

**DESCRIPTION OF PROJECT AND
REDEVELOPMENT PLAN AMENDMENT FOR
LEXINGTON HOLIDAY PLAZA AREA STREET IMPROVEMENTS**

OVERVIEW:

This redevelopment plan amendment (hereinafter “redevelopment plan or plan”) is intended to redevelop an area within the City of Lexington, which has been declared blighted and substandard within the meaning of the Community Development Law of the State of Nebraska.

The redevelopment plan will provide for the installation of approximately 425 feet of paved street (Commerce Road) extending from Highway 283 to the west, along with associated infrastructure. The Community Development Agency will provide funding to the City of Lexington (the “City”) to acquire the site described on Exhibit A, engineer, bid and construct a paved street, in addition to necessary utility extensions and curb and drainage requirements (the “Project”). This Plan amends the Lexington Holiday Plaza Redevelopment Plan by extending the Redevelopment Area to include the real estate described on Exhibit A. [The full legal description of the Redevelopment Area and Project, including the area described on Exhibit A, is shown on attached Exhibit B].

The City will not develop the Project without the benefit of tax increment financing. The costs of site acquisition and construction of the Project are simply too great to be absorbed by the taxpayers of the City without the assistance of tax increment financing. The installation of this infrastructure will allow for the additional redevelopment of the redevelopment area. The Community Development Agency will issue a bond to be repaid from the incremental tax revenues generated by the redevelopment project pursuant to Section 18-2147 of the Nebraska Revised Statutes, for a period of 15 years from an effective date of January 1, 2001, which revenues are in excess of revenues required to fully pay the 1999A, 1999B, and 1999C Tax Increment Revenue Bonds issued by the Lexington Community Redevelopment Authority, being the predecessor of the Agency. The purchaser of the bond is proposed to be the City which will be the Redeveloper. The Redeveloper will be granted the proceeds of the bond which will assist in the acquisition and construction of the Project.

This Plan amends the Holiday Plaza Redevelopment Plan by extending the area impacted by the plan to include the real estate shown on Exhibit A.

THE REDEVELOPMENT PLAN:

1. Relationship of Plan to Local objectives for appropriate land use: This plan contemplates a change in current land use of the area described on Exhibit A. Currently the portion of the real estate described on Exhibit A is unimproved. No zoning change is contemplated or required.

This plan provides for a public/private partnership to provide Project implementation. The excess tax-increment revenue generated by Redevelopment Project will be used to assist in the acquisition and implementation of the Project. Reutilization of the existing real estate meets existing local objectives for appropriate land use for the area affected by this plan.

2. Relationship of Plan to Local objectives for improved traffic flow and public utilities in plan area: This plan contemplates extension of Commerce Road to the west.

3. Relationship of Plan to Local objectives for community facilities: This plan will not impact public facilities.

4. Redevelopment project boundaries: Exhibit C shows the boundaries of the project and the additional existing use of a portion of the property as a motel and convenience store.

5. Proposed land use plan: Exhibit D shows the proposed land use plan after redevelopment.

6. Information on standards for population densities; land coverage; building intensities; and land coverage after redevelopment: Population density will remain unchanged for the area.

7. Statement regarding change in street layouts: This Plan proposes a change in street and utility layout shown on Exhibit D.

8. Site plan after redevelopment: Exhibit C is an accurate site plan of the redevelopment project after redevelopment.

9. Statement as to the kind and number of additional public facilities or utilities required to support land use after redevelopment: Additional public utilities required to support the proposed change includes the extension of utilities in the Project.

10. Public cost/benefit analysis: This plan requires that the Redeveloper construct a public street. It is intended that limited public funds and tax increment financing will be used to implement the Project.

No employees or employers in the Redevelopment Project Area or outside of such area will be impacted by the Redevelopment Project. A tax shift will occur to the extent of the amount of the tax increment bond issue. No additional public service needs are contemplated.

11. Pledge of Incremental Taxes: pursuant to Section 18-2147 of the Act, the excess ad valorem tax levied upon real property in the redevelopment project specified in the plan, namely Lots 1, 2, and 3, Holiday Plaza Subdivision as surveyed, platted and recorded, now being a part of the City of Lexington, all in Dawson County, Nebraska, shall be divided, for a period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2001.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the

funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Agency to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

12. Issuance of Bond and Grant Funds: The Agency shall issue a Tax Increment Revenue Bond in the approximate amount of \$210,000 at 0% interest, to be repaid from the tax increment revenue generated by the project, after payment of the 1999A, 1999B, and 1999C Bonds. The Bond shall be granted to the City which shall use the proceeds to implement the project.

EXHIBIT A

LEGAL DESCRIPTION

The south 30 feet of a tract of land in the Northeast Quarter of the Southwest Quarter of Section 17, Township 9 North, Range 21 West of the 6th P.M. and within the City of Lexington, Dawson County, Nebraska, more particularly described as follows: Referring to the center-south sixteenth corner of said Section 17; thence N 00°34' 13" E (an assumed bearing and all bearings shown herein are relative thereto) on the East line of the Southwest Quarter of said Section 17, a distance of 1000.00 feet; thence westerly on the South line of a tract of land previously surveyed by Gary Donnelson, LS 292, filed in the Office of the Dawson County Surveyor of Lexington, Nebraska, a distance of 85.01 feet to the point of beginning; thence continuing on the aforementioned South line, a distance of 414.74 feet; thence N 00°43' 12" W on the West line of said surveyed tract, a distance of 174.79 feet; thence S 89°22' 16" E, a distance of 414.70 feet; thence S 00°34' 13" W on the westerly right-of-way line of State Highway No. 283 and parallel to the East line of said Southwest Quarter, a distance of 169.63 feet to the Place of Beginning. Said tract contains 1.64 acres, more or less.

EXHIBIT B

LEGAL DESCRIPTION

Lot 1, Holiday Plaza Subdivision as surveyed, platted and recorded, now being a part of the City of Lexington, all in Dawson County, Nebraska; and

Lot 2, Holiday Plaza Subdivision as surveyed, platted and recorded, now being a part of the City of Lexington, all in Dawson County, Nebraska; and

Lot 2, Holiday Plaza Subdivision as surveyed, platted and recorded, now being a part of the City of Lexington, all in Dawson County, Nebraska; and

The south 30 feet of a tract of land in the Northeast Quarter of the Southwest Quarter of Section 17, Township 9 North, Range 21 West of the 6th P.M. and within the City of Lexington, Dawson County, Nebraska, more particularly described as follows: Referring to the center-south sixteenth corner of said Section 17; thence N 00°34' 13" E (an assumed bearing and all bearings shown herein are relative thereto) on the East line of the Southwest Quarter of said Section 17, a distance of 1000.00 feet; thence westerly on the South line of a tract of land previously surveyed by Gary Donnelson, LS 292, filed in the Office of the Dawson County Surveyor of Lexington, Nebraska, a distance of 85.01 feet to the point of beginning; thence continuing on the aforementioned South line, a distance of 414.74 feet; thence N 00°43' 12" W on the West line of said surveyed tract, a distance of 174.79 feet; thence S 89°22' 16" E, a distance of 414.70 feet; thence S 00°34' 13" W on the westerly right-of-way line of State Highway No. 283 and parallel to the East line of said Southwest Quarter, a distance of 169.63 feet to the Place of Beginning. Said tract contains 1.64 acres, more or less.

EXHIBIT C

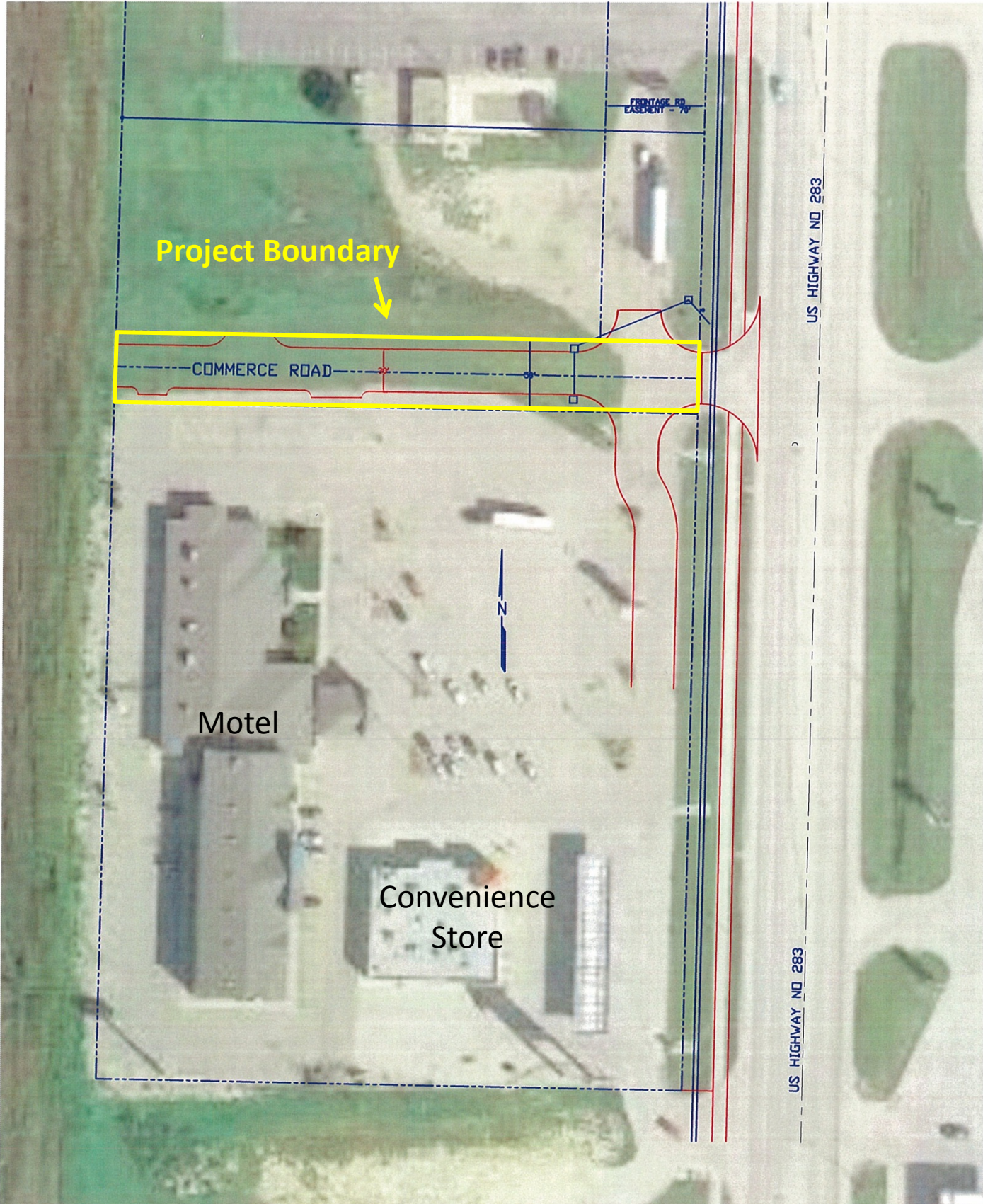


EXHIBIT D

