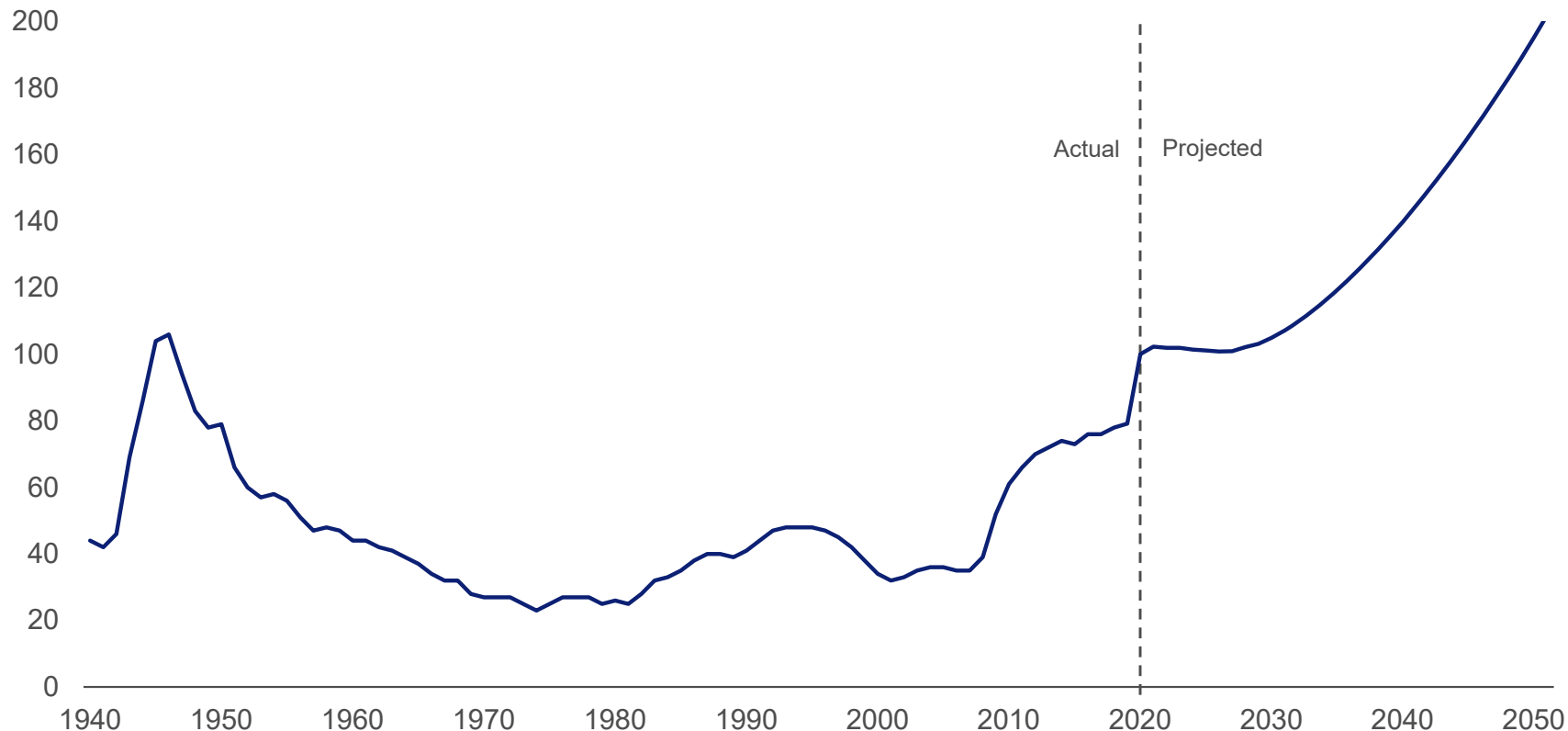
Intermediate and longer-term considerations

Deficit outlook: When will the bill come due?

An update to the budget and economic outlook

This visual update represents the Congressional Budget Office's (CBO) projections factoring in the COVID-19 stimulus and hit to Treasury's revenues due to the recession. The CBO expects a reduced budget deficit going into the 2030s, at which point entitlements take over and cause the deficit to rise again.

Federal debt held by the public and projected as a percentage of GDP
(2020-2051)

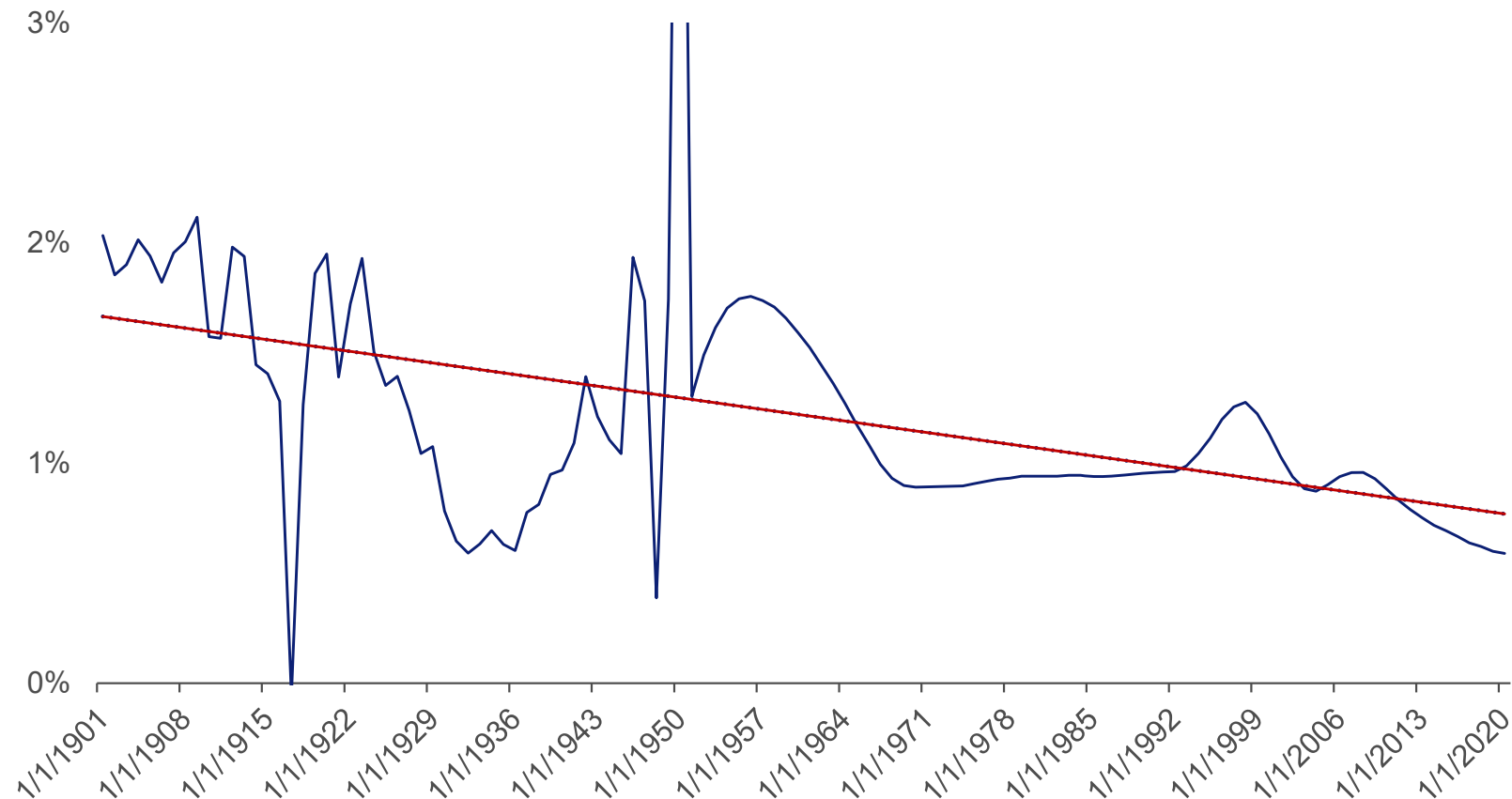


Source: Congressional Budget Office. Data: March 2021.

Long-term economic consideration #2: U.S. demographics

Outside of the post-World War II baby boom, U.S. population growth has been in a structural decline since the turn of the 20th century.

U.S. annual population growth*
(1900-2020)



Source: Bloomberg and the U.S. Census Bureau, 2021.

*Graphic excludes surge in births in 1950 to provide a more detailed picture of demographic trends outside that data point.



Conclusions

The bottom line

We have migrated to a more balanced outlook from a "glass half-full" perspective during a transitional period for markets


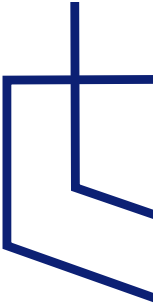
The stock-versus-bond opportunity is skewed much more favorably toward stocks over time, but we expect a more reactive period where central bank communication will be key.

Policy, growth and earnings are our immediate focal areas

Capital markets expect some tightening to occur, but policy overreach risks could upset a key asset price driver. The potential for sticky inflation outside of central bank control could embolden more tightening than markets can withstand.

2022 will be a news-heavy year, requiring clients to focus on longer-term objectives

Global monetary policy meetings, a key year in Chinese leadership, U.S. midterm elections and the usual list of economic and company earnings releases within a 24/7 news cycle offer many opportunities for noise. We encourage clients to focus on their unique circumstances and how we can help increase the odds of success.



Important disclosures, definitions of terms and index descriptions

If you have questions regarding this information or wish to receive definitions of any additional terms or indexes used in this report, please contact your Portfolio Manager.

Important disclosures (page 1 of 4)

The information provided here is not intended to replace your account statement. Your account statement is the official record of your account.



Equal Housing Lender. Credit products are offered by U.S. Bank National Association and subject to normal credit approval. Deposit products offered by U.S. Bank National Association. Member FDIC.

For use in one-on-one meetings/presentations.

This information represents the opinion of U.S. Bank. The views are subject to change at any time based on market or other conditions and are current as of the date indicated on the materials. This is not intended to be a forecast of future events or guarantee of future results. The factual information provided has been obtained from sources believed to be reliable but is not guaranteed as to accuracy or completeness.

U.S. Bank and its representatives do not provide tax or legal advice. Your tax and financial situation is unique. You should consult your tax and/or legal advisor for advice and information concerning your particular situation.

Past performance is no guarantee of future results. All performance data, while obtained from sources deemed to be reliable, are not guaranteed for accuracy. Indexes shown are unmanaged and are not available for direct investment, nor are they subject to fees and expenses.

Performance reports included may show performance results gross of fees and expenses. If fees and expenses were included, the performance would be lower. If you have any questions, please speak with your relationship manager for additional information.

Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. **Diversification and asset allocation do not guarantee returns or protect against losses.**

Important disclosures (page 2 of 4)

Equity securities are subject to stock market fluctuations that occur in response to economic and business developments. **Stocks of small-capitalization companies** involve substantial risk. These stocks historically have experienced greater price volatility than stocks of larger companies and may be expected to do so in the future. **Stocks of mid-capitalization companies** can be expected to be slightly less volatile than those of small-capitalization companies, but still involve substantial risk and may be subject to more abrupt or erratic movements than large-capitalization companies. The value of **large-capitalization stocks** will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions. **Growth investments** focus on stocks of companies whose earnings/profitability are accelerating in the short term or have grown consistently over the long term. Such investments may provide minimal dividends, which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments. **Value investments** focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

International investing involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility.

Investments in **real estate securities** can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults). There are special risks associated with an investment in **commodities**, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return, but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments.

Important disclosures (page 3 of 4)

The **municipal bond** market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issues of municipal securities. Interest rate increases can cause the price of a bond to decrease. Income on municipal bonds is free from federal taxes, but may be subject to the federal alternative minimum tax (AMT), state and local taxes. **Treasury Inflation-Protected Securities (TIPS)** offer a lower return compared to other similar investments and the principal value may increase or decrease with the rate of inflation. Gains in principal are taxable in that year, even though not paid out until maturity.

Non-financial **specialty assets**, such as real estate, farm, ranch and timber properties, oil, gas and mineral interests or closely-held business interests are complex and involve unique risks specific to each asset type, including the total loss of value. Special risk considerations may include natural events or disasters, complex tax considerations and lack of liquidity. Specialty assets may not be suitable for all investors.

Alternative investments very often use speculative investment and trading strategies. There is no guarantee that the investment program will be successful. Alternative investments are designed only for investors who are able to tolerate the full loss of an investment. These products are not suitable for every investor even if the investor does meet the financial requirements. It is important to consult with your investment professional to determine how these investments might fit your asset allocation, risk profile and tax situation. **Hedge funds** are speculative and involve a high degree of risk. An investment in a hedge fund involves a substantially more complicated set of risk factors than traditional investments in stocks or bonds, including the risks of using derivatives, leverage and short sales, which can magnify potential losses or gains. Restrictions exist on the ability to redeem or transfer interests in a fund. **Exchange-traded funds (ETFs)** are baskets of securities that are traded on an exchange like individual stocks at negotiated prices and are not individually redeemable. ETFs are designed to generally track a market index and shares may trade at a premium or a discount to the net asset value of the underlying securities. **Private equity** investments provide investors and funds the potential to invest directly into private companies or participate in buyouts of public companies that result in a delisting of the public equity. Investors considering an investment in private equity must be fully aware that these investments are illiquid by nature, typically represent a long-term binding commitment and are not readily marketable. The valuation procedures for these holdings are often subjective in nature. **Private debt** investments may be either direct or indirect and are subject to significant risks, including the possibility of default, limited liquidity and the infrequent availability of independent credit ratings for private companies. **Structured products** are subject to market risk and/or principal loss if sold prior to maturity or if the issuer defaults on the security. Investors should request and review copies of Structured Products Pricing Supplements and Prospectuses prior to approving or directing an investment in these securities.

Important disclosures (page 4 of 4)

Mutual fund investing involves risk and principal loss is possible. Investing in certain funds involves special risks, such as those related to investments in small- and mid-capitalization stocks, foreign, debt and high-yield securities and funds that focus their investments in a particular industry. Please refer to the fund prospectus for additional details pertaining to these risks. An investment in **money market funds** is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although these funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Holdings of First American Funds: U.S. Bancorp Asset Management, Inc. is a registered investment advisor and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, performance or services of U.S. Bancorp Asset Management. U.S. Bancorp Asset Management, Inc. serves as an investment advisor to First American Funds. **Holdings of Nuveen mutual funds:** Firststar Capital Corporation (Firststar Capital), an affiliate of U.S. Bancorp, holds a less-than-10 percent ownership interest in Windy City Investments Holdings, LLC which was formerly the parent of Windy City Investment Inc. and the indirect parent of Nuveen Fund Advisors, LLC which is the investment advisor to the Nuveen Mutual Funds. On October 1, 2014, Windy City Investments, Inc. was sold to Teachers Insurance and Annuity Association of America. As a result of the sale, U.S. Bancorp no longer has an indirect ownership interest in Nuveen Fund Advisors, LLC. Depending on the outcome of certain factors, Firststar Capital might in the future receive an earn-out payment in respect of its interest in Windy City Investment Holdings, LLC, under the terms of the sale. **Non-proprietary mutual funds:** U.S. Bank may enter into agreements with other non-proprietary mutual funds or their service providers whereby U.S. Bank provides shareholder services and/or sub-transfer agency, custodial and other administrative support services and receives compensation for these services. Compensation received by U.S. Bank directly or indirectly from mutual funds does not increase fund fees and expenses beyond what is disclosed in the fund prospectuses. For more information, review the fund prospectus.

Definitions of report and statement terms (page 1 of 5)



Accredited Investor: Private placement securities generally require that investors be accredited due to the additional risks and speculative nature of the securities. For natural persons, the criteria is met by a net worth of more than \$1 million (excluding primary residence) or an income of more than \$200,000 individually (\$300,000 jointly) for the two most recent years and a reasonable expectation for the same in the current year. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$5 million in assets. See full definition in Rule 501 of Regulation D under the Securities Act of 1933.

Alpha: A measure of risk-adjusted performance. A statistic measuring that portion of a stock, fund or composite's total return attributable to specific or non-market risk. Alpha measures non-market return and indicates how much value has been added or lost. A positive Alpha indicates the fund or composite has performed better than its Beta would predict (i.e., the manager has added value above the benchmark). A negative Alpha indicates a fund or composite has underperformed given the composite's Beta.

Alternative Investments: As used by U.S. Bank, an investment considered to be outside of the traditional asset classes of long-only stocks, bonds and cash. Examples of alternative investments include hedge funds, private equity, options and financial derivatives.

Annualized Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided annualize only periods greater than one year.

Annualized or Annual Rate of Return: Represents the average annual change in the value of an investment over the periods indicated.

Batting Average: Shows how consistently the portfolio return met or beat the market.

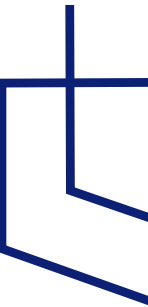
Beta: A measure of your portfolio's risk relative to a benchmark. A portfolio with a beta of 1.5, for example, would be expected to return roughly 1.5 times the benchmark's return. A high Beta indicates a riskier portfolio.

Bond Credit Rating: A grade given to bonds by a private independent rating service that indicates their credit quality. Ratings are the opinion of Standard & Poor's or other agencies as noted and not the opinion of U.S. Bank.

Consumer Price Index (CPI): A measure of the average change in prices over time in a market basket of goods and services and is one of the most frequently used statistics for identifying periods of inflation and deflation.

Convexity to Stated Maturity: A measure of the curvature in the relationship between bond prices and bond yields that demonstrates how the duration of a bond changes as the interest rate changes. Convexity is used as a risk-management tool and helps to measure and manage the amount of market risk to which a portfolio of bonds is exposed. This version of convexity measures the rate change in duration of a bond as the yield to (stated) maturity changes.

Definitions of report and statement terms (page 2 of 5)



Cost basis/book value: The original value of an asset at the time it was acquired. This is normally the purchase price or appraised value at the time of acquisition. This data is for information purposes only.

Cumulative Excess Return: Shows the difference between the annualized linked returns of a portfolio and the model benchmark. Performance reports provided use unannualized returns in periods up to one year, but annualized returns for periods exceeding one year.

Downside Capture: The downside capture ratio reflects how a portfolio compares to a benchmark during periods when the benchmark is down. A downside capture ratio of 0.80 (or 80 percent) means the portfolio has historically declined only 80 percent as much as the benchmark during down markets.

Downside Deviation: The deviation of returns that fall below a minimum acceptable return (MAR). Although the numerator includes only returns below the MAR, the denominator includes all returns in the performance period. This risk statistic is similar to the downside standard deviation except the sum is restricted to returns less than the MAR instead of the mean.

Downside Standard Deviation: The deviation of returns that fall below the mean return. Although the numerator includes only returns below the mean, the denominator includes all returns in the performance period. This risk statistic is similar to the downside deviation except the sum is restricted to returns less than the mean instead of the minimum acceptable return (MAR).

Effective Maturity: The date of a bond's most likely redemption, given current market conditions, taking into consideration the optional and mandatory calls, the optional, mandatory and recurring puts, and the stated maturity.

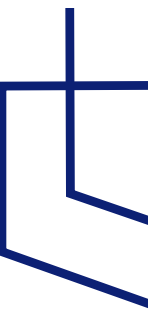
Estimated annual income: The amount of income a particular asset is anticipated to earn over the period indicated. The shares multiplied by the annual income rate.

Gain/loss calculation: If an asset was sold, the difference between the proceeds received from the sale compared to the cost of acquiring the asset. If the value of the proceeds is the higher of the two numbers, then a gain was realized. If the value of the proceeds is the lower of the two numbers, a loss was incurred. This data is for information purposes only.

Information Ratio: The information ratio compares the average excess return of the portfolio over its associated benchmark divided by the tracking error.

M-Squared: The hypothetical return of the portfolio after its risk has been adjusted to match a benchmark.

Definitions of report and statement terms (page 3 of 5)



Market Value: Publicly traded assets are valued using market quotations or valuation methods from financial industry services believed by us to be reliable. Assets, that are not publicly traded, may be reflected at values from other external sources or special valuations prepared by us. Assets for which a current value is not available may be reflected as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could have been bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

Market Value Over Time: Many factors can impact the portfolio value over time, such as contributions to the account, distributions from the account, the investment of dividends and interest, the deduction of fees and expenses, and market performance.

Modified Duration to Effective Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration takes into consideration a “horizon date/price” that is, given current conditions, the most likely redemption date/price using the set of calls/puts, as well as stated maturity.

Modified Duration to Stated Maturity: A formula that expresses the measurable change in the value of a security in response to a change in interest rates. This version of Modified Duration uses stated maturity as the “horizon date/price” and ignores any potential call/put/pre-refunding, even if they are mandatory.

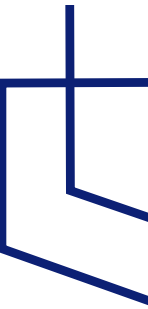
Price/Earnings Ratio (P/E): The P/E ratio of a company is calculated by dividing the price of the company’s stock by its trailing 12-month earnings per share. A high P/E usually indicates that the market is paying a premium for current earnings because it believes in the firm’s ability to grow its earnings. A low P/E indicates the market has less confidence that the company’s earnings will increase. Within a portfolio, P/E is the weighted average of the price/earnings ratios of the stocks in the portfolio.

Qualified Purchaser: Some private placement securities require that investors be Qualified Purchasers in addition to being Accredited Investors. For natural persons, the criteria is generally met when the client (individually or jointly) owns at least \$5 million in investments. For other entities, such as corporations, partnerships, trusts and employee benefit plans, the criteria is met with at least \$25 million in investments though there are other eligibility tests that may apply. See full definition in Section 2(a)(51) of the Investment Company Act of 1940.

R-Squared: Measures the portion of the risk in your portfolio that can be attributed to the risk in the benchmark.

Realized and Unrealized Gains/Losses: Are calculated for individual tax lots based on the records we have available. Some data may be incomplete or differ from what you are required to report on your tax return. Some data used in these calculations may have been obtained from outside sources and cannot be verified by U.S. Bank. The data is intended for informational purposes only and should not be used for tax reporting purposes. Please consult with your tax or legal advisor for questions concerning your personal tax or financial situation.

Definitions of report and statement terms (page 4 of 5)



Residual Risk: The amount of risk specific to the assets in a portfolio distinct from the market, represented by a benchmark.

Return: An indication of the past performance of your portfolio.

Sharpe Ratio: Measures of risk-adjusted return that calculates the return per unit of risk, where risk is the Standard Deviation of your portfolio. A high Sharpe ratio indicates that the portfolio is benefiting from taking risk.

Sortino Ratio: Intended to differentiate between good and bad volatility. Similar to the Sharpe ratio, except it uses downside deviation for the denominator instead of standard deviation, the use of which doesn't discriminate between up and down volatility.

Spread: The difference between the yields of two bonds with differing credit ratings (most often, a corporate bond with a certain amount of risk is compared to a standard traditionally lower risk Treasury bond). The bond spread will show the additional yield that could be earned from a bond which has a higher risk.

Standard Deviation: A measure of the volatility and risk of your portfolio. A low standard deviation indicates a portfolio with less volatile returns and therefore less inherent risk.

Time-weighted Return: The method used to calculate performance. Time-weighted return calculates period by period returns that negates the effect of external cash flows. Returns for periods of greater than one year are reported as an annualized (annual) rate of return. Returns of less than one year are reported on a cumulative return basis. Cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period involved.

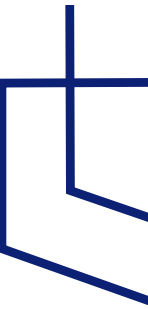
Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

Traditional Investments: As used by U.S. Bank, an investment made in equity, fixed income or cash securities, mutual funds or exchange-traded funds (ETFs) where the investor buys at a price with the goal that the investment will go up in value.

Top 10 Holdings: The 10 assets with the highest market values in the account.

Total Portfolio Gross of Fees: Represents all assets included in the calculation of the portfolio, before the deduction of trust and asset management fees, and is inclusive of all applicable third-party security fees and expenses. Details of those fees and expenses are provided in the security's prospectus or offering documents.

Definitions of report and statement terms (page 5 of 5)



Total Return: The rate of return that includes the realized and unrealized gains and losses plus income for the measurement period.

Treynor Ratio: Measures the performance of a sector relative to risk by dividing the return of the sector in excess of the risk-free return by the sector's Beta. The higher the Treynor ratio, the better the return relative to risk.

Turnover Percent: Indicates how frequently asset are bought and sold within a portfolio.

Turnover Ratio: The percentage of a mutual fund's or other investment vehicle's holdings that have been "turned over" or replaced with other holdings in a given year.

Unrealized gain (loss) — The difference between the current market value (at the end of the statement period) and the cost to acquire the asset. If the current market value is higher than the cost, a gain is reflected. If the current market value is lower than the cost paid, a loss is reflected. This data is for information purposes only.

Upside Capture: The upside capture ratio reflects how a portfolio compares to the selected model benchmark during periods when the benchmark is up. An upside capture ratio of 1.15 (or 115 percent) means the portfolio has historically beat the benchmark by 15 percent during up markets.

Yield: The annual rate of return on an investment, expressed as a percentage. For bonds, it is the coupon rate divided by the market price. For stocks, it is the annual dividend divided by the market price.

Frequently used indexes (page 1 of 5)

Bloomberg Barclays 1-3 year U.S. Treasury Index: Measures the performance of the U.S. government bond market and includes public obligations of the U.S. Treasury with a maturity between one year and up to (but not including) three years.

Bloomberg Barclays 1-5 year U.S. Treasury Index: Includes all publicly issued, U.S. Treasury securities that have a remaining maturity of greater than or equal to one year and less than five years, are rated investment grade and have \$250 million or more of outstanding face value.

The Bloomberg Barclays 1-5 year Municipal Index: Measures the performance of municipal bonds with time to maturity of more than one year and less than five years.

Bloomberg Barclays 7-year Municipal Index: Includes municipal bonds with a minimum credit rating of Baa that have been issued as part of a transaction of at least \$50 million, have a maturity value of at least \$5 million and a maturity range of four to six years.

Bloomberg Barclays Global Aggregate Index ex-U.S. Index: Measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays Global Treasury ex-U.S. Index: Includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Bloomberg Barclays High Yield Municipal Bond Index: An unmanaged index made up of bonds that are non-investment grade, unrated or below Ba1 bonds.

Bloomberg Barclays Intermediate Aggregate Index: Consists of one- to 10-year governments, one- to 10-year corporate bonds, all mortgages and all asset-backed securities within the Aggregate Index.

Bloomberg Barclays Mortgage-Backed Securities Index: Covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable-rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Bloomberg Barclays U.S. Aggregate Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.

Bloomberg Barclays U.S. Corporate Bond Index: Measures the investment grade, fixed-rate, taxable corporate bond market and includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Frequently used indexes (page 2 of 5)

Bloomberg Barclays U.S. Corporate High Yield Bond Index: Measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market.

Bloomberg Barclays U.S. Municipal Bond Index: Measures the investment grade, U.S. dollar-denominated, fixed tax-exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

Bloomberg Barclays U.S. Treasury Index: Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) Index: An unmanaged index includes all publicly issued, U.S. TIPS that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

Cambridge U.S. Private Equity Index: This index is based on returns data compiled for U.S. private equity funds (including buyout, growth equity and mezzanine funds) that represent the majority of institutional capital raised by private equity partnerships formed since 1986. Returns may be delayed by up to six months. Quarterly performance is prorated based on the cube root for the months of the quarter.

Citigroup 3-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last three-month Treasury Bill issues.

Citigroup 6-Month Treasury Bills: An unmanaged index and represents monthly return equivalents of yield averages of the last six-month Treasury Bill issues.

Credit Suisse Leverage Loan Index: Represents tradable, senior-secured, U.S. dollar-denominated non-investment grade loans.

Dow Jones Industrial Average (DJIA): The price-weighted average of 30 significant U.S. stocks traded on the New York Stock Exchange and NASDAQ. The DJIA is the oldest and single most watched index in the world.

Dow Jones Select REIT Index: Measures the performance of publicly traded REITs and REIT-like securities in the U.S. and is a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

HFRI Indices: The Hedge Fund Research, Inc. (HFRI) indexes are a series of benchmarks designed to reflect hedge fund industry performance by constructing composites of constituent funds, as reported by the hedge fund managers listed within the HFR Database.

Frequently used indexes (page 3 of 5)

HFRI Equity Hedge Total Index: Uses the HFR (Hedge Fund Research) database and consists only of equity hedge funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

HFRI Relative Value Fixed Income Corporate Index: Uses the HFR (Hedge Fund Research) database and consists of only relative value fixed income corporate funds with a minimum of \$50 million assets under management or a 12-month track record and that reported assets in U.S. dollars.

ICE BofAML 1-3 Year Corporate Index: Tracks U.S. dollar-denominated investment grade public debt issued in the U.S. bond market with maturities of one to three years.

ICE BofAML 1-5 Year Corporate and Government Index: Tracks the performance of short-term U.S. investment grade government and corporate securities with maturities between one and five years.

ICE BofAML U.S. 7-10 Year Index: Tracks the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market and includes all securities with a remaining term to maturity of greater than or equal to seven years and less than 10 years.

ICE BofAML Global Broad Market Index: Tracks the performance of investment grade public debt issued in the major domestic and Eurobond markets, including global bonds.

ICE BofAML U.S. High Yield Master II Index: Commonly used benchmark index for high yield corporate bonds and measures the broad high yield market.

J.P. Morgan Emerging Markets Bond Index Global (EMBI Global): Tracks total returns for traded external debt instruments in the emerging markets.

London Interbank Offered Rate (LIBOR) 3-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a three-month maturity.

London Interbank Offered Rate (LIBOR) 9-months: The interest rate offered by a specific group of London banks for U.S. dollar deposits with a nine-month maturity.

MSCI All Country World Index (ACWI): Designed to measure the equity market performance of developed and emerging markets.

Frequently used indexes (page 4 of 5)

Russell 2000 Value Index: Measures companies in the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

Russell 3000 Index: Measures the performance of the 3,000 largest U.S. securities based on total market capitalization.

Russell Midcap Index: Measures the 800 smallest companies in the Russell 3000 Index.

Russell Midcap Growth Index: Measures companies in the Russell Midcap Index having higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures companies in the Russell Midcap Index having lower price-to-book ratios and lower forecasted growth values.

MSCI All County World ex-U.S. Index (ACWI, excluding United States): Tracks the performance of stocks representing developed and emerging markets around the world that collectively comprise most foreign stock markets. U.S. stocks are excluded from the index.

MSCI EAFE Index: Includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East.

MSCI Emerging Markets (EM) Index: Designed to measure equity market performance in global emerging markets.

MSCI World Index: Tracks equity market performance of developed markets through individual country indices.

NAREIT Index: Includes REITs (Real Estate Investment Trusts) listed on the New York Stock Exchange, NASDAQ and American Stock Exchange.

NASDAQ Composite Index: A market capitalization-weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market.

NCREIF Property Index (NPI): Measures the investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index and is representative of the U.S. large capitalization securities market.

Frequently used indexes (page 5 of 5)

Russell 1000 Growth Index: Measures companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 1000 Value Index: Measures companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth values. It includes the largest 1,000 firms in the Russell 3000 Index.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market.

Russell 2000 Growth Index: Measures companies in the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values, and is representative of U.S. securities exhibiting growth characteristics. The Russell 2000 Index includes the 2,000 firms from the Russell 3000 Index with the smallest market capitalizations.

S&P 500 Index: Consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market.

S&P Global ex-U.S. Property Index: Measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the United States. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment.

S&P GSCI: A composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

S&P/Case-Shiller Home Price Indexes: A group of indexes that track changes in home prices throughout the United States. Case-Shiller produces indexes representing certain metropolitan statistical areas (MSA) as well as a national index.

Swiss Re Global Cat Bond Total Return Index: Tracks the aggregate performance of all U.S. dollar-denominated euros and Japanese yen-denominated catastrophe bonds, capturing all ratings, perils and triggers.

U.S. Dollar Index: Indicates the general international value of the U.S. dollar by averaging the exchange rates between the U.S. dollar and six major world currencies.

Wilshire 5000 Index: Composed of more than 6,700 publicly-traded U.S. companies and is designed to track the overall performance of the American stock markets.

Appendix

This information represents the opinion of U.S. Bank Wealth Management. The views are subject to change at any time based on market or other conditions and are current as of the date indicated on the materials. This is not intended to be a forecast of future events or guarantee of future results. It is not intended to provide specific advice or to be construed as an offering of securities or recommendation to invest. Not for use as a primary basis of investment decisions. Not to be construed to meet the needs of any particular investor. Not a representation or solicitation or an offer to sell/buy any security. Investors should consult with their investment professional for advice concerning their particular situation. The factual information provided has been obtained from sources believed to be reliable, but is not guaranteed as to accuracy or completeness. U.S. Bank is not affiliated or associated with any organizations mentioned. Based on our strategic approach to creating diversified portfolios, guidelines are in place concerning the construction of portfolios and how investments should be allocated to specific asset classes based on client goals, objectives and tolerance for risk. Not all recommended asset classes will be suitable for every portfolio. Diversification and asset allocation do not guarantee returns or protect against losses.

Past performance is no guarantee of future results. All performance data, while obtained from sources deemed to be reliable, are not guaranteed for accuracy. Indexes shown are unmanaged and are not available for direct investment, nor are they subject to fees and expenses. The **S&P 500 Index** consists of 500 widely traded stocks that are considered to represent the performance of the U.S. stock market in general. The **MSCI EAFE Index** includes approximately 1,000 companies representing the stock markets of 21 countries in Europe, Australasia and the Far East (EAFE). The **MSCI Emerging Markets Index** is designed to measure equity market performance in global emerging markets. The **MSCI World Index** tracks equity market performance of developed markets through individual country indices. The **Consumer Price Index (CPI)** is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. The **Personal Consumption Expenditures (PCE) Price Index** measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation trends. The **Bloomberg Barclays U.S. Corporate High Yield Bond Index** measures the U.S. dollar denominated, high yield, fixed-rate corporate bond market. The **Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities. The **Bloomberg Commodity Index** tracks prices of futures contracts on physical commodities in the commodity markets and is designed to minimize concentration in any one commodity or sector. The **Bloomberg Barclays Global Aggregate Index** measures global investment grade debt from 24 local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. The **Wilshire U.S. REIT Index** is a broad measure of the U.S. real estate securities markets and a subset of the Wilshire Real Estate Securities Index and includes only Real Estate Investment Trusts (REITs). **West Texas Intermediate (WTI)** crude oil is the underlying commodity of the New York Mercantile Exchange's oil futures contracts. The **U.S. Dollar Index (DY)** is a measure of the value of the U.S. dollar relative to the value of a basket of currencies of the majority of the U.S.'s most significant trading partners.

Appendix

The **Trade-Weighted Dollar Index** was created by the Federal Reserve to measure the value of the U.S. dollar based on its competitiveness versus trading partners. The **Bloomberg Barclays U.S. Commercial Mortgage-Backed Securities (CMBS) Investment Grade Index** measures the market of conduit and fusion CMBS deals, with a minimum current deal size of \$300 million. The **S&P Global Leveraged Loan Index** is designed to measure the performance of the global senior loan market. This fixed-weight index is 75% weighted in the S&P/LSTA Leveraged Loan Index and 25% weighted in the S&P European Leveraged Loan Index. The **Chicago Board Options Exchange (CBOE) Crude Oil ETF Volatility Index** (Oil VIX) measures the market's expectation of 30-day volatility of crude oil prices. The **ICE BofAML MOVE Index** measures the implied yield volatility of a basket of one-month over-the-counter options on 2-year, 5-year, 10-year and 30-year Treasuries. The **Chicago Board Options Exchange (CBOE) Volatility Index (VIX)** measures the market's expectation of 30-day volatility and is a widely used measure of market risk and is often referred to as the "investor fear gauge." The **Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index and is representative of the U.S. small capitalization securities market. The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 2000 Value Index** measures the performance of those Russell 2000 Index securities with lower price-to-book ratios and lower forecasted growth values and is representative of U.S. securities exhibiting value characteristics. The **NASDAQ Composite Index** is a market-capitalization weighted average of roughly 5,000 stocks that are electronically traded in the NASDAQ market. The **Oxford/Blavatnik Lockdown Stringency Index** records the strictness of "lockdown style" policies that primarily restrict people's behavior. It is calculated using all ordinal containment and closure policy indicators in the Oxford Covid-19 Government Response Tracker , plus an indicator recording public information campaigns.

Equity securities are subject to stock market fluctuations that occur in response to economic and business developments. **International investing** involves special risks, including foreign taxation, currency risks, risks associated with possible differences in financial standards and other risks associated with future political and economic developments. Investing in **emerging markets** may involve greater risks than investing in more developed countries. In addition, concentration of investments in a single region may result in greater volatility. Investments in **fixed income securities** are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayments, early redemption, corporate events, tax ramifications and other factors. Investment in fixed income securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term securities. Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. Investments in **high yield bonds** offer the potential for high current income and attractive total return but involve certain risks. Changes in economic conditions or other circumstances may adversely affect a bond issuer's ability to make principal and interest payments. There are special risks associated with investments in **real assets** such as commodities and real estate securities. For commodities, risks may include market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates and risks related to renting properties (such as rental defaults).

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Independent Accountant's Compilation Report

Financial Statements - Statutory Basis

December 31, 2021 and 2020

and

September 30, 2021

QUARTERLY STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2021
FOR
LEAGUE ASSOCIATION OF RISK MANAGEMENT

Nebraska Company Code: 201675

Employer's ID Number: 47-0791192

Incorporated May 1, 1995 under the Laws of Nebraska

The offices and primary location of books and records are at 1335 "L" Street
Lincoln, Nebraska 68508

The mailing address is 1335 "L" Street
Lincoln, Nebraska 68508

Telephone Number 402-742-2600

Fax Number 402-476-4089

Contact Person L. Lynn Rex

Officers of the Association:

Chair: Doug Hanson
Vice-Chair: Lanette Doane
Secretary: L. Lynn Rex

Directors or Trustees:

Connie Jo Beck
LeAnn Brown
Pamela Buethe
Don Groesser
Melissa Harrell
Tony Kaufman
Jo Leyland
Josh Moenning
Tom Ourada
Sandra Schendt
Joey Spellerberg
Deb VanMatre
Teresa Youngquist
Paul Lambert – Ex-officio

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Table of Contents

	Page
Independent Accountant's Compilation Report.....	1
Financial Statements:	
Balance Sheets – Statutory Basis	2
Statements of Income – Statutory Basis	3
Statements of Changes in Surplus – Statutory Basis	4
Statements of Cash Flows – Statutory Basis	5
Notes to Financial Statements	6 – 15
Supplemental Information:	
Independent Accountant's Report on Supplemental Information	16
Reconciliation of Unpaid Claim Liabilities	17



Certified Public Accountants

Thomas, Kunc & Black, LLP

Independent Accountant's Compilation Report

To the Board of Directors
League Association of Risk Management
Lincoln, Nebraska

Management is responsible for the accompanying financial statements of League Association of Risk Management, which comprise the balance sheets - statutory basis as of December 31, 2021 and 2020 and the related statutory statements of revenues and expenses, changes in surplus, and cash flows for the periods then ended, and the related notes to the financial statements in the accompanying prescribed form in accordance with the Insurance Department of the State of Nebraska. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Insurance Department of the State of Nebraska and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

September 30, 2021 Financial Statements

The accompanying September 30, 2021 financial statements of League Association of Risk Management were audited by us, and we expressed an unqualified opinion on the statutory basis of accounting in our report dated November 30, 2021, but we have not performed any auditing procedures since that date.

Lincoln, Nebraska
February 15, 2022

Thomas, Kunc and Black, LLP

LEAGUE ASSOCIATION OF RISK MANAGEMENT
Balance Sheets - Statutory Basis
December 31, 2021 and 2020 and September 30, 2021

	<u>Assets</u>		
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	September 30, 2021 (Audited)
Cash:			
Cash on deposit	\$ 4,824,839	2,015,341	1,942,698
Short-term investments	-	1,749,766	-
Total cash	<u>4,824,839</u>	<u>3,765,107</u>	<u>1,942,698</u>
Long-term investments	16,230,413	14,838,156	13,242,300
Accounts receivable	23,405	117	15,411
Premiums receivable	121,836	783,115	9,713,737
Interest receivable	20,444	26,684	15,485
Reinsurance recoverable on paid losses	<u>1,301,776</u>	<u>2,034,310</u>	<u>780,964</u>
Total assets	<u>\$ 22,522,713</u>	<u>21,447,489</u>	<u>25,710,595</u>
	<u>Liabilities and Surplus</u>		
Loss reserves	\$ 4,191,485	4,444,431	4,693,666
Loss adjustment expenses	2,821,515	1,743,102	2,552,549
Unearned premium	6,595,191	5,797,184	9,328,559
Taxes payable	124,556	114,286	97,488
Other liabilities	135,459	193,997	143,408
Funds held under reinsurance treaties	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total liabilities	<u>13,893,206</u>	<u>12,318,000</u>	<u>16,840,670</u>
Surplus	<u>8,629,507</u>	<u>9,129,489</u>	<u>8,869,925</u>
Total liabilities and surplus	<u>\$ 22,522,713</u>	<u>21,447,489</u>	<u>25,710,595</u>

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT
Statements of Income - Statutory Basis
For the periods ended December 31, 2021 and 2020
and the year ended September 30, 2021

	Three Months Ended		Year Ended
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	September 30, 2021 (Audited)
Revenues:			
Premiums earned, direct	\$ 2,835,160	2,442,551	9,889,689
Premiums earned, transferred by excess	(865,766)	(657,480)	(2,874,577)
Net premiums	<u>1,969,394</u>	<u>1,785,071</u>	<u>7,015,112</u>
Investment income	16,846	17,345	56,947
Miscellaneous income	<u>1,195</u>	<u>263</u>	<u>106,370</u>
Total revenues	<u>1,987,435</u>	<u>1,802,679</u>	<u>7,178,429</u>
Expenses:			
Losses incurred, direct	891,365	711,351	3,635,453
Losses incurred, transferred by excess	<u>(327,570)</u>	<u>176,157</u>	<u>(477,631)</u>
Net losses	<u>563,795</u>	<u>887,508</u>	<u>3,157,822</u>
Loss expenses incurred	450,857	110,220	1,775,726
Other underwriting expenses incurred	<u>1,213,201</u>	<u>1,055,532</u>	<u>2,755,026</u>
Total expenses	<u>2,227,853</u>	<u>2,053,260</u>	<u>7,688,574</u>
Net income/(loss) - statutory basis	<u>\$ (240,418)</u>	<u>(250,581)</u>	<u>(510,145)</u>

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT
Statements of Changes in Surplus - Statutory Basis
For the periods ended December 31, 2021 and 2020
and the year ended September 30, 2021

	Three Months Ended		Year Ended
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	September 30, 2021 (Audited)
Surplus, beginning of period	\$ 8,869,925	9,380,070	9,380,070
Net income/(loss) - statutory basis	(240,418)	(250,581)	(510,145)
Unrealized capital gain	-	-	397,674
Change in non-admitted assets	-	-	(397,674)
Dividends	-	-	-
Surplus, end of period	<u>\$ 8,629,507</u>	<u>9,129,489</u>	<u>8,869,925</u>

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Statements of Cash Flows - Statutory Basis

For the periods ended December 31, 2021 and 2020

and the year ended September 30, 2021

	Three Months Ended		Year Ended
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	September 30, 2021 (Audited)
Premiums collected, net of excess insurance	\$ 8,819,971	7,490,972	7,306,272
Loss and loss adjustment expenses paid	(1,768,679)	(1,148,848)	(2,772,640)
Underwriting expenses paid	(1,194,082)	(1,130,153)	(2,897,034)
Cash from underwriting	5,857,210	5,211,971	1,636,598
Investment income	11,887	17,842	466,317
Other income/(expense)	1,195	-	106,370
Net cash from operations	5,870,292	5,229,813	2,209,285
Transfers in:			
Other sources	-	135	-
Transfers out:			
Other applications	(2,988,151)	(7,587,051)	(6,388,797)
Net change in cash and short-term investments	2,882,141	(2,357,103)	(4,179,512)
Cash and short-term investments, beginning of period	1,942,698	6,122,210	6,122,210
Cash and short-term investments, end of period	\$ 4,824,839	3,765,107	1,942,698

See accompanying notes to financial statements and independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(1) Summary of significant accounting policies:

(a) Nature of organization:

The League Association of Risk Management (the Pool) is a risk management pool created under the provisions of the Intergovernmental Risk Management Act and the Interlocal Cooperation Act of the State of Nebraska. The Pool was created for the purpose of Nebraska municipalities to act jointly to provide risk management services and insurance coverage in the form of group self-insurance or standard insurance, including any combination of group self-insurance and standard insurance, to protect members against losses arising from general liability, property damage, destruction or loss, errors and omissions liability, and workers' compensation liability. Any county, city, village, school district, public power district, rural fire district, or other political subdivision of the State of Nebraska, the State of Nebraska, the University of Nebraska, and any corporation whose primary function is to act as an instrumentality or agency of the State of Nebraska is eligible to participate as a member of the pool.

The Pool is financed through the annual and supplemental contributions paid by the participating entities, through income earned from the investment of the Pool's funds, and through any other monies, which may be lawfully received by the Pool and made part of the Pool's assets. The Pool provides group self-insurance coverage for automobile physical damage, comprehensive property - all risk, boiler and machinery, basic crime, general liability, automobile liability, law enforcement liability, public officials liability, employment practices liability, non-monetary relief defense expense, reimbursement of criminal defense expense, workers' compensation, employers' liability, cyber liability, and terrorism.

The Pool is operated by a Board of Directors consisting of elected and appointed officials or employees of the Pool members. The Board has the power to establish the coverage document, ensure that all claims covered by the document are paid, take all necessary precautions to safeguard the assets of the Pool, and make and enter into any and all contracts and agreements necessary to carry out any of the powers granted or duties imposed under the Pool formation agreement, the Pool's bylaws, or any applicable law or regulation.

(b) Basis of presentation:

For purposes of this statement, the Pool uses the statutory basis of accounting as prescribed by the Insurance Department of the State of Nebraska, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the statutory basis of accounting, certain fixed assets and prepaid expenses are not recognized on the balance sheet.

(c) Investment income:

Investment income consists primarily of interest and is recorded as earned.

(d) Contributions:

Contributions are earned over the terms of the related coverage document and reinsurance contracts. All coverage documents coincide with the fiscal year of the Pool. Unearned contribution reserves are established to cover the unexpired portion of contributions written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

(e) Unpaid loss and loss adjustment expenses:

Unpaid loss and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are reviewed and any adjustments are reflected in the period determined.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(1) Summary of significant accounting policies: (Continued)

(f) Reinsurance:

In the normal course of operation, the Pool seeks to reduce the loss that may arise from events that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Amounts recoverable from reinsurers are estimated in a manner consistent with the reinsurance policy.

(g) Income taxes:

The Pool is exempt under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes is required and the Pool is not required to file any returns or reports with the Internal Revenue Service related to income taxes.

(h) Management estimates:

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

(i) Risks and uncertainties:

In March 2020, the United States declared a national emergency related to the rapidly spreading coronavirus (COVID-19) outbreak. The Pool invests in various securities as part of its ongoing operations and is exposed to economic and financial market risks. Events that result from the COVID-19 pandemic may have a material impact on the valuation of the Pool's investments. Additionally, financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the members. COVID-19 may have an effect on the financial position of the Pool.

(2) NLC Mutual Insurance Company:

The Pool joined the NLC Mutual Insurance Company (NLC) as of October 1, 2002. NLC is a mutual insurance company, formed with the assistance of the National League of Cities in 1986.

Each entity is charged a capitalization fee based on a percentage of premiums. The Pool contributed a total of \$377,664, which is reflected on NLC's financial statements as member surplus. In addition, NLC allocates a portion of their net income to the member surplus each year. As a mutual company, NLC returns earnings that are not needed to pay claims and the expenses of operations to the members in the form of dividends. NLC paid dividends of \$0 (December 31, 2021) and \$106,110 (December 31, 2020). The total member surplus reflected on NLC's financials for LARM were \$2,664,703 (December 31, 2021) and \$2,267,029 (December 31, 2020).

The Nebraska Department of Insurance classifies this investment as non-admitted as it is not easily liquidated into cash.

(3) Cash on deposit and investments:

Cash on deposit, which includes cash in checking accounts, certificates of deposit with original maturities of one year or less, and money market deposit accounts are carried at cost, which approximates market value. The Pool maintains its cash on deposit in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Long term investments are investments with original maturities of more than one year. Included in long term investments are certificates of deposit and governmental agency bonds. Certificates of deposit are carried at cost, which approximates market value. Statutory accounting principles require that bonds be reported at amortized cost.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(3) Cash on deposit and investments: (Continued)

Statutes authorize the Pool to invest in bank certificates of deposit, repurchase agreements collateralized by U.S. government and government-guaranteed obligations, or U.S. agency and instrumentality obligations and mutual funds that invest in these investments.

For purposes of this footnote, the cost basis does not include checks issued and outstanding.

The Pool's cash and investment balances were as follows:

		Cost		
		Insured or Direct U.S. Government	Uninsured	Total
At December 31, 2021				
Cash on deposit	\$	250,000	5,172,882	5,422,882
Short-term investments		-	-	-
Long-term investments		16,230,413	-	16,230,413
	\$	<u>16,480,413</u>	<u>5,172,882</u>	<u>21,653,295</u>
At December 31, 2020				
Cash on deposit	\$	250,000	2,090,056	2,340,056
Short-term investments		1,749,766	-	1,749,766
Long-term investments		14,838,156	-	14,838,156
	\$	<u>16,837,922</u>	<u>2,090,056</u>	<u>18,927,978</u>
At September 30, 2021				
Cash on deposit	\$	250,000	1,821,297	2,071,297
Short-term investments		-	-	-
Long-term investments		13,242,300	-	13,242,300
	\$	<u>13,492,300</u>	<u>1,821,297</u>	<u>15,313,597</u>

The Pool has adopted Statement of Statutory Accounting Principles (SSAP) No. 100, *Fair Value*. This standard defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Pool considers the primary or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

The Pool classified its investments based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. SSAP 100 describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

- Level 1 – Quoted prices in active markets for *identical* assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly; such as quoted prices for *similar* assets or liabilities, quoted prices in markets that are not active; or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(3) Cash on deposit and investments: (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Bonds – Mortgage and Other Asset Backed Bonds: Valued based on Residential Mortgage Backed Securities modeling file provided by FINRA. The prepayment assumptions used for single class and multi-class mortgage backed/asset backed securities were obtained from broker/dealer survey values. These assumptions are consistent with the current interest rate and economic environment.

December 31, 2021						
		Less Than 12 Months		Greater Than 12 Months		Total
		Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value Unrealized Losses
Bonds:						
U.S. Governments	\$	-	-	4,491,723	21,401	4,491,723 21,401
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions		-	-	11,296,970	196,076	11,296,970 196,076
Industrial and miscellaneous unaffiliated		-	-	-	-	- -
Total bonds		-	-	15,788,693	217,477	15,788,693 217,477
Total temporarily impaired securities	\$	-	-	15,788,693	217,477	15,788,693 217,477

The amortized cost and estimated statutory fair value of bonds at December 31, 2021, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ -	-
Due after one year through five years	12,982,027	12,848,815
Due after five years through ten years	2,998,737	2,939,878
Due after ten years	-	-
	\$ 15,980,764	15,788,693

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(3) Cash on deposit and investments: (Continued)

		December 31, 2020					
		Less Than 12 Months		Greater Than 12 Months		Total	
		Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
Bonds:							
U.S. Governments	\$	999,860	-	801,713	-	1,801,573	-
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions		751,110	-	13,607,132	2,953	14,358,242	2,953
Industrial and miscellaneous unaffiliated		-	-	-	-	-	-
Total bonds		1,750,970	-	14,408,845	2,953	16,159,815	2,953
Total temporarily impaired securities	\$	1,750,970	-	14,408,845	2,953	16,159,815	2,953

The amortized cost and estimated statutory fair value of bonds at December 31, 2020, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ 1,749,766	1,750,970
Due after one year through five years	11,840,213	11,908,695
Due after five years through ten years	2,498,418	2,500,150
Due after ten years	-	-
	\$ 16,088,397	16,159,815

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(3) Cash on deposit and investments: (Continued)

September 30, 2021						
		Less Than 12 Months		Greater Than 12 Months		Total
		Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value Unrealized Losses
Bonds:						
U.S. Governments	\$	-	-	1,533,288	2,649	1,533,288 2,649
Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions		-	-	11,416,055	76,748	11,416,055 76,748
Industrial and miscellaneous unaffiliated		-	-	-	-	- -
Total bonds		-	-	12,949,343	79,397	12,949,343 79,397
Total temporarily impaired securities	\$	-	-	12,949,343	79,397	12,949,343 79,397

The amortized cost and estimated statutory fair value of bonds at September 30, 2021, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Bonds not due at a single maturity date have been included in the table below in the year of final maturity.

	Amortized Cost	Estimated Statutory Fair Value
Due in one year or less	\$ -	-
Due after one year through five years	9,994,027	9,973,825
Due after five years through ten years	2,998,657	2,975,518
Due after ten years	-	-
	\$ 12,992,684	12,949,343

The Pool regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. Based on an evaluation of the prospects of the issuers, including, but not limited to 1) the Pool's intentions and ability to hold the investments; 2) the length of time and the magnitude of the unrealized loss; 3) the credit ratings of the issuers of the investments, and 4) other information specific to the issuer, the Pool has concluded that any declines in the fair values of the Pool's investments in bonds at December 31, 2021 and 2020 and September 30, 2021 are temporary and are presented on the following page.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(3) Cash on deposit and investments: (Continued)

The cost, gross unrealized gains, gross unrealized losses and estimated fair values are as follows:

December 31, 2021	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	\$ 15,980,764	25,406	217,477	15,788,693
Total	\$ 15,980,764	25,406	217,477	15,788,693

December 31, 2020	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	\$ 16,088,398	74,370	2,953	16,159,815
Total	\$ 16,088,398	74,370	2,953	16,159,815

September 30, 2021	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Obligations of U.S. Government sponsored enterprises	\$ 12,992,684	36,056	79,397	12,949,343
Total	\$ 12,992,684	36,056	79,397	12,949,343

The statement value and estimated fair value of financial instruments at December 31, 2021 and 2020 and September 30, 2021 are as follows:

		December 31, 2021			
	Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Bonds	\$ 15,980,764	15,788,693	-	15,788,693	-
Cash on deposit (including certificates of deposit)	5,074,488	5,071,001	4,824,488	246,513	-
Investment income due and accrued	20,444	20,444	20,444	-	-
Total	\$ 21,075,696	20,880,138	4,844,932	16,035,206	-

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(3) Cash on deposit and investments: (Continued)

December 31, 2020					
Financial assets:	Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	\$ 16,087,922	16,159,815	-	16,159,815	-
Cash on deposit (including certificates of deposit)	2,515,341	2,518,114	2,015,341	502,773	-
Investment income due and accrued	26,684	26,684	26,684	-	-
Total	\$ 18,629,947	18,704,613	2,042,025	16,662,588	-

September 30, 2021					
Financial assets:	Statement Value	Estimated Fair Value	Level 1	Level 2	Level 3
Bonds	\$ 12,992,683	12,949,343	-	12,949,343	-
Cash on deposit (including certificates of deposit)	2,192,315	2,189,995	1,942,315	247,680	-
Investment income due and accrued	15,485	15,485	15,485	-	-
Total	\$ 15,200,483	15,154,823	1,957,800	13,197,023	-

(4) Related party transactions:

LARM contracted with the League of Nebraska Municipalities for office space and miscellaneous administrative services. The total amount paid to the League of Nebraska Municipalities was \$26,546 (December 31, 2021), \$32,526 (December 31, 2020), and \$91,149 (September 30, 2021). The total amount of payables to the League of Nebraska Municipalities was \$280 (December 31, 2021), \$0 (December 31, 2020), and \$2,541 (September 30, 2021).

(5) Reinsurance recoverables:

Amounts recoverable from reinsurers are estimated based upon assumptions consistent with those used in establishing the liabilities related to the underlying reinsured coverage document. The Pool's management believes the recoverables are appropriately established. The Pool had reinsurance recoverable amounts from seven third-party reinsurers.

	December 31, 2021	December 31, 2020	September 30, 2021
Contributions:			
Direct	\$ 2,835,160	2,442,551	9,889,689
Ceded	(865,766)	(657,480)	(2,874,577)
Net contributions earned	\$ 1,969,394	1,785,071	7,015,112
Losses:			
Direct	\$ 891,365	711,351	3,635,453
Ceded	(327,570)	176,157	(477,631)
Net losses incurred	\$ 563,795	887,508	3,157,822

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(5) Reinsurance recoverables: (Continued)

The Pool has recorded reinsurance recoverables on paid losses from reinsurance companies of \$1,301,776 (December 31, 2021), \$2,034,310 (December 31, 2020), and \$780,964 (September 30, 2021).

The Pool has recorded reinsurance recoverables on unpaid loss and loss adjustment expenses payable of \$4,134,291 (December 31, 2021), \$5,379,674 (December 31, 2020), and \$4,673,899 (September 30, 2021).

The Pool has entered into quota share, stop loss and per occurrence reinsurance agreements. As part of a reinsurance agreement, the Pool has withheld \$25,000 from the balance payable to a reinsurer. At December 31, 2021 and 2020 and September 30, 2021, the Pool had the funds withheld recorded as a liability.

The accompanying financial statements reflect the financial position and results of operations net of related reinsurance. To the extent that any reinsuring companies are unable to meet their obligations under the reinsurance agreements, the Pool would remain liable.

(6) Self-insured retention:

The Pool retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by the reinsurance contracts and excess insurance contracts.

The per-claim retention limit for the current coverage was as follows:

\$ 300,000	per occurrence	General Liability, Auto Liability, Police, Errors and Omissions
\$ 300,000	per occurrence	Public Official's Liability
\$ 100,000	per loss	Property, Auto Physical Damage
\$ 450,000	per occurrence	Wind and Hail Damage
\$ 750,000	per location and loss	Workers' Compensation
\$ 10,000	per occurrence	Boiler and Machinery
\$ 50,000	per occurrence	Cyber
\$ 10,000	per occurrence	Terrorism

From July 1, 2019 to July 1, 2020 the Property, Auto Physical Damage per-claim retention limit was \$200,000 and Wind and Hail Damage per-claim retention limit was \$300,000, plus a \$300,000 corridor deductible.

(7) Retrospective assessments and credits:

Nine months following the close of the fiscal year and at annual intervals thereafter, the Pool may recalculate each member's retrospective premium or premium credit for the year.

No dividends were declared for the periods ended December 31, 2021 and 2020.

See independent accountant's compilation report.

LEAGUE ASSOCIATION OF RISK MANAGEMENT

Notes to Financial Statements (Continued)

December 31, 2021 and 2020 (Unaudited) and September 30, 2021 (Audited)

(8) Surplus:

Assets are reported under statutory accounting on an admitted assets basis. The non-admitted assets are excluded through a charge against surplus.

The portion of surplus represented or reduced by the following items are as follows:

	December 31, 2021	December 31, 2020	September 30, 2021
Non-admitted assets:			
Accounts receivable over 90 days past due	\$ -	-	-
Agents balances receivable over 90 days past due	-	-	-
Investment in NLC	2,664,703	2,267,029	2,664,703
	<u>\$ 2,664,703</u>	<u>2,267,029</u>	<u>2,664,703</u>

(9) Commitments and contingencies:

From time to time, the Pool is involved in pending and threatened litigation in the normal course of business in which claims for monetary damages are asserted. In the opinion of management, the ultimate liability, if any, arising from such pending or threatened litigation is not expected to have a material effect on the results of operations, liability, or financial position of the Pool.

(10) Financial statement presentation:

Amounts for December 31, 2020 and September 30, 2021 have been restated in some instances to conform with current statement presentation.

(11) Subsequent events:

The Pool evaluated subsequent events through February 15, 2022. There were no subsequent events that require disclosure and/or adjustments.

See independent accountant's compilation report.

SUPPLEMENTAL INFORMATION



Certified Public Accountants

Thomas, Kunc & Black, LLP

Independent Accountant's Compilation Report
on Supplemental Information

To the Board of Directors
League Association of Risk Management
Lincoln, Nebraska

The December 31, 2021 and 2020 supplementary information contained in the Reconciliation of Unpaid Claims is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

The September 30, 2021 supplementary information contained in the Reconciliation of Unpaid Claim Liabilities is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information was subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Our report stated that the information was fairly stated in all material respects in relation to the financial statements as a whole based upon the statutory basis of accounting. We have not performed any auditing procedures on the supplementary information since November 30, 2021.

Lincoln, Nebraska
February 15, 2022

Thomas, Kunc and Black, LLP

LEAGUE ASSOCIATION OF RISK MANAGEMENT
Reconciliation of Unpaid Claim Liabilities
For the periods ended December 31, 2021 and 2020
and the year ended September 30, 2021

	Three Months Ended		Year Ended
	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	September 30, 2021 (Audited)
Unpaid claims and claims adjustment expenses at beginning of period	\$ 7,246,215	6,203,649	6,203,649
Incurred claims and claims adjustment expenses:			
Provision for insured events of current policy year	1,022,500	932,500	5,044,642
Increase/(decrease) in provision in insured events of prior policy years	(7,848)	65,228	(111,094)
Total incurred claims and claims adjustment expenses	1,014,652	997,728	4,933,548
Payments:			
Claims and claims adjustment expenses attributable to insured events of the current policy year	81,760	95,732	1,313,253
Claims and claims adjustment expenses attributable to insured events of prior policy years	1,166,107	918,112	2,577,729
Total payments	1,247,867	1,013,844	3,890,982
Total unpaid claims and claims adjustment expenses at end of period	\$ 7,013,000	6,187,533	7,246,215

See independent accountant's compilation report on supplement information.

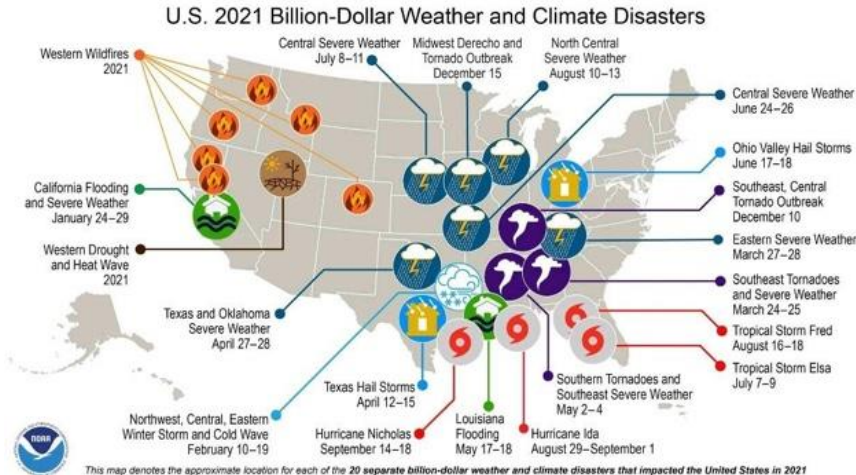


LARM Board Meeting Market Update

March 2022

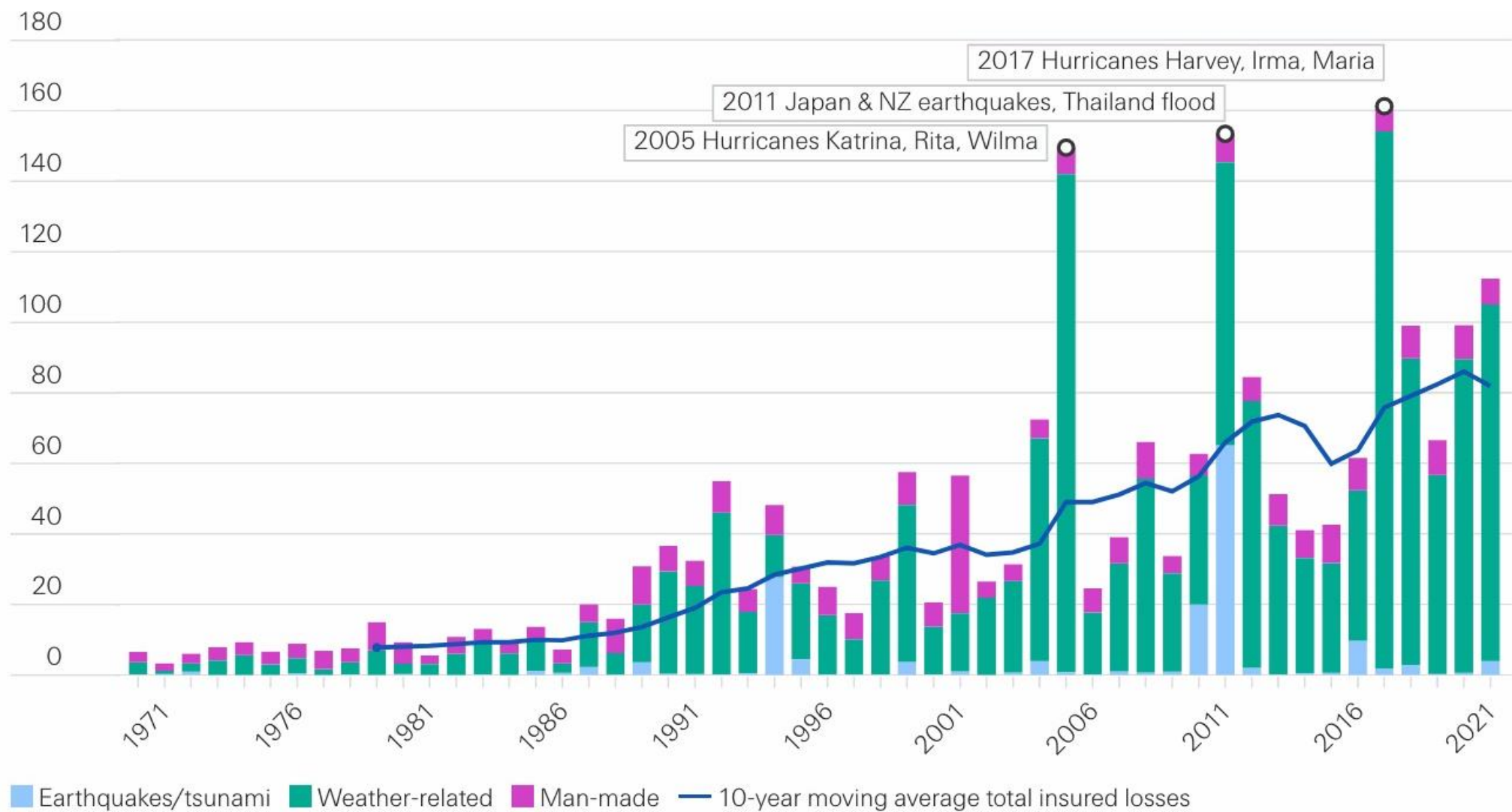
(THIS INFORMATION HAS BEEN CONSOLIDATED FROM VARIOUS INDUSTRY SOURCES)

Overview of the Property Market



- **CAT Losses** - Key market driver continues to be Cat losses across the US impacting insureds even if no losses. This includes Wildfire, Flooding and Convective Storm (wind/hail) prone areas. Wind/Hail exposed risks now viewed by underwriters as a greater risk than hurricane/coastal/named storm. **2021 will likely be the 4th worst loss year ever**
- **Investment Income** - Lower investment income has led to increased underwriter scrutiny
- **Reduced Capacity** - Standard carriers continue to reduce their capacity by not offering large ground up limits, forcing brokers to build capacity through multiple carriers. Corporate mandates and insurance treaties limit the ability for many carriers to write difficult exposures.
- **Valuation** - Carriers carefully scrutinizing risk – including reviewing TIV to ensure valuations are adequate. Indications are a 5% - 20% trending increase is likely in 2022
- **Rate Increases** - Rates up significantly over the last 24-36 months. Market now showing signs that it is stabilizing, but significant CAT claims could result in a continued hard market
- **Exclusions** - Exclusions included across all markets for COVID and Cyber.
- **Terrorism** – market remains stable with abundant capacity. Cyber exclusion buyback option is latest trend

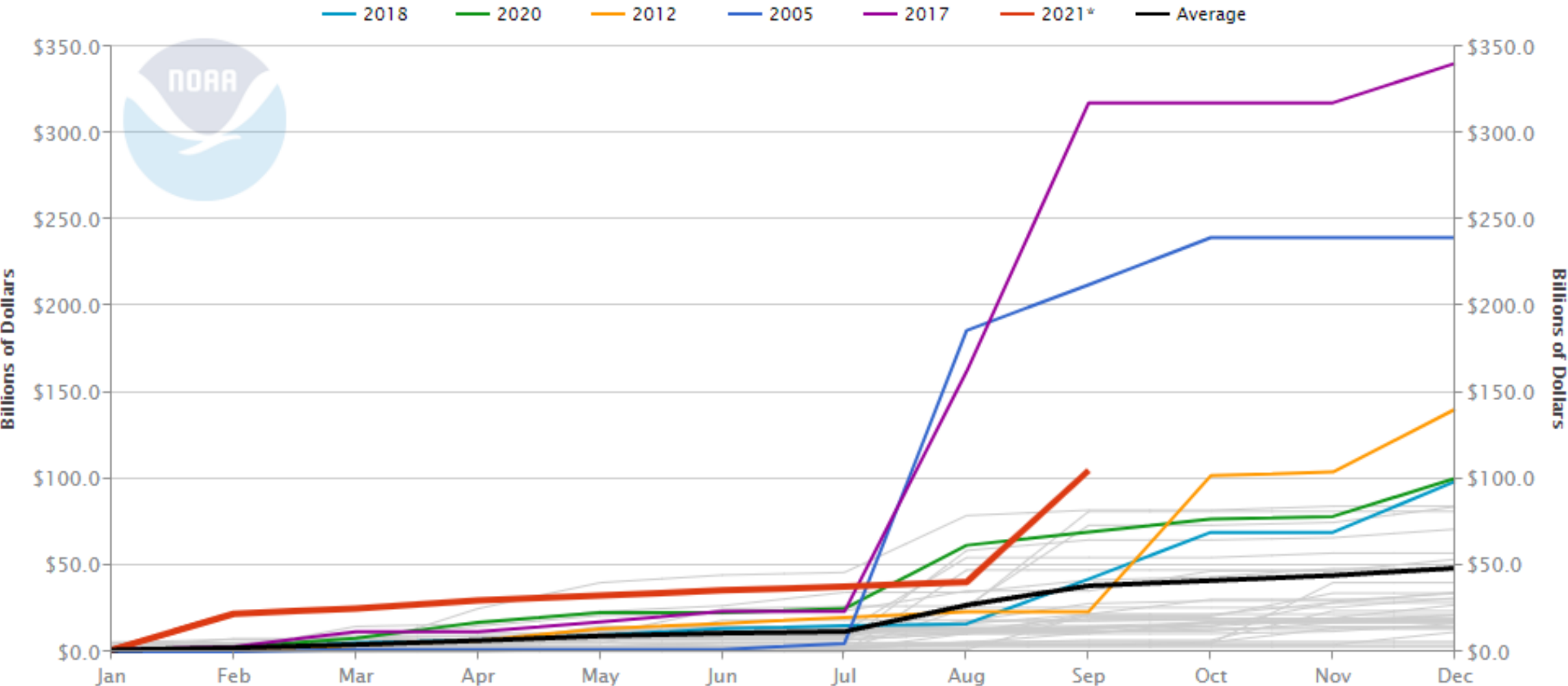
Insured Losses (Billions)



Source: Swiss Re Institute

Six most severe Cat Loss Years on Record (all recent)

1980–2021 Year-to-Date United States Billion-Dollar Disaster Event Cost (CPI-Adjusted)



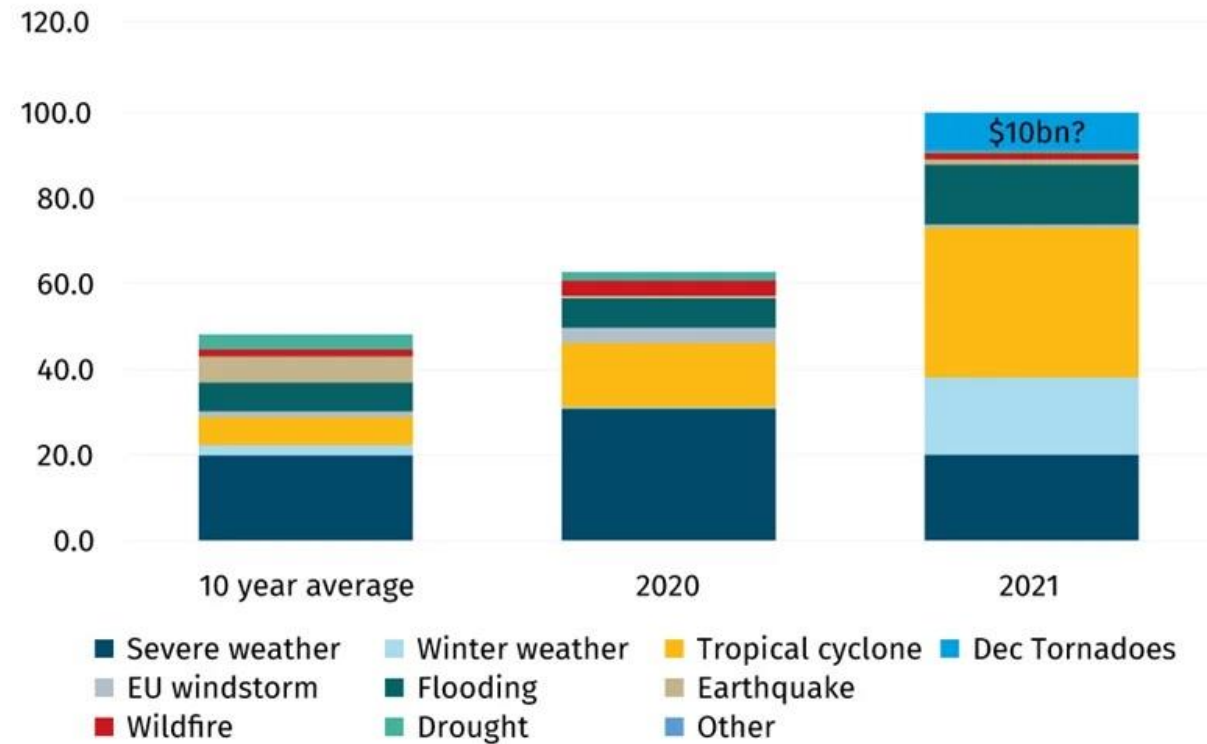
Updated: October 8, 2021

Event statistics are added according to the date on which they end

*Costs not included for Western Wildfires (Summer-Fall 2021), Western Drought and Heatwave (2021), Hurricane Nicholas (September 2021)

Insured CAT Losses

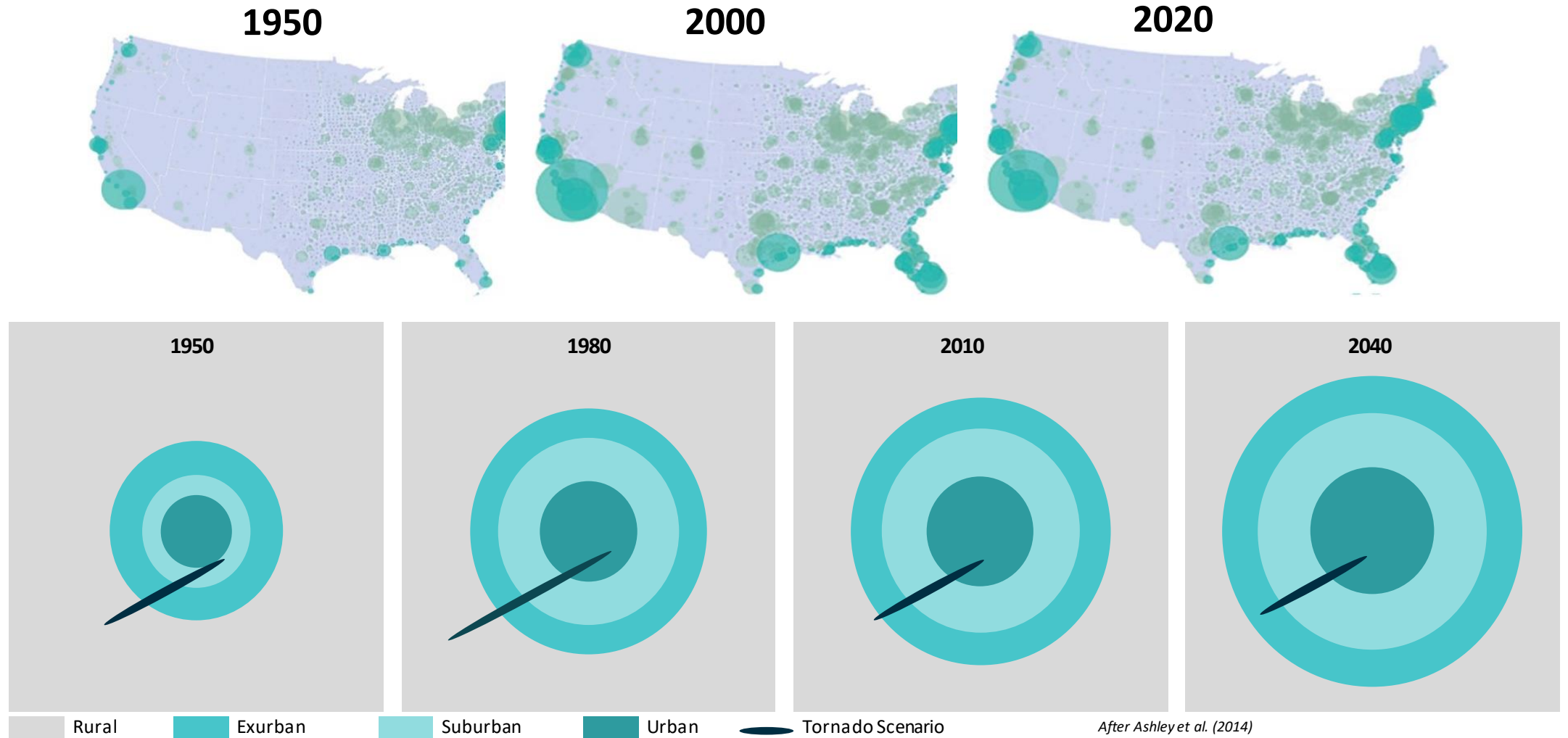
Insured catastrophe losses YTD (\$bn)



Source: Jefferies, Data from Aon Benfield, Munich Re, Swiss Re and Weather Source



Population Growth and Bullseye Effect



Trending

TRENDING!!!!

- Labor Shortages, Material Cost, Inflation, Supply chain issues driving up total insurable values and claims cost
 - Marshall and Swift – 19.7%
 - FM Global – 18.5%
 - Travelers 7%-10%
 - Majority of Markets 5-10%
- Making no change will not be acceptable
- Don't want to get to far behind
- Appraisals

Overview of the Cyber Market



Estimated global damage from ransomware.

2018	2019	2020
\$8 Billion	\$11.5 Billion	\$20 Billion

- **Reduced Capacity** – Significant capacity has withdrawn from the market
- **New Submissions** – Few carriers are entertaining new business and insurers are re-underwriting their books of business, shedding accounts with poor controls, and actively deleveraging their books of business.
- **Ransomware** - cyber losses from ransomware are systemic and continue to be problematic
- **Internal Controls** - Underwriters are examining internal controls, and very technical underwriting for this product line
- **Significant rate strengthening** - structural amendments to programs, and coverage limitations are common for accounts viewed as not having basic or poor IT hygiene
- **Co-Insurance** – leading carriers are pushing for possible 50% co-insurance
- **Retentions** – continued pressure on primary retentions and waiting period for BI losses
- **Public Entity** – amongst the hardest hit due to lack of privacy and security information and large amounts of data. Limited markets and most forced to restructure their programs.
- **Pricing** - due to uptick in claims, significant pricing increases in 2022



State of the Cyber Market: Insurance Companies' Perspective/Feedback

Top 10 cyber insurance carriers (controls about 70 - 75% of the marketplace) all report an overwhelming increase in ransomware claims

- No industry class was spared
- Public Entity was the most successfully targeted sector in terms of penetration by the attackers and frequency
 - Amongst the least prepared due to older software/computer equipment, lack of training, low IT security budgets

The Public Entity sector is now being viewed very closely by Insurance Company management, and continuing to tighten

- Especially for large public entities and JPAs/Pools/Public Entities
- Many markets no longer writing new Public Entity cyber

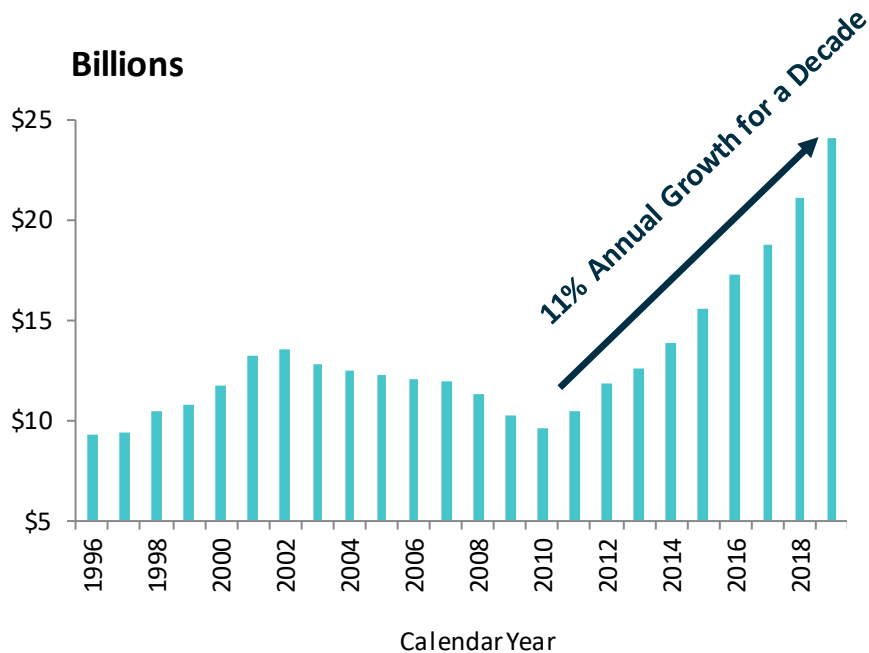
Minimum Standards

Minimum Privacy and Security Needed for Coverage in Marketplace

- Multi Factor Authentication – 100% Implemented
- Endpoint protection, detection, and response product implemented enterprise wide with 24/7/365 response
- Remote Desktop Protocol connections enabled
- Backups
- Planning and Training
- Critical and high severity patches installed within 1-7 days
- Adequate end of life software

Without good controls, coverage is extremely limited!

Overview of the Casualty Market



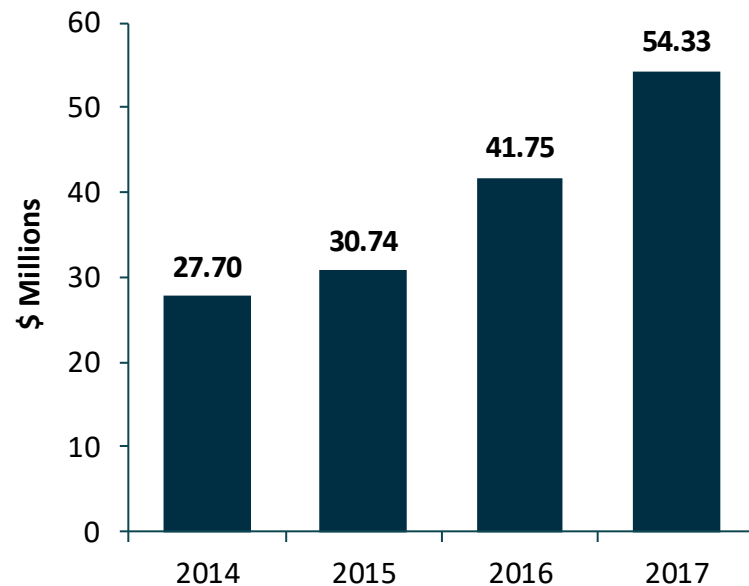
- **Reduced Capacity** - reduced capacity and some reinsurer withdrawals have been significant over the past two years
- **Social inflation** - driving up liability verdicts and settlements
- **Litigation Financing** - continues to drive large claims and 68% of firms are using it in 2021
- **Underwriter Scrutiny** – reinsurers are seeking to grow prudently and are maintaining a disciplined, conservative underwriter approach.
- **Hyper Social Inflation** – “A Texas jury awarded \$300 billion to the family of a teen and her grandmother, who were killed in a 2017 crash with a drunk driver.” This type of verdict is meant to send a message to others.
- **Labor Shortage** – everyone is doing more with less
- **Rate Increases** – rate pressure has continued but not at the same rate as seen in 2020 and 2021
- **Exclusions** – continued restrictions surrounding sexual abuse, Wildfire Exclusions, COVID, cyber, and opioids

The Changing Legal Environment



Anchoring: “Jackpot Justice”

Median, 50 Largest Jury Verdicts



Sources: Swiss Re Economic Insights, Burford Capital.

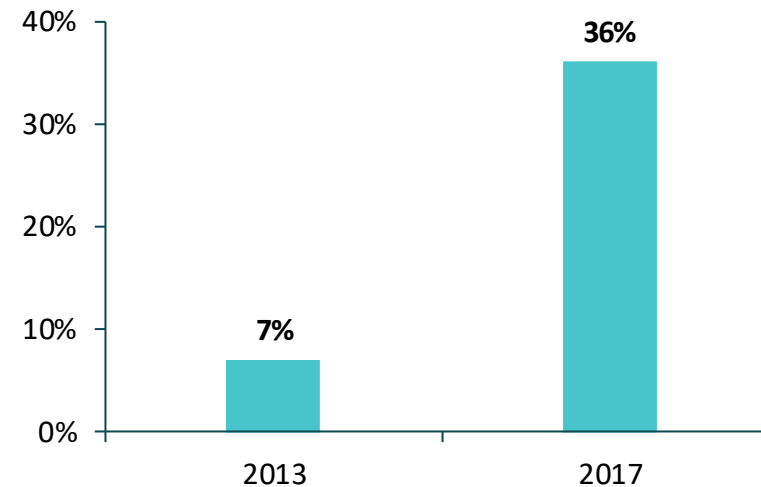


Litigation Financing












Percent of US Law Firms Using Litigation Financing

Litigation is a financeable asset.

– **68%** of US Law Firms



Sample Market Capacity Reductions

 <p>2015 (\$ Millions): 25 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 2</p>
 <p>2015 (\$ Millions): 5 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 10</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 2</p>
 <p>2015 (\$ Millions): 5 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 5 2020 (\$ Millions): 3</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 5</p>
 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 20 2020 (\$ Millions): 10</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 5</p>	 <p>2015 (\$ Millions): 10 2020 (\$ Millions): 5</p>
<p>2015 (\$ Millions) Total 170</p>		<p>2020 (\$ Millions) Total 83</p>	



Thank you!
Questions?

UNITED STATES DISTRICT COURT
DISTRICT OF NEBRASKA

Light of the World Gospel Ministries, Inc.)	Case No. 8:18-cv-312
)	
Plaintiff,)	
v.)	CONSENT DECREE
)	
Village of Walthill, Nebraska,)	
)	
Defendant.)	
_____)	

WHEREAS, Plaintiff Light of the Word Gospel Ministries, Inc. (“LOTW” or the “Church”) wishes to construct a facility for worship and ministry on property it owns within the Village of Walthill, Nebraska (the “Village”) (LOTW and the Village are each a “Party” and collectively the “Parties”);

WHEREAS, the Church initiated this action alleging claims under the Religious Land Use and Institutionalized Persons Act (“RLUIPA”) (42 U.S.C. § 2000cc et seq.), the First Amendment to the United States Constitution, the Civil Rights Act of 1964 (42 U.S.C. § 1983), and Nebraska open meeting and recordkeeping statutes;

WHEREAS, the Village seeks to preserve the commercial character of its C-1 commercial district in accordance with its comprehensive plan and zoning laws;

WHEREAS, the Village denies any liability or fault for the claims asserted in this matter, and specifically denies it is liable to the Church;

WHEREAS, the Parties seek to resolve this matter via this Consent Decree and a separate contractual agreement entered between the Parties contemporaneously herewith;

NOW, THEREFORE, in resolution of this action, and with the agreement of the Parties, it is hereby ORDERED, ADJUDGED and DECREED as follows:

JURISDICTION

1. This Court has jurisdiction over the Parties and the subject matter of this action, and the Court has authority to enforce and administer the terms of this Consent Decree.

2. The terms and conditions of this Consent Decree shall be binding on the Church, the Village, and the Court for a period of three years from the date this Consent Decree is entered and becomes effective (the “Supervision Period”). Immediately thereafter, and without any further action by this Court or the Parties hereto, this Consent Decree and the Court’s jurisdiction related hereto shall be null, void, and rescinded.

3. This Court shall retain exclusive jurisdiction over this Consent Decree for the duration of the Supervision Period solely to enforce its terms and to resolve any disputes arising under it, should such need arise. The Church and the Village shall endeavor to resolve informally any differences regarding interpretation of or compliance with this Consent Decree prior to seeking relief from this Court.

EFFECTIVE DATE

4. This Consent Decree shall become effective when both the following have occurred: (1) this Court has approved this Consent Decree and entered it on the docket, and (2) the Court in *United States of America v. Village of Walthill, Nebraska*, Case No. 8:20-cv-69 (D. Neb.) (the “DOJ Case”), has approved and entered on its docket the contemporaneously proposed consent order in the DOJ Case. Should the court in the DOJ Case not approve the proposed consent order before it, this Consent Decree shall be null and void and of no effect, even if fully executed and entered on this Court’s docket.

DEFINITIONS

5. The term “Consent Decree” shall mean this Consent Decree, including its attachments, exhibits, or appendices.

6. The term “Main Street Properties” as used herein shall mean that real property in the Village of Walthill, Nebraska, owned by the Church on lots 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 of the block now bordered on the south by Main Street, on the west by Hayden Street, on the north by Farrington Avenue, and on the east by Tallman Street. A diagram showing the Main Street Properties and the related lot numbers is attached hereto as Exhibit 1.

7. The term “Commercial Business” shall mean an establishment separate and distinct from other activities of the Church, which may be operated by the Church and may be either a component of the Church’s ministries, a nonprofit organization affiliated with the Church, or a separately owned business enterprise, or which may be owned or operated by another individual or entity at the discretion of the Church, that sells goods or services to the public for money through a retail storefront fronting Main Street in Walthill, Nebraska on any of the Main Street Properties.

8. The term “Operate” shall mean, at a minimum, being open to the public and available to conduct Commercial Business for no less than 20 hours per week, excluding federal and state holidays, on the days of the week and during the hours to be determined by the Church, changes to which the Church shall report to the Village weekly.

9. The term “Church Purposes” shall include, without limitation, religious worship, ministry, outreach, education, childcare, and the conduct of services such as weddings, funerals and baptisms. For the purposes of this Consent Decree, “Church Purposes” shall be broadly construed to include any activity which a church might use a property for in support of its religious mission other than a Commercial Business.

REQUIREMENT OF GOOD FAITH

10. The Church and the Village shall at all times act in good faith to effectuate the purposes of this Consent Decree and to carry out all requirements of this Consent Decree.

11. In the event of a failure by one Party (the “Responding Party”) to act in good faith or to perform in a timely manner any act required by this Consent Decree or otherwise to act in conformance with any provision in this Consent Decree, the other Party (the “Complaining Party”) shall provide written notice of such violation to the Responding Party. The Responding Party shall then have 30 days to cure any deficiency. If the Responding Party fails to cure, the Complaining Party may move this Court to enforce this Consent Decree and to impose any remedy authorized at law or equity, including but not limited to an order requiring performance of such act or deeming such act to have been performed.

BUILDING PLANS

12. The Parties have prepared drawings of the exterior frontage of the Main Street side of the multi-use building the Church plans to build on lots 7 through 12 of the Main Street Properties (the “New Building”), attached hereto as Exhibit 2. The floor plan of the New Building is attached hereto as Exhibit 3.

13. The Church and the Village agree that the following design elements are necessary for the Church to build the New Building:

a. The design shall include ingress/egress exterior doors on the parts of the building designated on Exhibit 2 and Exhibit 3 as the Commercial Businesses of a “bookstore” and a “café.” The Church entrance shall have conspicuous exterior signage that clearly identifies the Church entrance, and the Commercial Businesses shall have conspicuous exterior signage that clearly identifies the commercial nature of the businesses in those parts of the building, so

that anyone on Main Street in Walthill immediately would recognize the Church entrance and the entrances to the businesses.

b. The design shall include columns, or other vertical elements, on the exterior of the building that extend from the sidewalk to the roof as a further visual means of separating the Commercial Businesses from the entrance to the Church.

c. The requirements of Sections 504.08(1)(A) and 504.08(1)(C) of the Village's zoning ordinance shall not apply to the design of the building, and any brick façade on the building shall extend from the sidewalk no more than 48 inches up the exterior wall of the building.

14. The Village agrees that the documents attached as Exhibit 2 and Exhibit 3 meet the requirements set forth in Paragraph 13, above, including subparts a. through c., with respect to LOTW's plans to build the New Building.

15. The Church shall build the New Building pursuant to Exhibit 2 and Exhibit 3, unless changes are jointly agreed to by the Parties.

16. The reasonable fees and costs of the design professional for the preparation of Exhibit 2 and Exhibit 3 shall be paid equally by the Church and the Village.

CHURCH'S DUTIES—BUILD AND OPERATE BUSINESSES; INDEMNITY

17. The Church affirms its desire and intention to Operate two Commercial Businesses in the New Building as a ministry to the community, and to do so for as long as it uses the New Building for Church Purposes. In addition to using the New Building for Church Purposes, the Church will Operate no less than two Commercial Businesses in the New Building as set forth in this Consent Decree, and agrees to continue such Operation of Commercial

Businesses in the future as set forth in the Settlement Agreement between the Parties attached hereto as Exhibit 8 (the “Settlement Agreement”).

18. The Church may begin to use the New Building for Church Purposes as soon as one of the two Commercial Businesses begins to Operate, so long as the second Commercial Business begins to Operate within twelve (12) months of the first day the Church uses the New Building for Church Purposes. Thereafter, the Church may continue to use the New Building for Church Purposes so long as it Operates two Commercial Businesses in the spaces indicated as a café and a bookstore on Exhibit 3 in accordance with the terms of this Consent Decree and the Settlement Agreement and the subparts to this Paragraph:

a. The Church will Operate two Commercial Businesses in the New Building for ten (10) years (the “Term”). The Term will begin the first day one of the two Commercial Businesses begins to Operate as long as the second Commercial Business begins to Operate within twelve (12) months of that day, otherwise the Term will begin the first day the second Commercial Business begins to Operate.

b. During the Term, in addition to Operating Commercial Businesses in the spaces indicated as a café and a bookstore on Exhibit 3, the Church may use those same spaces for Church Purposes, as well. If during the Term the Church ceases to Operate a Commercial Business in one of the spaces indicated as a café and a bookstore on Exhibit 3: 1) the Church will be unable to use that space until a Commercial Business resumes Operation in that space, except the Church can use the Church’s Main Street entrance for entering and exiting, etc., and it can use the bathrooms; provided, however, that if the Church nevertheless uses the space for any purpose before it resumes Operation of a Commercial Business in that space, such use shall constitute a breach of this Consent Decree and of any permit issued for the New Building

pursuant hereto; 2) the time required for the Term will be tolled until a Commercial Business resumes Operation in that space; and 3) the Church may use the rest of the New Building for Church Purposes regardless of whether one or more Commercial Businesses are Operating in the New Building. If the Church ceases to Operate a Commercial Business in one of the spaces indicated as a café and a bookstore on Exhibit 3 but does not use the space for any purpose before it resumes Operation of a Commercial Business in that space, the Church shall not be considered to have breached this Consent Decree or any permit issued for the New Building pursuant hereto. The same provisions apply if the Church ceases to operate both Commercial Businesses in the spaces indicated on Exhibit 3.

c. If during the Term the Church continues to Operate the Commercial Businesses but in a particular week it does not Operate the Commercial Businesses for the full 20 hours and is not otherwise permitted to Operate for less than 20 hours that week, the Church may choose to make up the missed Operating hours within the four subsequent weeks.

d. At the end of the Term the Church may at its discretion continue to Operate one or both Commercial Businesses in the New Building but is not required to do so to use the entire New Building for Church Purposes indefinitely.

19. Although Exhibit 2 and Exhibit 3 indicate that the Commercial Businesses contemplated by the Church will be a bookstore and a café, the Church may at any time substitute other Commercial Businesses in these spaces, so long as the substituted Commercial Business or Commercial Businesses comply with the provisions of Paragraphs 7-9 and 13, including subparts.

20. The Parties agree that the parking lot as shown on Exhibit 3 on lots 16 and 17 of the Main Street Properties is a permitted accessory use or structure under the Village's zoning

ordinance and that the Church may construct and use the parking lot before, during and/or after it constructs the New Building.

21. The Church shall indemnify and hold harmless the Village from any and all third-party claims, actions, or disputes arising out of or related to damages caused by the Church's contemplated demolition or construction activities.

VILLAGE'S DUTIES—PERMIT APPROVAL

22. The Church has submitted the following requests for permits (the "Permit Requests") related to the construction of the New Building:

- Building Permit Application (Exhibit 4) seeking approval to demolish all existing structures on the Main Street Properties.
- Building Permit Application (Exhibit 5) seeking approval to build a multi-use building including a church complex with two businesses and a parking lot.
- Special Use Permit Application (Exhibit 6) seeking indefinite approval for its multi-use building including a church complex with two businesses and parking lot.
- Application for Zoning Permit (Exhibit 7) seeking approval for a metal building with brick facia and cement panels for a church complex with two businesses.

23. The Village shall approve the Permit Requests subject only to the terms of this Consent Decree and the Settlement Agreement entered between the Parties contemporaneously with this Consent Decree and the following additional terms:

a. The time restrictions listed in footnote 1 of the Building Permit Applications (Exs. 4 and 5), which limit the time in which work must begin and limit the time that work may be discontinued, shall not apply to the work requested by the Building Permit

Applications (Exs. 4 and 5). The Church must begin the work approved on the Building Permit Application (Ex. 4) seeking approval to demolish all existing structures on the Main Street Properties no later than two years from the latter of the date of issuance or the date this Consent Decree becomes effective. The Church must begin the work approved on the Building Permit Application (Ex. 5) seeking approval to build a multi-use building including a church complex with two businesses and a parking lot no later than three and one half (3.5) years from the latter of the date of issuance or the date this Consent Decree becomes effective.

b. The Special Use Permit Application (Ex. 6) and the Application for Zoning Permit (Ex. 7) shall be contingent upon the Church maintaining Operation of the Commercial Businesses in accordance with this Consent Decree and the Settlement Agreement until the end of the Term. Upon completion of the Term the Church may at its discretion continue to Operate one or both Commercial Businesses in the New Building but is not required to do so to use the entire New Building for Church Purposes indefinitely.

24. Once granted, the Village may not revoke its approval of any of the Permit Requests except upon the failure of the Church to cure any violation of the Church's duties regarding the New Building as set forth in this Consent Decree, nor may the Village revoke any permits related to the Future Building for failure of the Church to cure any violation of the Church's duties regarding the New Building as set forth in this Consent Decree. The Village may not revoke its approval of any of the Permit Requests if the Church is in compliance with its duties regarding the New Building as set forth in this Consent Decree. The Church may challenge or appeal revocation of any of the Permit Requests as a violation of this Consent Decree and applicable law. The Village nonetheless may revoke its approval of the Permit

Requests if either this Court or the court in the DOJ Case fails to approve its respective consent decree or order.

25. The Village affirms the Permit Requests are all the forms, requests or other documents it requires for the demolition, construction and uses requested by the Church.

26. The Village shall not enact or amend any ordinance or other regulation or requirement inconsistent with the terms of this Consent Decree or that would prevent the Church from using the Main Street Properties as a multi-use facility or for Church Purposes as set forth in this Consent Decree.

27. The Church may not sell, assign, or, in any way, including by operation of law, transfer any of the Church's rights or obligations under this Consent Decree.

DUTIES REGARDING FURTHER DEVELOPMENT

28. The Parties anticipate that the Church will seek to engage in further development on one or more of Lot Nos. 13 through 15 of the Main Street Properties. The Church anticipates this development will take the form of an additional building (the "Future Building").

29. When the Church decides to develop one or more of Lot Nos. 13 through 15 of the Main Street Properties as a Future Building, it shall submit appropriate permit applications for the Future Building, including drawings similar to Exhibit 2 and Exhibit 3.

30. The Village shall not bear any costs for the Future Building, including without limitation design and architectural costs.

31. The Future Building will use similar design, signage, and architectural features as the New Building and will also comply with the requirements of Paragraphs 7-9, 13, and 21, above, including subparts, except that instead of the bookstore and café contemplated in Exs. 2

and 3, the Future Building shall conform to one of the three Options appearing below as subparts to this Paragraph.

a. Option 1: Two Commercial Businesses. In the same manner as the New Building, the Future Building shall be built with two Commercial Businesses, with a minimum of 22% of the total square footage of the Future Building used for said Commercial Businesses, which the Church shall Operate on the same terms and in the same manner as the Commercial Businesses in the New Building.

b. Option 2: One Commercial Business. Instead of two Commercial Businesses, the Church may elect to build and Operate a single Commercial Business in the Future Building, with a minimum of 22% of the total square footage of the Future Building being used for said Commercial Business, which the Church shall Operate on the same terms and in the same manner as the Commercial Businesses in the New Building.

c. Option 3: Community Youth Center. A social, learning and recreational center intended primarily for use by children ages 11 to 18 years to promote their physical, social, emotional and spiritual well-being and development (a "Community Youth Center") shall be considered to be a Commercial Business for the purposes of this Consent Decree. The Church may Operate a Community Youth Center in the Future Building, with a minimum of 22% of the total square footage of the Future Building being used for said Community Youth Center, which the Church shall Operate on the same terms and in the same manner as the Commercial Businesses in the New Building, except that while the Community Youth Center must be open to the public, it need not sell goods or services to be considered a Commercial Business under this Consent Decree.

d. The Church may at any time substitute any Option listed in this Paragraph for or any other Option listed in this Paragraph. The Church may at any time change any Commercial Business in the Future Building to another Commercial Business in the same space(s), so long as the new Commercial Business or Commercial Businesses comply with the provisions of Paragraphs 7-9 and 13, including subparts.

32. The terms “Option 1,” “Option 2,” and “Option 3” in this Paragraph refer to the Options described in the preceding Paragraph 31. The Church may begin to use the Future Building for Church Purposes as soon as one of the two Commercial Businesses begins to Operate under Option 1, so long as the second Commercial Business begins to Operate within twelve (12) months of the first day the Church uses the Future Building for Church Purposes; or as soon as the one Commercial Business begins to Operate under Option 2; or as soon as the Community Youth Center begins to Operate under Option 3. Thereafter, the Church may continue to use the Future Building for Church Purposes so long as it Operates one or two Commercial Businesses or a Community Youth Center in accordance with the terms of this Consent Decree and the subparts to this Paragraph:

a. The Church will Operate one or two Commercial Businesses or a Community Youth Center in the Future Building in accordance with Option 1, Option 2, or Option 3, for eight (8) years (the “Future Term”). Under Option 1, the Future Term will begin the first day one of the two Commercial Businesses begins to Operate as long as the second Commercial Business begins to Operate within twelve (12) months of that day, otherwise the Future Term will begin the first day the second Commercial Business begins to Operate. Under Option 2 the Future Term will begin the first day the one Commercial Business begins to

Operate. Under Option 3 the Future Term will begin the first day the Community Youth Center begins to Operate.

b. During the Future Term, in addition to Operating one or more Commercial Businesses or a Community Youth Center in a designated space(s) in the Future Building, the Church may use that same space(s) for Church Purposes, as well. If during the Future Term the Church ceases to Operate one or more Commercial Businesses or a Community Youth Center in the Future Building: 1) the Church will be unable to use that space designated for the Commercial Business or Community Youth Center until a Commercial Business or a Community Youth Center resumes Operation in that space, except the Church can use any Main Street entrance for entering and exiting, etc., and it can use any bathrooms; provided, however, that if the Church nevertheless uses the space for any purpose before it resumes Operation of a Commercial Business or Commercial Businesses or a Community Youth Center in that space, such use shall constitute a breach of this Consent Decree and of any permit issued for the Future Building pursuant hereto; 2) the time required for the Future Term will be tolled until a Commercial Business or a Community Youth Center resumes Operation in that space; and 3) the Church may use the rest of the Future Building for Church Purposes regardless of whether one or more Commercial Businesses or a Community Youth Center are Operating in the Future Building. If the Church ceases to Operate a Commercial Business or Commercial Businesses or a Community Youth Center in the Future Building but does not use the space designated for same for any purpose before it resumes Operation of a Commercial Business or Commercial Businesses or a Community Youth Center in that space, the Church shall not be considered to have breached this Consent Decree or any permit issued for the Future Building pursuant hereto.

The same provisions apply if the Church ceases to operate both Commercial Businesses under Option 1.

c. If during the Future Term the Church continues to Operate the one or two Commercial Businesses or a Community Youth Center but in a particular week it does not Operate the one or two Commercial Businesses or a Community Youth Center for the full 20 hours and is not otherwise permitted to Operate for less than 20 hours that week, the Church may choose to make up the missed Operating hours within the four subsequent weeks.

d. At the end of the Future Term the Church may at its discretion continue to Operate one or two Commercial Businesses or a Community Youth Center in the Future Building but is not required to do so to use the entire Future Building for Church Purposes indefinitely.

33. If the proposed Future Building complies with the requirements of Paragraphs 7-9, 13 and 21, including subparts, the Village shall approve the Church's permit applications related to the Future Building. The Village may not revoke its approval of the permit applications except upon the failure of the Church to cure any violation of the Church's duties regarding the Future Building as set forth in this Consent Decree, nor may the Village revoke any permits related to the New Building for failure of the Church to cure any violation of the Church's duties regarding the Future Building as set forth in this Consent Decree. The Village may not revoke its approval of the permit applications if the Church is in compliance with its duties regarding the Future Building as set forth in this Consent Decree. During the Supervision Period, the Church may challenge or appeal revocation of any of the permit applications as a violation of this Consent Decree and applicable law.

34. The Village shall not enact or amend any ordinance or other regulation or requirement inconsistent with the terms of this Consent Decree or that would prevent the Church from using the Main Street Properties as a multi-use facility or for Church Purposes as set forth in this Consent Decree.

**PAYMENT AND DISBURSEMENT OF FUNDS, COSTS AND FEES; RELEASE AND
DISMISSAL OF ACTION WITH PREJUDICE**

35. The Village shall pay the sum of \$500,000.00 (Five Hundred Thousand U.S. Dollars) (the “Funds”) to this Court’s registry within 30 days of the entry of this Consent Decree. The Funds shall remain in the Court’s registry until distributed by order of this Court. The Church shall be responsible for notifying any and all potential claimants of the Funds of this Consent Decree and the location of the Funds. The Village takes no position on the apportionment of these funds between any claimant and shall have no further duty related in any way to disbursement once it pays the Funds into the Court’s registry.

36. The Church and the Village shall be responsible for the payment of their own litigation costs and attorney’s fees incurred in this litigation.

37. This Consent Decree is made in full satisfaction of the Church’s claims contained in its Verified Amended Complaint and Demand for Jury Trial (Filing No. 13).

38. Each Party, on its own behalf and on behalf of its related and affiliated entities, successors, and assigns, and all persons or entities taking by or through it, releases, acquits, and forever discharges and holds harmless the other Party and its related and affiliated entities, and its present and former officers, directors, partners, members, managers, employees, attorneys, agents, contractors, successors, and assigns (collectively, the “Released Parties”), from and against any and all claims, rights, demands, actions, obligations, liabilities, and causes of action of any kind and every kind, nature, and character whatsoever, known and unknown, that either

Party may now have, or may ever have had, or may ever believe it has against the other Party and/or its Released Parties that arise from or relate to any acts or omissions by the other Party and/or its Released Parties occurring on or before the date of this Consent Decree, including without limitation all claims arising from or relating to the allegations in the Church's Verified Amended Complaint and Demand for Jury Trial (Filing No. 13). Notwithstanding the foregoing, nothing in this Paragraph shall excuse or release the Parties from their obligations under this Consent Decree or the Settlement Agreement. Each Party represents and warrants that the party has not assigned or transferred all or any part of the claims released by the party under this Consent Decree, and that the party is the sole and full owner of the claims released by the party under this Consent Decree.

39. Pursuant to this Consent Decree, the Church's Verified Amended Complaint and Demand for Jury Trial (Filing No. 13) will be dismissed with prejudice immediately upon the entry of this Consent Decree.

FORCE MAJEURE AND DISCLAIMER OF WAIVER OF RIGHTS

40. Nothing in this Consent Decree prevents the Church from demolishing the existing structures on the Main Street Properties or constructing the New Building or Future Building if it is temporarily unable to do so, or from using the New Building or the Future Building for Church Purposes if one or more Commercial Businesses or a Community Youth Center in the New Building or Future Building is temporarily unable to Operate, due to Acts of God, such as fire, flood, or other damage; a natural disaster; a government-ordered closure; a court order or injunction sought by an individual or entity other than the Village; repairs to the property or equipment; or a similar reason beyond the Church's control. Nor will such event(s)

activate the tolling provisions of Paragraphs 18(b) and 32(b). However, business or financial reasons or exigencies unrelated to said Acts of God, etc., shall not qualify under this Paragraph.

41. The Parties agree that the Church does not waive any of its constitutional, statutory or other rights, such as its rights under RLUIPA, by executing this Consent Decree or any other agreement. The Parties also agree that the Village does not waive any of its constitutional, statutory or other rights, including its defenses and its authority to enact and enforce laws, ordinances, or regulations, by executing this Consent Decree or any other agreement.

NON DISPARAGEMENT

42. No party to this litigation, or representative of any party, shall in any way denigrate or disparage any other party, any party's employees or agents, or party representative hereto by communicating, whether orally or in writing, any false, untruthful, or materially misleading representations regarding any other party hereto or their representatives.

BINDING ON SUCCESSORS

43. This Consent Decree shall inure to the benefit of and is binding on the Church's and the Village's successors, transferees, heirs, and assigns.

44. The Church and the Village agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Consent Decree is illegal or invalid.

ENTIRE AGREEMENT

45. This Consent Decree, including the attached Settlement Agreement (Exhibit 8), contains the entire agreement between the Church and the Village. No agreements or negotiations, oral or otherwise, between the Church and the Village that are not included herein

shall be of any force or effect. This Consent Decree may only be amended by the Court, however, the attached Settlement Agreement (Exhibit 8) may be amended by agreement of the Parties.

CONSTRUCTION

46. The Parties warrant and represent that they have jointly drafted this Consent Decree, each with the assistance of their own counsel, and, accordingly, they agree that the Consent Decree shall not be construed against either party solely because such party is deemed to be the author of the Consent Decree. The Parties further represent and warrant that they have each read this Consent Decree and attached Settlement Agreement, understand the same, and execute it voluntarily and upon their own best judgment.

47. The section headings or any similar labels contained in this Consent Decree are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Consent Decree.

CAPACITY TO BIND PARTIES

48. The undersigned representatives of the Church and the Village and their respective counsel represent and warrant that they are fully authorized to enter into this Consent Decree on behalf of the persons and entities indicated below.

IT IS SO ORDERED this 17th day of ~~September, 2021.~~
February, 2022.

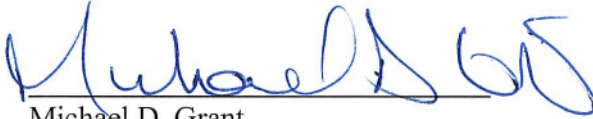
BY THE COURT:

A handwritten signature in black ink, appearing to read "B. C. Buescher", written over a horizontal line.

Hon. Brian C. Buescher
United States District Judge

FOR THE DEFENDANT, VILLAGE OF WALTHILL, NEBRASKA:

BY:



Michael D. Grant

Chairperson of the Board of Trustees of Walthill, Nebraska

AND:



Jason W. Grams, #24596

LAMSON, DUGAN & MURRAY, LLP

10306 Regency Parkway Drive

Omaha, Nebraska 68114

Tel: (402) 397-7300

Fax: (402) 397-7824

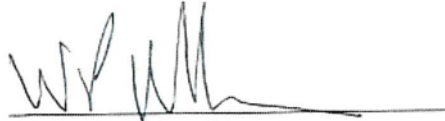
jgrams@ldmlaw.com

Counsel for the Village of Walthill, Nebraska

DATED this 1st day of September, 2021.

FOR THE PLAINTIFF, LIGHT OF THE WORLD GOSPEL MINISTRIES, INC.:

BY:



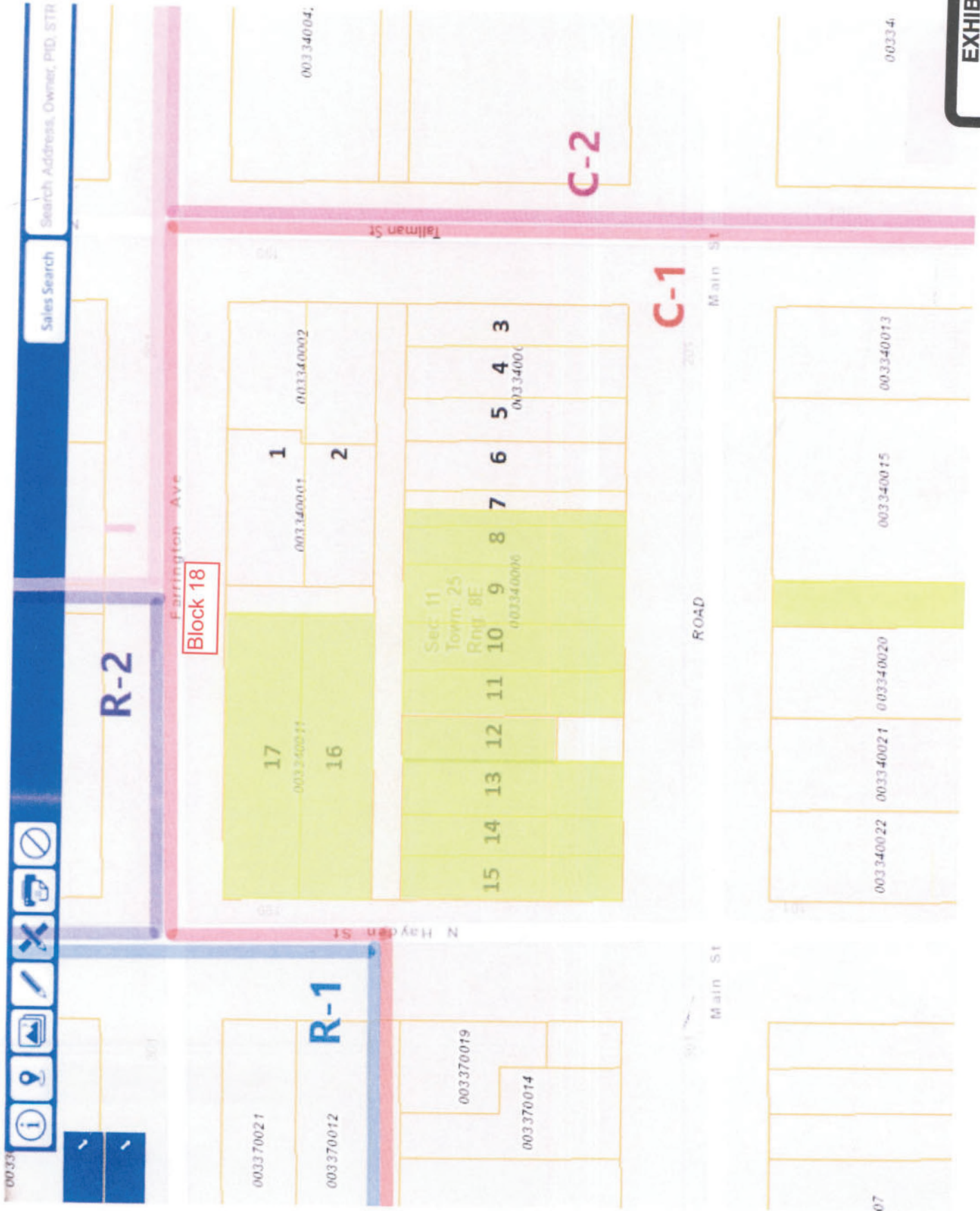
William Paul Malcomson
Pastor

AND:



Roger Byron, TX #24062643
FIRST LIBERTY INSTITUTE
2001 W. Plano Parkway, Suite 1600
Plano, Texas 75075
rbyron@firstliberty.org
Counsel for Plaintiff

DATED this 1st day of September, 2021.









GOSPEL MINISTRIES
LIGHT OF THE WORLD

FLOOR PLAN
14,011 SQ FT



SITE PLAN
1" = 10'



EXHIBIT
3



**VILLAGE OF WALTHILL, NEBRASKA
BUILDING PERMIT APPLICATION**

Building Permit Number: D-09012021

Date¹: 09-01-2021

The undersigned hereby makes application to:

Check One	Type of Project	Application fee ²
<input type="checkbox"/>	New construction (residential)	\$25.00
<input type="checkbox"/>	New construction (commercial)	\$50.00
<input type="checkbox"/>	Remodel / alteration / repair (residential)	\$25.00
<input type="checkbox"/>	Remodel / alteration / repair (commercial)	\$50.00
<input type="checkbox"/>	Demolition (residential) ³	\$25.00
<input checked="" type="checkbox"/>	Demolition (commercial) ⁴	\$50.00
<input type="checkbox"/>	Building relocation (residential) ⁵	\$25.00
<input type="checkbox"/>	Building relocation (commercial) ⁶	\$50.00

Size of structure 14,000 FT² Height of structure 12' - 26'

Legal description of real property on which structure is located:

Block # SEE ATTACHED Lot # _____ Addition/Filing # _____

Other legal description: _____

Zoning district, if applicable: C1, COMMERCIAL ZONING

If building relocation, legal description of real property to which building will be relocated: _____

Owner(s) of structure and real property: LIGHT OF THE WORLD GOSPEL MINISTRIES

¹ If the work for which a permit has been issued is not begun within six (6) months of this date, or if the construction shall be discontinued for a period of six (6) months, this permit shall be void. Before such work may be resumed, a new permit shall be obtained in the same manner and form as an original permit. See Village Code, § 4-405.

² Application fees are to be paid to the Village Clerk and are nonrefundable.

³ It shall be the duty of the owner, lessee, or tenant intending the demolition of any building or improvement to post a refundable \$5,000.00 cash bond with the Village Clerk prior to the commencement of demolition. See Village Code, § 4-405.

⁴ See note 3, above.

⁵ If moving any building over or across any street or public way, the owner shall furnish a refundable bond with good and sufficient surety in the amount of \$10,000.00 and strictly comply with all requirements of Village Code, §§ 4-501 through 4-504, inclusive.

⁶ See note 5, above.

Intended use or occupancy and type of structure:

Estimated cost of project: \$100,000

Name(s) and address(es) of contractor, builder, architect, or other person doing work:

COONEY FERTILIZER INC., 1030, 26 ROAD,
WALTHILL, NE, 68067

Estimated date of completion of project: WITHIN 6 WEEKS OF APPROVAL

Other comments:

DEMOLISH EXISTING BUILDINGS

In consideration of the issuance of this permit, the applicant hereby certifies that the above statements are true and correct and hereby agrees to comply with all Village ordinances and regulations in effect, as well as all applicable Nebraska state laws and regulations, including those pertaining to asbestos. If in violation of any ordinances, laws, and regulations or through misrepresentation of facts, this permit becomes null and void, and the applicant may be subject to penalties established.

LIGHT OF THE WORLD GOSPEL MINISTRIES

Applicant Name

214 MAIN ST, WALTHILL, 68067

Applicant Address

402 380 5460

Applicant Telephone

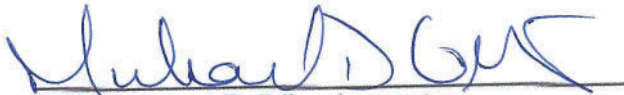
WPM

Applicant Signature

FOR OFFICE USE ONLY:

This permit # D-09012021 is: Approved this 1st day of September 2021

Denied this _____ day of _____.



Chairperson / Building Inspector

*Subject to the terms of the Consent Decree and Settlement Agreement entered into between the parties on September 1, 2021.

If building relocation:

Approved dates and times of relocation: _____

Approved route of relocation:

Chairperson

Complete legal description of property to be demolished

Lot 11, Block 18, Original Plat.

Lot 12 less the South 36 feet of said Lot 12, Block 18, First Filing.

The East 4 inches of Lot 14 and all of Lot 13, Block 18, First Filing.

Lot 14 and 15, less the East 4" of Lot 14, Block 18, First Filing.



VILLAGE OF WALTHILL, NEBRASKA BUILDING PERMIT APPLICATION

Building Permit Number: B-09012021

Date¹: 09-01-2021

The undersigned hereby makes application to:

Check One	Type of Project	Application fee ²
<u> </u>	New construction (residential)	\$25.00
<u>✓</u>	New construction (commercial)	\$50.00
<u> </u>	Remodel / alteration / repair (residential)	\$25.00
<u> </u>	Remodel / alteration / repair (commercial)	\$50.00
<u> </u>	Demolition (residential) ³	\$25.00
<u> </u>	Demolition (commercial) ⁴	\$50.00
<u> </u>	Building relocation (residential) ⁵	\$25.00
<u> </u>	Building relocation (commercial) ⁶	\$50.00

Size of structure 14,011 sq ft Height of structure APPROX: 28'

Legal description of real property on which structure is located:

Block # SEE ATTACHED Lot # SEE ATTACHED Addition/Filing #

Other legal description:

Zoning district, if applicable: C1, COMMERCIAL ZONING

If building relocation, legal description of real property to which building will be relocated:

Owner(s) of structure and real property: LIGHT OF THE WORLD GOSPEL MINISTRIES

¹ If the work for which a permit has been issued is not begun within six (6) months of this date, or if the construction shall be discontinued for a period of six (6) months, this permit shall be void. Before such work may be resumed, a new permit shall be obtained in the same manner and form as an original permit. See Village Code, § 4-405.

² Application fees are to be paid to the Village Clerk and are nonrefundable.

³ It shall be the duty of the owner, lessee, or tenant intending the demolition of any building or improvement to post a refundable \$5,000.00 cash bond with the Village Clerk prior to the commencement of demolition. See Village Code, § 4-406.

⁴ See note 3, above.

⁵ If moving any building over or across any street or public way, the owner shall furnish a refundable bond with good and sufficient surety in the amount of \$10,000.00 and strictly comply with all requirements of Village Code, §§ 4-501 through 4-504, inclusive.

⁶ See note 5, above.

Intended use or occupancy and type of structure:

CHURCH COMPLEX WITH TWO BUSINESSES AND PARKING LOT.

METAL BUILDING WITH BRICK FACIA + CEMENT PANELS

Estimated cost of project: \$ 28-3 MILLION

Name(s) and address(es) of contractor, builder, architect, or other person doing work:

TO BE DETERMINED

Estimated date of completion of project: WITHIN 18 MONTHS OF APPROVAL

Other comments:

In consideration of the issuance of this permit, the applicant hereby certifies that the above statements are true and correct and hereby agrees to comply with all Village ordinances and regulations in effect, as well as all applicable Nebraska state laws and regulations, including those pertaining to asbestos. If in violation of any ordinances, laws, and regulations or through misrepresentation of facts, this permit becomes null and void, and the applicant may be subject to penalties established.

LIGHT OF THE WORLD GOSPEL MINISTRIES

Applicant Name

214 MAIN STREET, WALTHILL, 68067

Applicant Address

402 380 5460

Applicant Telephone

WPM

Applicant Signature

FOR OFFICE USE ONLY:

This permit # B-09012021 is: Approved this 1st day of September 2021

Denied this _____ day of _____.


Chairperson / Building Inspector

*Subject to terms of the Consent Decree and Settlement Agreement entered into
If building relocation: between the parties on September 1, 2021.

Approved dates and times of relocation: _____

Approved route of relocation:

Chairperson

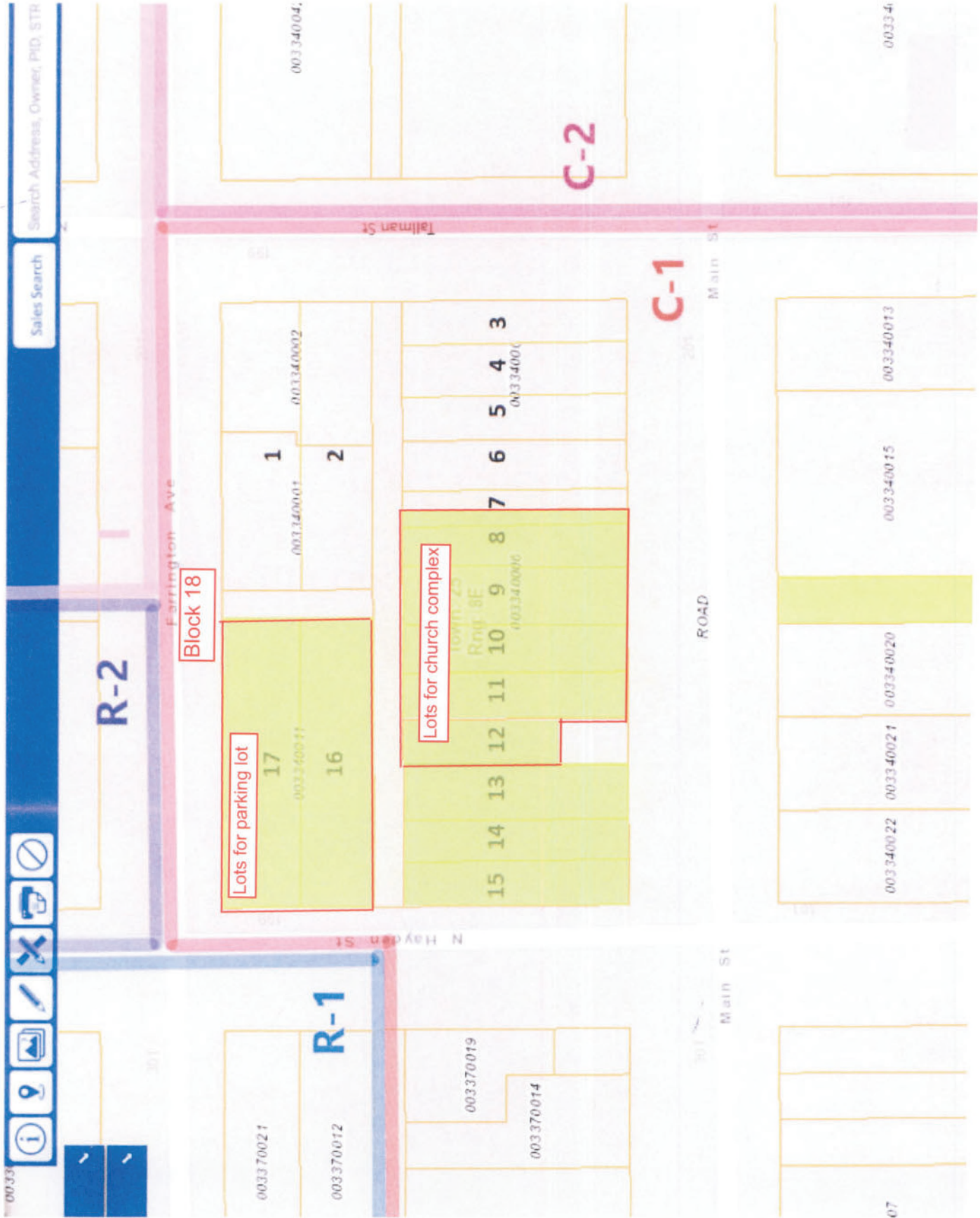
Complete legal description of property

Building:

Lot 8 and the West half (W ½) of Lot 7, Block 18, First Filing.
Lot 9, Block 18, First Filing.
Lot 10, Block 18, Original Plat.
Lot 11, Block 18, Original Plat.
Lot 12 less the South 36 feet of said Lot 12, Block 18, First Filing.

Parking Lot:

Lot 16 and 17, Block 18, Original Plat.



GOSPEL MINISTRIES LIGHT OF THE WORLD

FLOOR PLAN
14,011 SQ FT



1 SITE PLAN
1/16" = 1'-0"





**VILLAGE OF WALTHILL, NEBRASKA
SPECIAL USE PERMIT APPLICATION**

Special Use Permit Number: SU-09012021 Date: 09-01-2021

Applicant's Name: LIGHT OF THE WORLD GOSPEL MINISTRIES

Applicant's Address: 214 MAIN STREET, WALTHILL, 68067

Telephone: 402 380 5460

Present use of property: CHURCH STORAGE

Desired use of property: CHURCH COMPLEX WITH TWO BUSINESSES AND PARKING LOT

Present zoning of property: C1, COMMERCIAL ZONING

Complete legal description of property:

Block # SEE ATTACHED Lot # _____ Addition/Filing # _____

Under what zoning regulation(s) are you seeking this permit? 504.04

For how many years are you seeking this permit? INDEFINITELY

Explain in detail what you propose to do or how you intend to use the property, if granted a special use permit:

RELIGIOUS SERVICES, RELIGIOUS MINISTRIES, CAFE AND
BOOK STORE ON MAIN STREET, BIBLE STUDIES, ETC

How are adjoining properties used? (Indicate both zoning district designations and actual uses):

North VACANT LOT South MAIN STREET

East VACANT BUILDING West VACANT BUILDING

Executed by:

WPM

Owner's Signature

04/02/21
Date

1

EXHIBIT

6

133

FOR OFFICE USE ONLY:

DATE OF PLANNING COMMISSION HEARING: April 26, 2021

Approved ✓ Denied

DATE OF VILLAGE BOARD HEARING: September 1, 2021

Approved ✓ Denied

By making this application, the applicant authorizes the Village zoning administrator and his/her agents to enter upon the property during normal working hours for the purpose of becoming familiar with the proposed situation. The zoning administrator and his/her agents may be accompanied by members of the Village Planning Commission or Board of Trustees.

***Subject to terms of the Consent Decree and Settlement Agreement entered into between the parties on September 1, 2021.**

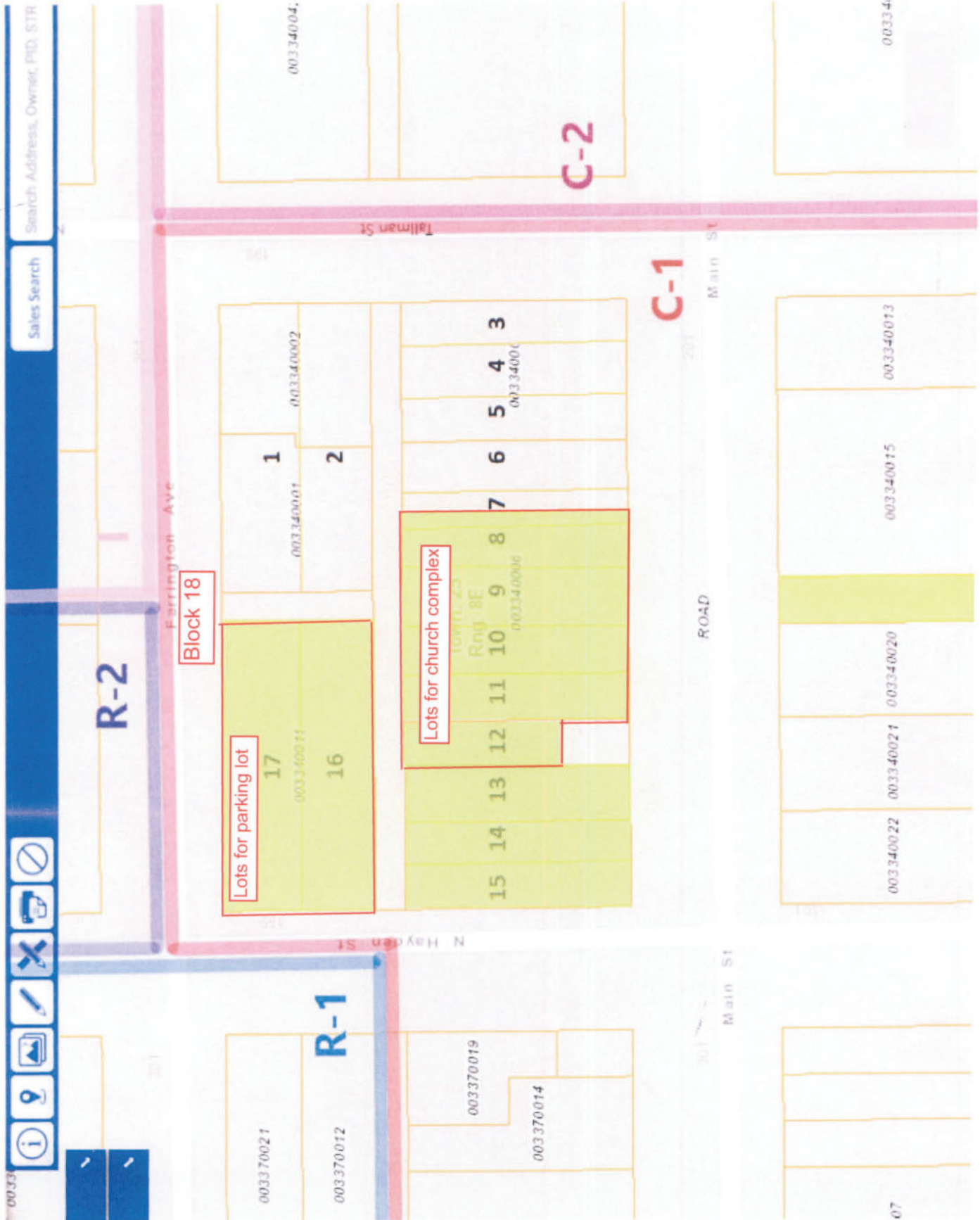
Complete legal description of property

Building:

Lot 8 and the West half (W ½) of Lot 7, Block 18, First Filing.
Lot 9, Block 18, First Filing.
Lot 10, Block 18, Original Plat.
Lot 11, Block 18, Original Plat.
Lot 12 less the South 36 feet of said Lot 12, Block 18, First Filing.

Parking Lot:

Lot 16 and 17, Block 18, Original Plat.



Jurisdiction: _____

Permit Number: Z-09012021

Value of Improvement: _____

Zoning Classification: _____

APPLICATION FOR ZONING PERMIT
WALTHILL PLANNING AND ZONING DEPARTMENT

DIRECTIONS. Fill in the following information as accurately and completely as possible. On the back of this page or on an attached sheet indicate, by drawing, the shape and dimensions of the land, shape and dimensions of all existing and proposed buildings, and distances from building to lot lines. THIS APPLICATION IS NOT ACCEPTABLE UNLESS ALL REQUIRED INFORMATION IS FURNISHED.

Name: LIGHT OF THE WORLD GOSPEL MINISTRIES Phone: 402 380 5460Address: 214 MAIN STREET, WALTHILL, 68067Contractor and address: TO BE DETERMINEDComplete legal description of property: SEE ATTACHEDLocation of construction site from town if in rural area: N/AStreet address of construction site if in town: 211-217 MAIN STREETType of structure or building proposed: METAL BUILDING WITH BRICK FACIA + CEMENT PANELSProposed use of building: CHURCH COMPLEX WITH TWO BUSINESSES
SITE PLANDimensions of structure: SEE ATTACHED Dimensions of property: SEE ATTACHED SITE PLAN

Distance structure will be from:

- A. Front property line or edge of right-of-way IN LINE WITH FRONT PROPERTY LINE
 B. Rear Property Line: (NORTH) 5' 5"
 C. Side property Line: (EAST) 1' 4"
 D. Side property Line: (WEST) 3' 0"
 E. Center of nearest street intersection: (SOUTH) 39' 9"

Area of the property in acres or square feet: 14,400 ^{SQ. FT.} Value of structure: \$2.8-3 MILLION

Approximate start date for construction: TBD Approximate finish date: _____
 Improvement to be assessed to the following party: N/A. LIGHT OF THE WORLD IF REQUIRED

If the structure is a residence, how far will it be from the nearest feed lot? N/A

If the structure is an apartment building or a commercial or industrial building, indicate how many off-street parking spaces will be provided: N/A

ATTACH A DRAWING OF THE PROPOSED STRUCTURE:

The above requested information is, to the best of my knowledge, true and accurate. It is understood and agreed that any error, misstatement or misrepresentation of fact, either with or without intention on my part, such as might, if known, cause a refusal of this application or any alteration or change in plans made without the approval of the Zoning Administrator, subsequent to the issuance of the zoning permit, shall constitute sufficient grounds for the revocation of such permit. This permit is valid for one (1) year from the approval date.

Signed: WPM Date: APRIL 2ND, 20 21
 Applicant

FOR OFFICE USE ONLY

Paid in the amount of \$ _____

Date application disapproved: _____ Date: _____, 20 _____

Disapproval signature (Administrator): _____

Reason for disapproval: _____

Date application approve from appeal: _____ Date: _____, 20 _____

Approved: Michael D. GMS Date: 9/1, 20 21
 Planning and Zoning Administrator

Chairperson

And/or where applicable:

Approved: _____ Date: _____, 20 _____
 Chief Building Officer

Appendix 11-15 Nebraska Planning Handbook
 ** Subject to the terms of the Consent Decree and Settlement
 Agreement entered into between the parties on September 1, 2021.

Complete legal description of property

Building:

Lot 8 and the West half (W ½) of Lot 7, Block 18, First Filing.

Lot 9, Block 18, First Filing.

Lot 10, Block 18, Original Plat.

Lot 11, Block 18, Original Plat.

Lot 12 less the South 36 feet of said Lot 12, Block 18, First Filing.

Parking Lot:

Lot 16 and 17, Block 18, Original Plat.

GOSPEL MINISTRIES
LIGHT OF THE WORLD

FLOOR PLAN
14,011 SQ FT



SITE PLAN
1" = 10'



SETTLEMENT AGREEMENT

This Agreement is entered into effective as of the 1st day of September, 2021, by and between Light of the World Gospel Ministries, Inc. ("LOTW" or "Church") and the Village of Walthill, Nebraska (the "Village" or "Walthill"), (each, a "Party" and collectively, the "Parties").

WHEREAS, the Church wishes to construct a facility for worship and ministry on property it owns within the Village;

WHEREAS, the Church filed a civil action against the Village, Case No. 8:18-cv-312 (D. Neb.) (the "LOTW Case"), alleging violations of the Religious Land Use and Institutionalized Persons Act of 2000 (RLUIPA), 42 U.S.C. §§ 2000cc *et seq.*, the First Amendment to the Constitution of the United States, the Civil Rights Act of 1964, 42 U.S.C. § 1983, and Nebraska open meeting and recordkeeping statutes;

WHEREAS, the United States of America filed a civil enforcement action against the Village alleging violations of RLUIPA, Case No. 8:20-cv-69 (D. Neb.) (the "DOJ Case");

WHEREAS, the Village denies any liability or fault for the claims asserted in either lawsuit, and specifically denies it is liable to the Church;

WHEREAS, the Parties seek to resolve the LOTW Case via this Agreement and a separate Consent Decree entered into by the Parties and submitted to the Court for approval in the LOTW Case (the "Consent Decree"), which Consent Decree is contingent, among other things, on the approval of a contemporaneously submitted Consent Order in the DOJ Case (the "Consent Order");

WHEREAS, the Consent Decree in the LOTW Case and the Consent Order in the DOJ Case are each effective for a period of three (3) years (the "Supervision Period");

WHEREAS, the Parties desire to extend by contract certain rights and duties also provided for in the Consent Decree for a longer term than the Supervision Period;

NOW, THEREFORE, in exchange for the mutual promises and other good and valuable consideration stated herein, including without limitation contemporaneously entering into the Consent Decree and undertaking the duties set forth thereunder, and the Consent Order, acknowledged by the Parties to be satisfactory and adequate, the Parties agree as follows:

1. **Effective Date.** This Agreement shall be effective upon signing by both Parties and entry by both the court in the LOTW Case and the court in the DOJ Case of the Consent Decree and the Consent Order, respectively (the "Effective Date"). Should the court in either case fail to approve the Consent Decree or the Consent Order, this Agreement shall be null and void and of no effect.



2. **Definitions.** The definitions contained in Paragraphs 5 through 9 of the Consent Decree are hereby incorporated into this Agreement, as though fully set forth herein. Any reference in this Agreement to an enumerated exhibit is a reference to that enumerated exhibit of the Consent Decree.

REQUIREMENT OF GOOD FAITH

3. The Church and the Village shall at all times act in good faith to effectuate the purposes of this Agreement and to carry out all requirements of this Agreement.

4. In the event of a failure by one Party (the “Responding Party”) to act in good faith or to perform in a timely manner any act required by this Agreement or otherwise to act in conformance with any provision in this Agreement, the other Party (the “Complaining Party”) shall provide written notice of such violation to the Responding Party. The Responding Party shall then have 30 days to cure any deficiency. If the Responding Party fails to cure, the Complaining Party may commence an action in a court of competent jurisdiction to impose any remedy authorized at law or equity, including but not limited to an order requiring performance of such act or deeming such act to have been performed.

BUILDING PLANS

5. The Parties have prepared drawings of the exterior frontage of the Main Street side of the multi-use building the Church plans to build on lots 7 through 12 of the Main Street Properties (the “New Building”), attached to the Consent Decree as Exhibit 2. The floor plan of the New Building is attached to the Consent Decree as Exhibit 3.

6. The Church and the Village agree that the following design elements are necessary for the Church to build the New Building:

a. The design shall include ingress/egress exterior doors on the parts of the building designated on Exhibit 2 and Exhibit 3 of the Consent Decree as the Commercial Businesses of a “bookstore” and a “café.” The Church entrance shall have conspicuous exterior signage that clearly identifies the Church entrance, and the Commercial Businesses shall have conspicuous exterior signage that clearly identifies the commercial nature of the businesses in those parts of the building, so that anyone on Main Street in Walthill immediately would recognize the Church entrance and the entrances to the businesses.

b. The design shall include columns, or other vertical elements, on the exterior of the building that extend from the sidewalk to the roof as a further visual means of separating the Commercial Businesses from the entrance to the Church.

c. The requirements of Sections 504.08(1)(A) and 504.08(1)(C) of the Village’s zoning ordinance shall not apply to the design of the building, and any brick façade on the building shall extend from the sidewalk no more than 48 inches up the exterior wall of the building.

7. The Village agrees that the documents attached to the Consent Decree as Exhibit 2 and Exhibit 3 meet the requirements set forth in Paragraph 6, above, including subparts a. through c., with respect to LOTW's plans to build the New Building.

8. The Church shall build the New Building pursuant to Exhibit 2 and Exhibit 3 of the Consent Decree, unless changes are jointly agreed to by the Parties.

9. The reasonable fees and costs of the design professional for the preparation of Exhibit 2 and Exhibit 3 shall be paid equally by the Church and the Village.

CHURCH'S DUTIES—BUILD AND OPERATE BUSINESSES; INDEMNITY

10. The Church affirms its desire and intention to Operate two Commercial Businesses in the New Building as a ministry to the community, and to do so for as long as it uses the New Building for Church Purposes. In addition to using the New Building for Church Purposes, the Church will Operate no less than two Commercial Businesses in the New Building as set forth in this Agreement.

11. The Church may begin to use the New Building for Church Purposes as soon as one of the two Commercial Businesses begins to Operate, so long as the second Commercial Business begins to Operate within twelve (12) months of the first day the Church uses the New Building for Church Purposes. Thereafter, the Church may continue to use the New Building for Church Purposes so long as it Operates two Commercial Businesses in the spaces indicated as a café and a bookstore on Exhibit 3 of the Consent Decree in accordance with the terms of this Agreement and the subparts to this Paragraph:

a. The Church will Operate two Commercial Businesses in the New Building for ten (10) years (the "Term"). The Term will begin the first day one of the two Commercial Businesses begins to Operate as long as the second Commercial Business begins to Operate within twelve (12) months of that day, otherwise the Term will begin the first day the second Commercial Business begins to Operate.

b. During the Term, in addition to Operating Commercial Businesses in the spaces indicated as a café and a bookstore on Exhibit 3, the Church may use those same spaces for Church Purposes, as well. If during the Term the Church ceases to Operate a Commercial Business in one of the spaces indicated as a café and a bookstore on Exhibit 3 of the Consent Decree: 1) the Church will be unable to use that space until a Commercial Business resumes Operation in that space, except the Church can use the Church's Main Street entrance for entering and exiting, etc., and it can use the bathrooms; provided, however, that if the Church nevertheless uses the space for any purpose before it resumes Operation of a Commercial Business in that space, such use shall constitute a breach of this Agreement and any permit issued for the New Building pursuant to the Consent Decree; 2) the time required for the Term will be tolled until a Commercial Business resumes Operation in that space; and 3) the Church may use the rest of the New Building for Church Purposes regardless of whether one or more Commercial Businesses are Operating in the New Building. If the Church ceases to Operate a Commercial Business in one of the spaces indicated as a café and a bookstore on Exhibit 3 but

does not use the space for any purpose before it resumes Operation of a Commercial Business in that space, the Church shall not be considered to have breached this Agreement or any permit issued for the New Building. The same provisions apply if the Church ceases to operate both Commercial Businesses in the spaces indicated on Exhibit 3 of the Consent Decree.

c. If during the Term the Church continues to Operate the Commercial Businesses but in a particular week it does not Operate the Commercial Businesses for the full 20 hours and is not otherwise permitted to Operate for less than 20 hours that week, the Church may choose to make up the missed Operating hours within the four subsequent weeks.

d. At the end of the Term the Church may at its discretion continue to Operate one or both Commercial Businesses in the New Building but is not required to do so to use the entire New Building for Church Purposes indefinitely.

12. Although Exhibit 2 and Exhibit 3 of the Consent Decree indicate that the Commercial Businesses contemplated by the Church will be a bookstore and a café, the Church may at any time substitute other Commercial Businesses in these spaces, so long as the substituted Commercial Business or Commercial Businesses comply with the provisions of Paragraphs 7-9 of the Consent Decree and Paragraph 6 of this Agreement, including subparts.

13. The Parties agree that the parking lot as shown on Exhibit 3 of the Consent Decree on lots 16 and 17 of the Main Street Properties is a permitted accessory use or structure under the Village's zoning ordinance and that the Church may construct and use the parking lot before, during and/or after it constructs the New Building.

14. The Church shall indemnify and hold harmless the Village from any and all third-party claims, actions, or disputes arising out of or related to damages caused by the Church's contemplated demolition or construction activities.

VILLAGE'S DUTIES—PERMIT APPROVAL

15. The Church has submitted the following requests for permits (the "Permit Requests") related to the construction of the New Building:

a. Building Permit Application (Exhibit 4 of the Consent Decree) seeking approval to demolish all existing structures on the Main Street Properties.

b. Building Permit Application (Exhibit 5 of the Consent Decree) seeking approval to build a multi-use building including a church complex with two businesses and a parking lot.

c. Special Use Permit Application (Exhibit 6 of the Consent Decree) seeking indefinite approval for its multi-use building including a church complex with two businesses and parking lot.

d. Application for Zoning Permit (Exhibit 7 of the Consent Decree) seeking approval for a metal building with brick facia and cement panels for a church complex with two businesses.

16. The Village shall approve the Permit Requests subject only to the terms of the Consent Decree and this Agreement and the following additional terms:

a. The time restrictions listed in footnote 1 of the Building Permit Applications (Exs. 4 and 5 of the Consent Decree), which limit the time in which work must begin and limit the time that work may be discontinued, shall not apply to the work requested by the Building Permit Applications (Exs. 4 and 5 of the Consent Decree). The Church must begin the work approved on the Building Permit Application (Ex. 4 of the Consent Decree) seeking approval to demolish all existing structures on the Main Street Properties no later than two years from the latter of the date of issuance or the date the Consent Decree becomes effective. The Church must begin the work approved on the Building Permit Application (Ex. 5 of the Consent Decree) seeking approval to build a multi-use building including a church complex with two businesses and a parking lot no later than three and one half (3.5) years from the latter of the date of issuance or the date the Consent Decree becomes effective.

b. The Special Use Permit Application (Ex. 6 of the Consent Decree) and the Application for Zoning Permit (Ex. 7 of the Consent Decree) shall be contingent upon the Church maintaining Operation of the Commercial Businesses in accordance with this Agreement until the end of the Term. Upon completion of the Term the Church may at its discretion continue to Operate one or both Commercial Businesses in the New Building but is not required to do so to use the entire New Building for Church Purposes indefinitely.

17. Once granted, the Village may not revoke its approval of any of the Permit Requests except upon the failure of the Church to cure any violation of the Church's duties regarding the New Building as set forth in this Agreement, nor may the Village revoke any permits related to the Future Building for failure of the Church to cure any violation of the Church's duties regarding the New Building as set forth in this Agreement. The Village may not revoke its approval of any of the Permit Requests if the Church is in compliance with its duties regarding the New Building as set forth in this Agreement. The Church may challenge or appeal in a court of competent jurisdiction revocation of any of the Permit Requests as a violation of this Agreement and/or applicable law.

18. The Village affirms the Permit Requests are all the forms, requests or other documents it requires for the demolition, construction and uses requested by the Church.

19. The Village shall not enact or amend any ordinance or other regulation or requirement inconsistent with the terms of this Agreement or that would prevent the Church from using the Main Street Properties as a multi-use facility or for Church Purposes as set forth in this Agreement.

20. The Church may not sell, assign, or, in any way, including by operation of law, transfer any of the Church's rights or obligations under this Agreement.

DUTIES REGARDING FURTHER DEVELOPMENT

21. The Parties anticipate that the Church will seek to engage in further development on one or more of Lot Nos. 13 through 15 of the Main Street Properties. For a period of ten (10) years from the Effective Date of this Agreement, the Church shall have the right under this Agreement to begin said development. The Church anticipates this development will take the form of an additional building (the "Future Building").

22. When the Church decides to develop one or more of Lot Nos. 13 through 15 of the Main Street Properties as a Future Building, it shall submit appropriate permit applications for the Future Building, including drawings similar to Exhibit 2 and Exhibit 3 of the Consent Decree.

23. The Village shall not bear any costs for the Future Building, including without limitation design and architectural costs.

24. The Future Building will use similar design, signage, and architectural features as the New Building and will also comply with the requirements of Paragraphs 7-9 of the Consent Decree and Paragraphs 6 and 14 of this Agreement, including subparts, except that instead of the bookstore and café contemplated in Exs. 2 and 3 of the Consent Decree, the Future Building shall conform to one of the three Options appearing below as subparts to this Paragraph.

a. Option 1: Two Commercial Businesses. In the same manner as the New Building, the Future Building shall be built with two Commercial Businesses, with a minimum of 22% of the total square footage of the Future Building used for said Commercial Businesses, which the Church shall Operate on the same terms and in the same manner as the Commercial Businesses in the New Building.

b. Option 2: One Commercial Business. Instead of two Commercial Businesses, the Church may elect to build and Operate a single Commercial Business in the Future Building, with a minimum of 22% of the total square footage of the Future Building being used for said Commercial Business, which the Church shall Operate on the same terms and in the same manner as the Commercial Businesses in the New Building.

c. Option 3: Community Youth Center. A social, learning and recreational center intended primarily for use by children ages 11 to 18 years to promote their physical, social, emotional and spiritual well-being and development (a "Community Youth Center") shall be considered to be a Commercial Business for the purposes of this Agreement. The Church may Operate a Community Youth Center in the Future Building, with a minimum of 22% of the total square footage of the Future Building being used for said Community Youth Center, which the Church shall Operate on the same terms and in the same manner as the Commercial Businesses in the New Building, except that while the Community Youth Center must be open to the public, it need not sell goods or services to be considered a Commercial Business under this Agreement.

d. The Church may at any time substitute any Option listed in this Paragraph for or any other Option listed in this Paragraph. The Church may at any time change any Commercial Business in the Future Building to another Commercial Businesses in the same space(s), so long as the new Commercial Business or Commercial Businesses comply with the provisions of Paragraphs 7-9 of the Consent Decree and Paragraph 6 of this Agreement, including subparts.

25. The terms "Option 1," "Option 2," and "Option 3" in this Paragraph refer to the Options described in the preceding Paragraph 24. The Church may begin to use the Future Building for Church Purposes as soon as one of the two Commercial Businesses begins to Operate under Option 1, so long as the second Commercial Business begins to Operate within twelve (12) months of the first day the Church uses the Future Building for Church Purposes; or as soon as the one Commercial Business begins to Operate under Option 2; or as soon as the Community Youth Center begins to Operate under Option 3. Thereafter, the Church may continue to use the Future Building for Church Purposes so long as it Operates one or two Commercial Businesses or a Community Youth Center in accordance with the terms of this Agreement and the subparts to this Paragraph:

a. The Church will Operate one or two Commercial Businesses or a Community Youth Center in the Future Building in accordance with Option 1, Option 2, or Option 3, for eight (8) years (the "Future Term"). Under Option 1, the Future Term will begin the first day one of the two Commercial Businesses begins to Operate as long as the second Commercial Business begins to Operate within twelve (12) months of that day, otherwise the Future Term will begin the first day the second Commercial Business begins to Operate. Under Option 2 the Future Term will begin the first day the one Commercial Business begins to Operate. Under Option 3 the Future Term will begin the first day the Community Youth Center begins to Operate.

b. During the Future Term, in addition to Operating one or more Commercial Businesses or a Community Youth Center in a designated space(s) in the Future Building, the Church may use that same space(s) for Church Purposes, as well. If during the Future Term the Church ceases to Operate one or more Commercial Businesses or a Community Youth Center in the Future Building: 1) the Church will be unable to use that space designated for the Commercial Business or Community Youth Center until a Commercial Business or a Community Youth Center resumes Operation in that space, except the Church can use any Main Street entrance for entering and exiting, etc., and it can use any bathrooms; provided, however, that if the Church nevertheless uses the space for any purpose before it resumes Operation of a Commercial Business or Commercial Businesses or a Community Youth Center in that space, such use shall constitute a breach of this Agreement and of any permit issued for the Future Building pursuant to the Consent Decree; 2) the time required for the Future Term will be tolled until a Commercial Business or a Community Youth Center resumes Operation in that space; and 3) the Church may use the rest of the Future Building for Church Purposes regardless of whether one or more Commercial Businesses or a Community Youth Center are Operating in the Future Building. If the Church ceases to Operate a Commercial Business or Commercial Businesses or a Community Youth Center in the Future Building but does not use the space designated for

same for any purpose before it resumes Operation of a Commercial Business or Commercial Businesses or a Community Youth Center in that space, the Church shall not be considered to have breached this Agreement or any permit issued for the Future Building. The same provisions apply if the Church ceases to operate both Commercial Businesses under Option 1.

c. If during the Future Term the Church continues to Operate the one or two Commercial Businesses or a Community Youth Center but in a particular week it does not Operate the one or two Commercial Businesses or a Community Youth Center for the full 20 hours and is not otherwise permitted to Operate for less than 20 hours that week, the Church may choose to make up the missed Operating hours within the four subsequent weeks.

d. At the end of the Future Term the Church may at its discretion continue to Operate one or two Commercial Businesses or a Community Youth Center in the Future Building but is not required to do so to use the entire Future Building for Church Purposes indefinitely.

26. If the proposed Future Building complies with the requirements of Paragraphs 7-9 of the Consent Decree, and Paragraphs 6 and 14 of this Agreement, including subparts, the Village shall approve the Church's permit applications related to the Future Building. The Village may not revoke its approval of any of the permit applications except upon the failure of the Church to cure any violation of the Church's duties regarding the Future Building as set forth in this Agreement, nor may the Village revoke any permits related to the New Building for failure of the Church to cure any violation of the Church's duties regarding the Future Building as set forth in this Agreement. The Village may not revoke its approval of any of the permit applications if the Church is in compliance with its duties regarding the Future Building as set forth in this Agreement. The Church may challenge or appeal in a court of competent jurisdiction revocation of any of the permit applications as a violation of this Agreement and/or applicable law.

27. The Village shall not enact or amend any ordinance or other regulation or requirement inconsistent with the terms of this Agreement or that would prevent the Church from using the Main Street Properties as a multi-use facility or for Church Purposes as set forth in this Agreement.

FORCE MAJEURE AND DISCLAIMER OF WAIVER OF RIGHTS

28. Nothing in this Agreement prevents the Church from demolishing the existing structures on the Main Street Properties or constructing the New Building or Future Building if it is temporarily unable to do so, or from using the New Building or the Future Building for Church Purposes if one or more Commercial Businesses or a Community Youth Center in the New Building or Future Building is temporarily unable to Operate, due to Acts of God, such as fire, flood, or other damage; a natural disaster; a government-ordered closure; a court order or injunction sought by an individual or entity other than the Village; repairs to the property or equipment; or a similar reason beyond the Church's control. Nor will such event(s) activate the tolling provisions of Paragraphs 11(b) or 25(b). However, business or financial reasons or exigencies unrelated to said Acts of God, etc., shall not qualify under this Paragraph.

29. The Parties agree that the Church does not waive any of its constitutional, statutory or other rights, such as its rights under RLUIPA, by executing this Agreement or any other agreement. The Parties also agree that the Village does not waive any of its constitutional, statutory or other rights, including its defenses and its authority to enact and enforce laws, ordinances, or regulations, by executing this Agreement or any other agreement.

30. **Injunctive Relief Available.** The Parties agree that the rights and duties set forth in this Agreement are not redressable solely through damages. Each party agrees that the other Party will suffer irreparable harm should this Agreement be breached. Injunctive relief is available to either Party to enforce the terms of this Agreement.

31. This Agreement shall inure to the benefit of and is binding on the Church's and the Village's successors, transferees, heirs, and assigns.

32. The Church and the Village agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is illegal or invalid.

33. **Non-Disparagement.** No Party to this Agreement, or representative of any Party, shall in any way denigrate or disparage any other Party, any Party's employees or agents, or Party representative hereto by communicating, whether orally or in writing, any false, untruthful, or materially misleading representations regarding any other party hereto or their representatives.

34. **No Admission of Liability.** Nothing contained in this Agreement shall be construed as an admission of any liability, all such liability having been expressly denied.

35. **Entire Agreement.** This Agreement, including its references to the Consent Decree, contains the entire agreement between the Parties and supersedes any and all prior agreements, arrangements, or understandings between the Parties on all subjects in any way related to this Agreement. No oral understandings, statements, promises, or inducements contrary to or inconsistent with the terms of this Agreement exist. This Agreement is subject to modification, waiver, or addition only by means of a writing signed by the Parties.

36. **Severability.** If any provision of this Agreement is found to be illegal, invalid, or unenforceable, such finding will not affect any other provision of this Agreement. If possible, any such provision shall be modified to preserve the intent of the Parties and render enforceable the provisions of this Agreement.

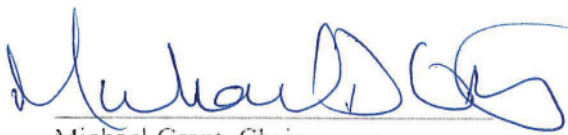
37. **Construction.** The Parties warrant and represent that they have jointly drafted this Agreement, each with the assistance of their own counsel, and, accordingly, they agree that the Agreement shall not be construed against either Party solely because such Party is deemed to be the author of the Agreement. The Parties further represent and warrant that they have each read this Agreement, understand the same, and execute it voluntarily and upon their own best judgment. Any section headings, captions or similar labels contained in this Agreement are

inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

38. **Authority.** Each person signing this Agreement represents and warrants that he or she has the authority to execute the Agreement and to thereby bind the Party on whose behalf he or she has signed the Agreement.

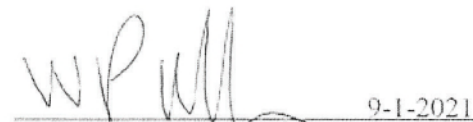
Each Party to this Agreement has signified its agreement to the terms set forth above by signing where indicated below.

VILLAGE OF WALTHILL, NEBRASKA

A handwritten signature in blue ink, appearing to read "Michael Grant", written over a horizontal line.

Michael Grant, Chairperson

LIGHT OF THE WORLD GOSPEL
MINISTRIES, INC.

A handwritten signature in blue ink, appearing to read "William Paul Malcomson", written over a horizontal line. To the right of the signature is the date "9-1-2021".

9-1-2021

William Paul Malcomson, Pastor

RELEASE & SETTLEMENT AGREEMENT

The undersigned ("Claimants"), state and agree to the following terms:

1. The "Claimants," undersigned, are: Traci Hansen and Kurt Hansen (the "undersigned"), individually, and as mother and father, respectively, and as natural guardians of [REDACTED], a minor, ("Minor"). The Claimants sign this Release on each individual's behalf as well as on behalf of Minor, by virtue of the authority granted to them by Order of the Greeley County Court, Nebraska incorporated by reference.

2. Claimants, individually and on behalf of her their respective heirs, successors and assigns, and Claimants, on behalf of Minor [REDACTED], and her heirs, successors and assigns, enter into this Agreement, in consideration of the payment of Two Hundred Twenty Five Thousand Dollars (\$225,000.00), made payable to the Trust Account of Vince Powers, their lawyer, and do hereby fully release and forever discharge the following "Released Parties:"

- a. Village of Wolbach, Nebraska, including all of its employees, officers, directors, elected officials, and agents, including all subsidiary, parent, and affiliate entities;
- b. the League Association of Risk Management (LARM) and Sedgwick Claims Management Services, Inc and its affiliates, and each of their officers, directors, employees, successors and assigns, (collectively, the "Released Parties"),

from any and all liability for all claims arising from the incident that occurred on or about July 16, 2016, involving [REDACTED] fall from a diving board at the Village community swimming pool ("Incident"). This Release of liability includes all common law, statutory, and other causes of action, and all liability, of any kind or nature whatsoever, arising under any theory of recovery or right of action based upon any theory of recovery whatsoever, arising in any way out of the Incident, including any claim for damages, pain, suffering, anguish, loss of consortium, loss of services, claims of bystander liability, emotional distress, claims for harm or injury of any kind, including claims for damages of any sort, attorney's fees, or costs, whether such damages are now known, unknown or to be incurred in the future. The undersigned specifically understands that no one, including the Minor on whose behalf this is signed, may pursue any claim arising out of the Incident ever again and acknowledge that this is part of the benefit derived by this full and final resolution of all disputes.

3. Claimants are solely responsible for any and all tax liability related to this payment and will defend, indemnify, and hold harmless the Released Parties from any such tax liability.

4. Claimants recognize that the Released Parties may comply with any pertinent Open Records Act.

5. Claimants agree the lawsuit captioned as, [REDACTED], *A Minor by and through her Mother and Next Best Friend, Traci Lynn Hansen, v. The Village of Wolbach, Nebraska*, Case No. CI 20-1, filed in the District Court of Greeley County, Nebraska, will be dismissed with prejudice, as soon as practicable following the execution of all Releases and upon payment being made.

6. This Release is executed as a compromise settlement of a disputed claim. The Released Parties deny liability concerning the Incident, and this Release does not constitute an admission of liability. No other promises have been made by the Released Parties.

7. Claimants represent that they do not know of any person or entity that has paid any amount on his behalf that would entitle anyone to recover as a lienholder or subrogee against the Released Parties related to the injuries claimed by the Minor. If such lienholder, subrogee, or any person/entity with a third party interest exists, Claimants agree to satisfy those third-party interests out of the settlement proceeds and further agrees to defend, indemnify, and hold harmless the Released Parties for any claims or interests that are asserted related to same. Such indemnification shall include, without limitation, any and all attorney fees, court costs, and any and all other costs and expenses. Claimants further represent that they has not assigned his claim to any other person.

8. Claimants are executing this Release solely upon their own respective knowledge, belief, and judgment and not upon any representation made by the Released Parties. Claimants acknowledge that they have each had the opportunity to consult with an attorney of their choice.

9. Claimants represents that that the Minor is not currently receiving Medicare benefits and that Medicare has not made any conditional payments on their behalf related to their claims in this matter. Claimants do not anticipate any future Medicare-eligible expenses related to any injuries for which a claim has been made. Because no future Medicare-eligible expenses are anticipated, no part of the settlement is being set aside for Medicare. Claimants agree to defend, indemnify, and hold harmless the Released

Parties from any interest asserted by Medicare. Such indemnification shall include, without limitation, any and all attorney fees, court costs, and any and all other costs and expenses.

10. Claimants agree to satisfy any and all interests asserted by the Nebraska Department of Human Services and/or Medicaid. Claimants agree to hold in trust any amounts claimed by Medicaid or any other lien holders until such claims are resolved. Claimant further agrees to defend, indemnify and hold harmless the Released Parties from any interest asserted by Nebraska Department of Human Services. Such indemnification shall include, without limitation, any and all attorney fees, court costs, and any and all other costs and expenses.

11. This Release constitutes the entire agreement between Claimants and the Released Parties. It supersedes all prior Releases and understandings, whether oral or written, relating to Claimants' alleged damages and the injury related to the Incident.

12. It is the intent of Claimants and the Released Parties to end any dispute between them pertaining to the matters described in this Release. The terms, provisions, representations, and remedies contained in this Release shall be enforceable to the fullest extent permitted by Nebraska law. If any term of this Release is found to be invalid or unenforceable, then such term shall be construed in a manner permitting its enforcement to the fullest extent allowed by law. In any case, the remaining provisions of this Release other than those which have been held invalid, illegal, or unenforceable, shall not be affected or impaired and shall remain in full force and effect. This Release will not be construed either in favor of one party or against one party, but rather pursuant to the fair and reasonable interpretation of the language used.

13. Claimants verify they are able to read and speak English. Claimants, individually and as parents and natural guardians of the minor, affirm that, in entering this Agreement, are protecting the best interests of the Minor.

CAUTION: THIS IS A RELEASE. READ BEFORE SIGNING.

RESOLUTION NO. 2021-9

BE IT RESOLVED AS FOLLOWS BY THE CHAIRMAN AND THE VILLAGE BOARD OF THE VILLAGE OF WOLBACH, NEBRASKA:

WHEREAS, the Village of Wolbach, desires to enter into a Release and Settlement Agreement regarding the pending matter CI 20-1 in the District Court of Greeley County, Nebraska; and

WHEREAS, it is the intention of the parties to compromise and settle the claim against the Village of Wolbach; and

WHEREAS, the Village of Wolbach after due consideration desires to approve the Release and Settlement Agreement to compromise and settle the claim against the Village of Wolbach.

THEREFORE, BE IT RESOLVED that the Release and Settlement Agreement to compromise and settle the claim in CI 20-1 in the District Court of Greeley County, Nebraska against the Village of Wolbach.

RESOLVED FURTHER that the Board Chairman and Village Clerk are authorized to sign said document in order to bind the Village.

BY ORDER OF THE CHAIRMAN AND VILLAGE BOARD OF THE VILLAGE OF WOLBACH, NEBRASKA this 7th day of December, 2021.

ATTEST:

VILLAGE OF WOLBACH:

Shelby Steenson
Village Clerk

BY: Scott R Nelson
Chairman

The foregoing resolution was presented and after discussion, it was moved by Brown and seconded by Lukasiewicz that said Resolution be adopted, and upon roll call vote, the Village Board voted as follows:

AYES: Nelson, Brown, Swett, Ryan, Lukasiewicz.

NAYS: None.

ABSENT: None.

The Chairman then declared said motion duly carried and said Resolution adopted this 7th day of December, 2021.

Minutes of the Village Board of Wolbach

Kind of Meeting: Regular Meeting Place: City Hall Date: December 7, 2021

Present: Brown, Lukasiewicz, Nelson, Ryan, Swett Absent: None

The regular meeting of the Village Board of Wolbach was called to order at 7:00 p.m. with five members present. Chairman Nelson stated this was an open meeting of the Wolbach Village Board and the poster is displayed at the back of the room.

Unfinished Business:

Motion by Brown, seconded by Lukasiewicz to approve the minutes of the November regular meeting. Roll call all aye. Motion carried.

Tabled Playground Equipment.

Tabled Camper Site Costs/Fire Pits.

Tabled Kingwood Street to Highway Repair.

Tabled Pool Renovation/Splash Pad; fence repairs to begin December 8, 2021.

Discussion was held on a new roof for the water reservoir and insulation which has been done.

Motion by Swett seconded by Lukasiewicz to go into executive session at 7:08 P.M. to discuss pending litigation. Roll call vote all aye; Motion carried. Motion by Lukasiewicz seconded by Brown to close executive session with no action taken and return to regular session at 7:15 P.M. Roll call vote all aye; Motion carried

Discussion was held on the air pump for the pond with no action taken.

Discussion was held on the culvert on Stringtown Road with no action taken.

There was no Unfinished business.

New Business:

Discussion was held on the contract for the lease of the football field for 2022 No action taken.

Discussion was held on removing sludge from the sludge pit at the sewer pit. No action taken.

Discussion was held on health/vision/dental insurance for the Village Clerk. No action taken.

Motion by Swett seconded by Brown to sign Resolution 2021-8 for Year End Certification of the City Street superintendent. Roll call vote all aye; motion carried.

Motion by Brown seconded by Lukasiewicz to sign Resolution 2021-9 Authorizing Signature on pending litigation. Roll call vote all aye; motion carried.

Motion by Lukasiewicz seconded by Brown to approve the SDL for Trivia Night on New Year's Eve at the Community Center. Roll call vote all aye; motion carried.

Motion by Lukasiewicz seconded by Brown to appoint Shelby Steenson as the Village Clerk/Treasurer. Roll call vote all aye; motion carried.

Motion by Brown seconded by Swett to appoint the Law Office of Eureka and Peterson to represent the Village of Wolbach as the Village Law Firm. Roll call vote all aye; motion carried.

Motion by Swett, seconded by Lukasiewicz to appoint Reed A. Miller as the Special Engineer/Street Superintendent for the Village of Wolbach. Roll call vote all aye; motion carried.

Motion by Brown seconded by Lukasiewicz to appoint Robert Absalom as the Utilities Superintendent for Water/Sewer/Streets for the Village of Wolbach. Roll call vote all aye; motion carried.

Motion by Swett seconded by Brown to appoint Shelby Steenson as the Code Enforcement Officer for the Village of Wolbach. Roll call vote all aye; motion carried.

Motion by Brown seconded by Swett to appoint Roger Lukasiewicz as the Building Inspector for the Village of Wolbach. Roll call vote: Brown, aye; Nelson, aye; Ryan, aye; Swett, aye; Lukasiewicz, abstained. Motion carried.

Motion by Swett, seconded by Brown to appoint Shelby Steenson as the Animal Control Officer for the Village of Wolbach. Roll call vote all aye; motion carried.

Motion by Lukasiewicz seconded by Brown to keep the Newspaper Publication with the St. Paul Newspaper as is. Roll call vote all aye; motion carried.

Discussion was held regarding new rates for Village Utilities for 2022. No action taken.

Motion by Lukasiewicz, seconded by Swett to adjourn the meeting at 7:48 p.m. Roll call all Aye; Motion carried.

Shelby Steenson
Village Clerk