

RESOLUTION NO. 2015-07

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA; AUTHORIZING THE ISSUANCE OF A TAX INCREMENT 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 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 hereby find and determine (a) that the Community Development Agency of Lexington, Nebraska (the "Agency") was duly created by ordinance of the City of Lexington (the "City") for purposes of assisting with redevelopment of 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; that there has been prepared a redevelopment plan entitled "Redevelopment Contract" [PENTAD PROPERTIES Project] which constitutes a Redevelopment Plan (the "Plan") for the redevelopment of the following described real estate: **Lot 3, Replat of Tract 2 Wal-Mart Subdivision, an addition to the City of Lexington, Dawson County, Nebraska;** (b) that prior to the preparation of the Plan an area which includes the Project Area was declared blighted and substandard by action of the Mayor and City 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 establishment of the Agency and the preparation of Plan; (d) that the Plan was submitted to the City Planning Commission of the City and approved and thereafter recommended by the Agency to the Mayor and City Council of the City; (e) the Mayor and City

Council of the City held a public hearing on the Plan for which notice was given by publication done prior to such hearing pursuant to law, and after such hearing the Mayor and City Council gave their approval to the Plan; (f) that the Plan, among other things, calls for the construction of a commercial structure in the Project Area; (g) that PENTAD PROPERTIES CORP. (hereafter referred to as the "Redeveloper") is interested in the redevelopment of the Project Area and the Agency has previously communicated its willingness to assist in the completion of the project in order to encourage the construction of the Project and to promote the economic development of the City as well as 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 such project improvements, and for such purpose it is necessary for the Agency to authorize the issuance of its tax increment 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 tax increment revenue bond as provided for in this Resolution do exist and have been done as provided by law.

Section 2. A tax increment revenue bond in the principal amount and denomination of \$200,000.00, is hereby ordered issued in accordance with Section 18-2125, R.R.S. Neb. 2012, by the Agency and shall be designated as its "Tax Increment Revenue Bond (PENTAD PROPERTIES Project), Series 2015 A" (hereinafter referred to as the "Bond"). The Bond shall be dated as of the date of its delivery. The Bond shall bear interest from the date of its issuance and delivery until maturity (or earlier redemption) at the rate of six percent (5.0%) per annum, provided, however, that if for any interest payment date (a) the real estate taxes with respect to the Project Area becoming delinquent upon the delinquency date next preceding such interest payment

date have been paid in full and (b) such taxes available for deposit to or deposited in the Bond Fund (as hereinafter established and defined), together with any other monies in the Bond Fund, are insufficient to pay the interest on the Bond then due and owing, the amount of interest accruing on the Bond shall not be reduced, but shall be paid from the Bond Fund as and to the extent of funds then available for deposit to or deposited in such Bond Fund. The principal of the Bond shall become due on December 31, 2030, provided that such principal amount shall be subject to mandatory redemption from "Available Funds" as described in Section 5 below on June 1 and December 1 of each year. All such interest upon the Bond shall be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2017. The Bond shall be 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 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 at 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 Bond Fund (as hereinafter established and defined), excluding amounts, if any, from investment earnings for such fund which the Agency shall be entitled to apply to administrative costs related to the Bond, 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 special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Bond are insufficient to pay in full all amounts due and owing at a date fifteen (15) years from the effective date of the Redevelopment Plan, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Lexington, Nebraska, and have been paid, as required by the Redevelopment Contract and this Resolution, towards the retirement of the amounts due hereunder, then, at said date fifteen (15) years from the effective date set forth in the Redevelopment Contract, neither the Community Development Agency or the City of Lexington, Nebraska, shall

have any further payment or other obligations under the Bond and the Holder 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:

{Remainder of Page Intentionally Left Blank}

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. 2015-07 OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA.

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

**TAX INCREMENT REVENUE BOND OF THE COMMUNITY
DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA
(PENTAD PROPERTIES Project)
SERIES 2015 A**

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$200,000.00	5.0%	December 31, 2030

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Development Agency of Lexington, Nebraska, 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 of five percent (5.0%) per annum, subject to limitation as set forth in the authorizing resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, 2017. 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, Nebraska at City Hall, in Lexington, Nebraska. The payments of interest and of mandatory redemption of principal on each interest payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this bond, as shown on the books or 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 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.

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 authorizing said bond. The principal of this bond shall be subject to mandatory redemptions made in part on any interest payment date from "Available Funds" (as defined in the resolution authorizing the issuance of this bond) without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the resolution authorizing this bond.

This bond is a single bond in the total principal amount of Two Hundred Thousand Dollars and no cents (\$200,000.00) issued by the Agency for the purpose of paying the costs of redevelopment of certain real estate located in the City of Lexington, as designated in that redevelopment contract containing a redevelopment plan recommended by the Agency and approved by the Mayor and City Council of the City of Lexington, Nebraska, (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2012, as amended, and has been duly authorized by resolution passed and approved by the Agency (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, R.R.S. Neb. 2012, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project Area" (as defined in the Resolution). Pursuant to the Resolution and Section 18-2150, R.R.S. Neb. 2012, said portion of taxes has been pledged for the payment of this bond, both principal and interest as the same fall due or become subject to mandatory 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 as described in this paragraph. This bond shall not constitute an obligation of the State of Nebraska or of the City or Lexington (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2012) and neither the State or Nebraska nor the City of Lexington 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 as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2012).** 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. The resolution authorizing said issue designates the terms upon which additional bonds payable from said taxes may be issued in the future.

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 authorizing the issuance of this bond. 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 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 date shall have the same force and effect as if made on the nominal date of payment.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the redevelopment plan and the Resolution authorizing the issuance of this Bond are insufficient to pay in full all amounts due and owing at a date fifteen (15) years from the effective date established in the redevelopment contract related to redevelopment project, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Lexington, Nebraska, and have been paid, as required by the redevelopment contract and this Bond, towards the retirement of the amounts due hereunder, then, at said date fifteen (15) years from such effective, neither the Community Development Agency or the City of Lexington, Nebraska, shall have any further payment or other obligations under this Bond and the Holder 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.

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, Nebraska have caused this bond to be executed on behalf of said Agency by being signed by the Chair and Secretary of the Agency and by causing the official seal of said Agency to be affixed hereto, all as of the date of issue shown above.

Delivered this ____ day of _____, 2015.

(SEAL)

COMMUNITY DEVELOPMENT
AGENCY OF LEXINGTON, NEBRASKA

:

By: _____ (do not sign) _____
Chair

ATTEST:

_____(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. The Plan sets forth January 1, 2016, as the effective date after which ad valorem taxes on real property located within the Project Area may be apportioned pursuant to Section 18-2147, R.R.S. Neb. 2012. From and after said effective date that portion of the ad valorem taxes on all real estate located within the Project Area which is described in subdivision (1)(b) of Section 18-2147, R.R S. Neb 2012 (the "Project Area Tax Receipts"), shall be paid into a special fund of the Agency to be designated as the "PENTAD PROPERTIES Project Fund" (the "Bond 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 Bond Fund as a prior and first lien upon said receipts for the security and payment of the Bond.

Section 8. The Bond shall be executed on behalf of the Agency by the Chairperson and Secretary and sealed with the Agency's seal. Upon execution the Bond shall be registered by the Agent in the name of the initial registered owner as directed by the original purchaser and shall thereupon be delivered to the Redeveloper (or its designee, including any pledgee), as the original purchaser thereof for a price equal to the principal amount thereof. The original purchaser and initial registered owner shall deliver an investment representation letter satisfactory in form to the officers of the Agency, or any one of them.

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 transcripts of the Agency precedent to the issuance at the Bond one of which copies shall be delivered to the original purchaser of the Bond.

Section 11. The Chairperson and Secretary of the Agency 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 proceeds of the Bond after payment of issuance costs, shall be paid to the Agency and applied to make payment of a development grant to the Redeveloper with such grant to be made upon such conditions as are set forth in that Redevelopment Contract by and between the Agency and Redeveloper which Redevelopment Contract, as to its terms and conditions, is hereby approved in the form presented. The Chair, and Secretary of the Agency are hereby authorized to execute and deliver said Redevelopment Contract in substantially the form presented but with such changes as such executing officers shall deem appropriate for and on behalf of the Agency.

Section 13. The authorization for the Bond provided for in this Resolution is based upon expectations as to 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.

Section 14. The Community Development Agency of Lexington, Nebraska, specifically find, as follows:

- (a) The project described in the redevelopment contract and plan attached

thereto, would not be economically feasible without the use of tax-increment financing;

(b) The project would not occur in the Redevelopment Area without the use of tax-increment financing; and

(c) The costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and have been found to be in the long term best interests of the community impacted by the project.

Section 15. The purchase price of the Bond may be off set against the grant provided in the Redevelopment Contract in the event that the Redeveloper is the purchaser of said Bond.

Section 16. This Resolution shall be in force and take effect from and after its adoption as provided by law.

Passed and Approved this 18th day of May, 2015.

Chair

(SEAL)

ATTEST:

Secretary