

RESOLUTION NO. 2014-09

A RESOLUTION OF THE CHAIR AND MEMBERS OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA; AUTHORIZING THE ISSUANCE OF A COMMUNITY DEVELOPMENT REVENUE BOND; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BOND; PLEDGING REVENUES OF THE AGENCY PURSUANT TO THE COMMUNITY DEVELOPMENT LAW; AUTHORIZING THE SALE OF SAID BOND; PROVIDING FOR A GRANT; PROVIDING FOR THE TERMS AND THE SALE OF THE BOND; APPROVING A REDEVELOPMENT CONTRACT AND PROVIDING FOR THIS RESOLUTION TO TAKE EFFECT.

BE IT RESOLVED by the Chair and Members of the Community Development Agency of Lexington, Nebraska, as follows:

Section 1. The Chair and Members of the Community Development Agency of Lexington, Nebraska hereby find and determine (a) that The Community Development Agency of Lexington, Nebraska (the "Agency") has been duly created by ordinance adopted by the Mayor and City Council of the City of Lexington, Nebraska, (the "City") for purposes of assisting with redevelopment of blighted and substandard real estate located within the City; that the Agency has and may exercise all of the powers of a redevelopment authority provided for under the Community Development Law of the State of Nebraska (the "Act"); that there has been prepared a redevelopment plan, entitled Redevelopment Contract including an Amended Redevelopment Plan, (collectively, the "**Redevelopment Plan**") related to the Orthman Real Estate Holdings, L.L.C., redevelopment project (the "Plan") for the redevelopment of the real estate described in the Plan as the "Redevelopment Area" (hereinafter the "Redevelopment Area") which area includes the real property which is referred to in the Plan as the "Project" (herein the "Redevelopment Project Property"); (b) that prior to the recommendation or approval of the Plan the Redevelopment Area

was declared blighted and substandard by action of the Mayor and Council of the City; (c) that the City has had in effect its general plan for the development of the City from the time prior to the preparation of the Plan; (d) that the Plan was prepared by the Redeveloper and submitted to the Planning Commission of the City and approved and thereafter recommended by the Agency to the Mayor and Council of the City; (e) that on the 10th day of June, 2014, the Mayor and Council of the City held a public hearing on the Plan for which notice was given by publication prior to such hearing in *The Lexington Clipper-Herald* on _____, 2014 and _____, 2014, all in accordance with Section 18-2115 of the Act and, after such hearing, the Mayor and Council gave their approval to the Plan; (f) that the Plan, among other things, calls for the redevelopment of the Redevelopment Area by acquisition by the Redeveloper, as hereafter defined, of the Redevelopment Area and the construction of an industrial manufacturing facility and related improvements including site preparation (the "Project"); (g) that Orthman Real Estate Holdings, L.L.C., a Nebraska limited liability company (hereafter referred to as the "Redeveloper") is interested in the redevelopment of the Redevelopment Project Property and the Redeveloper has undertaken and is currently incurring costs and is undertaking certain acquisition and construction as provided for in the Plan and the City and the Agency have previously communicated willingness to assist such redevelopment and construction in order to encourage employment and economic development of the City as well as for the redevelopment of a blighted and substandard area of the City; (h) that the Agency has agreed to assist the Redeveloper with a grant to pay part of the cost of the Project and for such purpose it is necessary for the Agency to authorize the issuance and sale of its Community Development Revenue Bond; (i) that all conditions, acts and things required by law to exist or to be done precedent to the authorizing of the Agency's Community Development Revenue Bond as provided for in this Resolution do exist and have been done as provided by law.

Section 2. A Community Development Revenue Bond in the principal amount of \$1,250,000 is hereby ordered issued in accordance with Section 18-2125 of the Act, by the Agency and shall be designated as its “Community Development Revenue Bond (Orthman Manufacturing Project), Series 2014 A” (hereinafter referred to as the “Bond”). The Bond shall be issued in the single denomination of \$1,250,000. The Bond shall be dated as of the date of its delivery which shall not occur prior to the passage of 30 days from the adoption of this resolution. The Bond shall bear interest from the date of its issuance and delivery until maturity (or earlier redemption) at the rate of six and seventy-five one hundredths percent (6.75%) per annum. Said interest shall be payable on June 1 and October 1 of each year commencing on June 1, 2016. For the period from the date of delivery shown below until June 1, 2016, such interest shall be computed on the basis of simple interest and with no compounding and with any unpaid accrued interest being carried forward as unpaid but accrued interest to the next payment date. From and after June 1, 2016, interest shall be computed on the basis of a 360 day year consisting of twelve thirty day months. Such interest shall be payable as simple interest (without compounding) and with any unpaid accrued interest being carried forward as unpaid but accrued interest to the next payment date. The principal of the Bond shall become due on December 31, 2029, provided that such principal amount shall be subject to mandatory partial redemption from “Available Funds” as described in Section 5 below on June 1 and October 1 of each year. The Bond shall be issued in fully registered form. The Agency’s Treasurer (the City Treasurer of the City of Lexington) is hereby designated as paying agent and registrar for the Bond (the “Agent”). The Agent shall serve in such capacities pursuant to the terms of this Resolution. The interest due on each interest payment date prior to maturity shall be payable to the registered owner of record as of the last business day of the calendar month immediately preceding the calendar month in which such interest payment date occurs (the “Record

Date’), subject to the provisions of Section 4 hereof. Payments of interest due on the Bond, except for payments due on final maturity date, or other final payment, shall be made by the Agent by mailing or delivering a check or draft in the amount then due for interest on the Bond to the registered owner of the Bond, as of the Record Date for such interest payment date, to such owner’s registered addresses as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal and interest due at final maturity or other final payment shall be made by the Agent to the registered owner upon presentation and surrender of the Bond to the Agent at the Agency’s offices at City Hall in the City of Lexington, Nebraska. The Agency and the Agent may treat the registered owner of the Bond as the absolute owner of the Bond for the purpose of making payments thereon and for all other purposes and neither the Agency nor the Agent shall be affected by any notice or knowledge to the contrary, whether the Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of the Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the Agency and the Agent, in respect of the liability upon the Bond or claims for interest to the extent of the sum or sums so paid.

Section 3. The Agent shall keep and maintain for the Agency books for the registration and transfer of the Bond at the Agency’s offices at City Hall in Lexington, Nebraska. The name and registered address of the registered owner of the Bond shall at all times be recorded in such books. The Bond may be transferred pursuant to its provisions at the Agency’s offices by surrender of such Bond for notation of transfer, accompanied by a written instrument of transfer, in form satisfactory to the Agent, duly executed by the registered owner in person or by such owner’s duly authorized agent, and thereupon the Agent on behalf of the Agency will register such transfer upon its books and make notation thereof on the Bond and deliver the Bond at its office to the transferee owner (or

send it by registered mail to the transferee owner thereof at such transferee owner's expense). All transfers of the Bond shall be upon the basis of a private placement and each proposed transferee registered owner shall furnish the Agent with assurances in form satisfactory to the Agent that such Bond is being purchased for investment purposes only, without view to redistribution and upon the independent credit judgment and investigation of the proposed transferee. The Agency and the Agent shall not be required to transfer the Bond during any period from any Record Date until its immediately following interest payment date or to transfer the Bond when called for redemption, in whole or in part, for a period of 15 days next preceding any date fixed for redemption or partial redemption.

Section 4. In the event that payments of interest or for mandatory partial redemption due on the Bond on any interest payment date are not timely made, such interest or redemption price shall cease to be payable to the registered owner as of the Record Date for such interest payment date and shall be payable to the registered owner of the Bond as of a special date of record for payment of such defaulted interest or redemption price as shall be designated by the Agent whenever monies for the purpose of paying such defaulted interest or redemption price become available.

Section 5. At any time, the Agency shall have the option of prepaying in whole or in part principal of the Bond. Any such optional prepayment of principal shall be accompanied by an amount equal to all accrued but unpaid interest on the principal amount being prepaid. Notice of any optional redemption for the Bond shall be given at the direction of the Agency by the Agent by mail not less than 15 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of the Bond at said owner's registered address. Notice of call for redemption may be waived in writing by any registered owner. In the event of prepayment in whole the Bond shall be cancelled. The determination of the amount and timing of any optional redemption of the

Bond shall be in the absolute discretion of the Agency. The Bond shall also be subject to mandatory partial redemption, without notice, on each interest payment date from all funds to be available in the Debt Service Fund (as hereinafter established and defined), including all amounts, if any, from investment earnings for such fund, rounded down to the nearest one hundred dollars, after payment of all accrued but unpaid interest on each interest payment date (which funds are referred to in this Resolution as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each interest payment date and shall be remitted to the registered owner of the Bond with interest payments. The Agent shall mark the Agent's records with respect to each mandatory partial principal prepayment made from Available Funds and it shall not be necessary for the registered owner to present the Bond for notation of such prepayment. The records of the Agent shall govern as to any determination of the principal amount of the Bond outstanding at any time and the registered owner shall have the right to request information in writing from the Agent at any time as to the principal amount outstanding upon the Bond. In the event the monies collected and held in that Debt Service Fund are insufficient to pay in full all amounts due and owing at the final Maturity Date as shown in the Bond, and all excess ad valorem taxes generated by the Redevelopment Area, as set forth in the Redevelopment Plan, and all payments required to be paid to the Debt Service Fund pursuant to the Redevelopment Contract have been collected by the City and have been paid, as required by the Redevelopment Contract and this Resolution, towards the retirement of the amounts due on the Bond, then, at the Final Maturity Date, neither the Community Development Agency or the City, shall have any further payment or other obligations under the Bond and the registered owner of the Bond shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Community Development Agency or the City.

Section 6. The Bond shall be in substantially the following form:

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THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND THIS BOND MAY NOT BE TRANSFERRED UNLESS THE PROPOSED ASSIGNEE IS A BANK OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION AND THE OWNER HAS OBTAINED AND PROVIDED TO THE AGENCY, PRIOR TO SUCH TRANSFER AND ASSIGNMENT, AN INVESTOR’S LETTER IN FORM AND SUBSTANCE SATISFACTORY TO THE AGENCY EVIDENCING THE COMPLIANCE WITH THE PROVISIONS OF ALL FEDERAL AND STATE SECURITIES LAWS AND CONTAINING SUCH OTHER REPRESENTATIONS AS THE AGENCY MAY REQUIRE.

THIS BOND MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN SECTION 3 OF RESOLUTION NO. _____ OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON NEBRASKA.

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF DAWSON**

**COMMUNITY DEVELOPMENT REVENUE BOND OF THE COMMUNITY
DEVELOPMENT AGENCY
OF LEXINGTON, NEBRASKA
(ORTHMAN MANUFACTURING PROJECT)
SERIES 2014 A**

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$1,250,000	6.75%	December 31, 2029

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Development Agency of Lexington, Nebraska, (the “Agency”) hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to the registered owner designated on the reverse hereof, or registered assigns, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate per annum set forth above. Said interest shall be payable on June 1 and October 1 of each year commencing on June 1, 2016. For the period from the date of delivery shown below until June 1, 2016, such interest shall be computed on the basis of simple interest and with no compounding, with any unpaid accrued interest being carried forward as unpaid but accrued interest to the next payment date. From and after June 1, 2016, interest shall be computed on the basis of a 360 day year consisting of twelve thirty day months. Such interest shall be payable as simple interest (without compounding) and with any unpaid accrued interest being

carried forward as unpaid but accrued interest to the next payment date. The payment of principal and interest due upon the final maturity is payable upon presentation and surrender of this bond to the Treasurer of said Agency, as Paying Agent and Registrar for said Agency, at the offices of the Community Development Agency of Lexington at City Hall, in Lexington, Nebraska. The payments of interest and of mandatory partial redemptions of principal on each interest payment date (other than at final payment) will be paid when due by a check or draft mailed or delivered by said Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory partial redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

This bond is the single bond of its series of the total principal amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) issued by the Agency for the purpose of paying the costs of acquisition and redevelopment of certain real estate located in the City of Lexington, as designated in that redevelopment plan recommended by the Agency and approved by the Mayor and Council of the City of Lexington, Nebraska, on June 10, 2014 (the "Plan"), all in compliance with the Act, as amended, and has been duly authorized by resolution passed and approved by the Chair and Members of the Agency (the "Resolution").

The Agency, however, reserves the right and option of prepaying principal of this bond, in whole or in part, from any available sources, at any time, at the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this bond at said registered owner's address in the manner provided in the Resolution. The principal of this bond shall be subject to mandatory partial redemptions made on any interest payment date from "Available Funds" (as defined in the Resolution) without any requirement for notice. Such optional and mandatory partial prepayments shall be made upon such terms and conditions as are provided for in the Resolution.

This bond constitutes a limited obligation of the Agency payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, of the Act, as amended, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Redevelopment Area" (as defined in the Resolution) and other monies paid to the Debt Service Fund as defined in the Resolution (the "Debt Service Fund"). Pursuant to the Resolution and Sections 18-2124 and 18-2150 of the Act said portion of taxes and other monies paid into the Debt service Fund has been pledged for the payment of this bond, both principal and interest as the same fall due or become subject to mandatory partial redemption. **This bond shall not constitute a general obligation of the Agency and the Agency shall be liable for the payment thereof only out of said portion of taxes and other funds paid to the Debt Service Fund. This bond shall not constitute an obligation of the State of Nebraska, of the City of Lexington or the Agency (except for such receipts as have been pledged pursuant to said Sections 18-2124 and 18-2150 of the Act) and neither the State of Nebraska, the City of**

Lexington nor the Agency shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts pledged as described above in this paragraph). Neither the members of the Agency's governing body nor any person executing this bond shall be liable personally on this bond by reason of the issuance hereof.

In the event the monies collected and held in the Debt Service Fund are insufficient to pay in full all amounts due and owing at the final Maturity Date as shown hereon, and all excess ad valorem taxes generated by the Redevelopment Area, as set forth in the Redevelopment Plan, and all payments required to be paid to the Debt Service Fund pursuant to the Redevelopment Contract have been collected by the City and have been paid, as required by the Redevelopment Contract and the Resolution, towards the retirement of the amounts due on the Bond, then, at the Final Maturity Date, neither the Community Development Agency or the City, shall have any further payment or other obligations under this Bond and the registered owner of this Bond shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Community Development Agency or the City.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this bond for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the Resolution. The Agency, the Paying Agent and Registrar and any other person may treat the person whose name this bond is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not. THIS BOND, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in Lexington, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Agency, including this bond, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, the Chair and Members of the Community Development Agency of Lexington have caused this bond to be executed on behalf of said Agency by being signed by the Chair and Secretary, all as of the date of issue shown above.

Delivered this ___ day of _____, 2014.

COMMUNITY DEVELOPMENT AGENCY OF
LEXINGTON, NEBRASKA

ATTEST:

By: _____ (do not sign)
Chair

(do not sign)
Secretary

PROVISION FOR REGISTRATION

The ownership of this Bond shall be registered as to both principal and interest on the books and records of the Community Development Agency of Lexington, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing bond, who shall make notation of such registration in the registration blank below, and the transfer of this Bond may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar.

Date of Registration	Name of Registered Owner	Signature of Paying Agent and Registrar

Section 7. Pursuant to the provisions of Section 18-2147 of the Act, January 1, 2015, is hereby established as the effective date after which ad valorem taxes on real property located within the Redevelopment Area shall be apportioned pursuant to said Section 18-2147. From and after said effective date that portion of the ad valorem taxes on all real estate located within the Redevelopment Area which is described in subdivision (1)(b) of Section 18-2147 of the Act, as amended, (the "Project Area Tax Receipts"), shall be paid into a special fund of the Agency to be designated as the "Community Development Agency—Orthman Manufacturing Project Fund Debt Service Fund" (the "Debt Service Fund") to be held by the Agent. The Agency hereby pledges for the payment of the Bond both principal and interest as the same fall due, equally and ratably, all Project Area Tax Receipts as so paid into the Debt Service Fund in addition to those funds to be paid into the Debt Service Fund by or on behalf of the Redeveloper as provided in the Redevelopment Contract, described in Section 13 below, as a prior and first lien upon said receipts for the security and payment of the Bond. Monies held in the Debt Service Fund shall be invested to the extent practicable and investment earnings on such monies shall be applied in the same manner as all other funds held in the Debt Service Fund. The Agency hereby agrees that so long as any principal of the Bond remains outstanding it will not issue any additional bonds payable from the Project Area Tax Receipts without the written consent of the registered owner of the Bond as then outstanding. The Agency further reserves the right to provide for payment of principal and interest on the Bond from the proceeds of a refunding bond or refunding bonds. Monies held in the Debt Service Fund shall be invested to the extent practicable and investment earnings on such monies shall be applied in the same manner as all other funds held in the Debt Service Fund. The Agency's Secretary is hereby authorized and directed to give notice to the Dawson County,

Nebraska, Assessor of the provision of this resolution for dividing ad valorem taxes in accordance with the requirements of subdivision (3) of Section 18-2147 of the Act, as amended.

Section 8. The Bond shall be executed on behalf of the Agency by the Chair and Secretary. Upon execution the Bond shall be registered by the Agent in the name of the Redeveloper or its designee as the initial registered owner and shall be delivered in consideration of payment of the principal amount thereof to the Agency's Treasurer in current bankable funds. The initial purchaser shall be required to deliver an investment representation letter to the Agent as required under Section 3 of this Resolution and such letter shall also be satisfactory in form to the officers of the Agency, or any one or more of them, as advised by the Agency's attorney.

Section 9. If the date for payment of the interest or principal on the Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Lexington, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 10. The Secretary shall make and certify one or more copies of the transcript of the proceedings of the Agency precedent to the issuance of the Bond one of which copies shall be delivered to the City.

Section 11. The Chair and Secretary or any one of them are hereby authorized to take any and all actions, and to execute any and all documents deemed by them necessary to effect the transactions authorized by this Resolution.

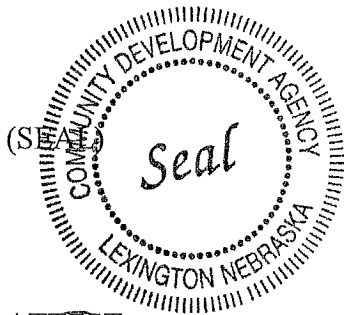
Section 12. The authorization for the Bond provided for in this Resolution is based upon expectations as to completion of construction, valuation and proposed tax rates suggested by the

Redeveloper. The Agency has not given and hereby gives no assurances that such expectations will in fact be fulfilled and the Bond is being issued with the understanding that the Redeveloper and the initial purchaser of the Bond accept and understand the risks related thereto.

Section 13. The Redevelopment Contract between the Agency and the Redeveloper in the form presented is hereby approved. The Chair (or in his absence, the vice Chair acting as the Agency's chair, is hereby authorized to execute and deliver the Redevelopment Contract, in substantially the form presented but with any such changes as such executing officer shall determine appropriate, on behalf of the Agency. The Agent is authorized and directed to pay the proceeds of the Bond, as described in Section 8 above, as a grant in accordance with the provisions of the Redevelopment Contract.

Section 14. This Resolution shall be in force and take effect from and after its passage in accordance with applicable law.

Passed and Approved this 11th day of June, 2014.



Gail Hall
Chair

ATTEST:

Pamela Baruth
Secretary