

## REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2021, by and between the Community Development Agency of Lexington, Nebraska (the "Agency") and Brian Levander, an individual, (the "Developer").

### WITNESSETH:

WHEREAS, the Agency is a duly organized and existing community development agency, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Redevelopment Contract, acting by and through its Chair or Vice Chair and Members;

WHEREAS, the City of Lexington, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended (collectively the "Act"), has adopted a Redevelopment Plan for a blighted and substandard area designated by the City, such plan being identified as Redevelopment Area # 1 Redevelopment Plan; and

WHEREAS, pursuant to Section 18-2119 of the Act, the Agency has solicited proposals for redevelopment of such redevelopment area included in the Redevelopment Plan, and the Developer submitted a redevelopment contract proposal;

WHEREAS, the Agency and the Developer desire to enter into this Redevelopment Contract for acquisition and redevelopment of that certain property located within the redevelopment area and more particularly described on Exhibit A attached hereto;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the Agency and the Developer do hereby covenant, agree and bind themselves as follows:

### ARTICLE I DEFINITIONS AND INTERPRETATION

#### Section 1.01 Terms Defined in this Redevelopment Contract.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Contract, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

"Act" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended, and acts amendatory thereof and supplemental thereto.

"TIF Indebtedness Holder" means the holders of TIF Indebtedness issued by the Agency from time to time outstanding.

"TIF Indebtedness" means any TIF Indebtedness, notes, loans and advances of money or other indebtedness, including interest thereon, issued by the CDA or the City secured in whole or in part by TIF Revenues.

"City" means the City of Lexington, Nebraska.

"Governing Body" means the City Council of the City.

"Paying Agent" means the paying agent with respect to the TIF Indebtedness appointed pursuant to the Resolution, and who shall initially be the treasurer of the City.

"Premises" means all that certain real property situated in Lexington, Dawson County, Nebraska, more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

"Project" means the improvements to the Premises, as further described in Exhibit C attached hereto and incorporated herein by reference.

"Project Costs" means only costs or expenses incurred by the Developer to acquire the Project, construct and prepare the Project site for redevelopment pursuant to the Act, including, but not limited to costs for: land survey and engineering, soil tests, excavation, grading, storm water runoff structures, electric power substations and lines, including underground, related plan preparation including those for this plan, planning, survey, other work incident to the Project and the preparation of all plans and arrangements for carrying out the Project, and other work incident to a redevelopment project.

"Project Site" means the real property described on attached Exhibit A.

"Redevelopment Contract" means this Redevelopment Contract between the Agency and the Developer with respect to the Project.

"Redevelopment Plan" means the Lexington Community Redevelopment Area #1 Redevelopment Plan, duly adopted by the City and Agency as amended by Exhibit C attached hereto and supplemented by this Redevelopment Contract and the attachments hereto, adopted by the Agency and the City pursuant to the Act, as amended from time to time.

"Resolution" means the Resolution of the Agency dated \_\_\_\_\_, 2021, as supplemented from time to time, approving this Redevelopment Contract, the Redevelopment Plan Amendment included therein, and providing for the issuance of the TIF Indebtedness.

"TIF Revenues" or "Tax Increment" means incremental ad valorem taxes generated by the Project which are allocated to and paid to the Agency pursuant to the Act.

## Section 1.02 Construction and Interpretation.

The provisions of this Redevelopment Contract shall be construed and interpreted in accordance with the following provisions:

1. This Redevelopment Contract shall be interpreted in accordance with and governed by the laws of the State of Nebraska, including the Act.
2. Wherever in this Redevelopment Contract it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.
3. The phrase "at any time" shall be construed as meaning "at any time or from time to time."
4. The word "including" shall be construed as meaning "Including, but not limited to."
5. The words "will" and "shall" shall each be construed as mandatory.
6. The words "herein," "hereof," "hereunder," "hereinafter" and words of similar import shall refer to the Redevelopment Contract as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.
7. Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.
8. The captions to the sections of this Redevelopment: Contract are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary by implication or otherwise any of the provisions hereof.

## ARTICLE II REPRESENTATIONS

### Section 2.01 Representations by the Agency.

The Agency makes the following representations and findings:

1. Agency is a duly organized and validly existing Community Development Agency under the Act;
2. The proposed land uses and building requirements in the Project are designed with the general purpose of accomplishing, in conformance with the general plan of development of the City, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight;
3. The Redevelopment Contract is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Act;

4. Based on the representations of Developer and other information provided to the Agency,
  - (i) The Project would not be economically feasible without the use of tax increment financing;
  - (ii) The Project would not occur in the Redevelopment Area without the use of tax-increment financing; and
  - (iii) 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 the Agency and have been found to be in the long-term best interest of the community impacted by the Project;
5. Exhibit C to this Redevelopment Contract (and other attachments hereto) constitute a redevelopment plan amendment and has been duly approved and adopted by the Community Development Agency of the City pursuant to Section 18-2116 and 18-2117 of the Act;
6. The Agency has requested proposals for redevelopment of the Redevelopment Area pursuant to section 18-2119 of the Act, and deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Developer as specified herein; and
7. The Redevelopment Project will achieve the public purposes of the Act by, among other things, increasing the tax base, and lessening blight and substandard conditions in the Redevelopment Area.

Section 2.02 Representations of the Developer.

The Developer makes the following representations:

1. The Developer is an individual in good standing under the laws of the State of Nebraska, having the power to enter into this Redevelopment Contract, transact business in the state of Nebraska, and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract.
2. The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which the Developer is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Developer contrary to the terms of any instrument or agreement.

3. There is no litigation pending or to the best of its knowledge threatened against the Developer affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Contract or, except as disclosed in writing to the Agency, as to any other matter materially affecting the ability of the Developer to perform its obligations hereunder.
4. Developer has made a fiscal analysis of the project and specifically represents to the City and Agency that:
  - (i) The Project would not be economically feasible without the use of tax-increment financing, and Developer will not undertake the Project without tax-increment financing;
  - (ii) The Project would not occur in the Redevelopment Area and Developer will not construct the Project without the use of tax-increment financing;

ARTICLE III  
OBLIGATIONS OF THE AGENCY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Agency hereby includes in the Redevelopment Plan of the Agency a provision that any ad valorem tax on real property in that portion of the Project, described in Exhibit A, for the benefit of any public body be "divided" for a period of up to fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act. The effective date of this provision shall be January 1, 2023.

The City and Agency will timely file all appropriate notice with the Dawson County Treasurer and Assessor regarding the division of ad valorem taxes, as provided in Section 18-2147 of the Act.

Section 3.02 Issuance of TIF Indebtedness.

Agency shall issue TIF Indebtedness through a TIF Promissory Note (hereafter "TIF Note") in the form and principal amount and bearing interest and being subject to such terms and conditions as are specified on Exhibit D attached hereto. No TIF Indebtedness will be issued until the Developer has (a) acquired fee title to the Premises; and (b) entered into a contract for construction of the Project. The TIF Note shall not be a general obligation of the CDA or the City, which shall issue the TIF Note solely as a conduit. If the Developer intends to monetize the TIF Note, then they shall locate a lender or other entity to acquire and fund the acquisition of the TIF Note for the TIF Indebtedness. Developer may pledge or assign the TIF Note to such lender and the CDA shall consent to such pledge upon request. The TIF Indebtedness shall be secured by a pledge or assignment of the Tax Increment to be captured by the CDA.

Section 3.03 Pledge of TIF Revenues.

Pursuant to the Resolution, the Agency will pledge the TIF Revenues as security for the TIF Indebtedness as provided herein. The Agency hereby represents that the aggregate mill levy on real property within its jurisdiction for fiscal 2020 is 1.916202. The Agency is not aware of any facts which would result in a material reduction of such mill levy. Based upon the foregoing, and the anticipated construction costs of the Project, the amount of TIF Revenues which the Developer reasonably believes will be generated annually from the Project is set forth in Exhibit D hereto.

Section 3.04 Grant.

The Agency shall grant one hundred percent (100%) of the proceeds of the TIF Indebtedness issued pursuant to Section 3.02 above, to the Developer for the purpose of paying Project Costs. Notwithstanding the foregoing, the amount of the grant shall not exceed the amount of Project Costs certified pursuant to Section 4.02.

Section 3.05 Creation of Fund.

In accordance with Sections 18-2147 of the Act, the Agency will create a special fund pursuant to the Resolution to collect, hold and disburse the TIF Revenues. TIF Revenues deposited into such special fund shall be used for no purpose other than to pay the principal of, interest, if any, and premium, if any, due on the TIF Indebtedness issued pursuant to Section 3.02 above. The description and operation of such special fund shall be set forth in more detail in the Resolution.

Section 3.06 Perform Obligations of Redevelopment Plan.

Agency will perform, or provide for the performance, in a timely manner, of all obligations to set forth in the Redevelopment Plan required to be performed by the Agency or City, as provided in this Redevelopment Contract, and attached Exhibit C.

Section 3.07 Conveyance of Real Estate.

The Agency shall convey the Premises to the Developer for a purchase price in the amount of \$25,000.00, which the Agency has found and determined and hereby finds and determines to be fair value in accordance with the Act. The Parties agree and acknowledge the exact boundaries of the Premises shall be created by administrative lot split with said lot split to provide sufficient real estate for the Project. The Premises shall be conveyed free and clear of all liens and encumbrances except easements, restrictions and dedications as required for public infrastructure improvements as contemplated in this Redevelopment Contract, and shall also be conveyed subject to the terms and conditions of this Redevelopment Contract. Developer shall obtain a title insurance commitment on the Premises. The title insurance commitment will show marketable title to the Premises in Agency and shall agree to insure title in Developer and for the benefit of Developer's lender, if any, in the amount of the purchase price. The Premises shall be subject to reconveyance to the Agency upon certain events of default as provided in Section 6.02 of this Redevelopment Contract. Developer acknowledges that Developer has examined and inspected the Premises, and that Developer is purchasing the same in an "AS IS" condition, subject to Developer's own

inspection and not by reason of any representation or warranty of Agency, express or implied.

Section 3.08 Grant of Agency Funds.

The Agency, upon closing of the purchase and sale of real estate in section 3.07, shall grant the sum of \$20,000.00 the Developer for purposes of implementing the Project. The source of said funds are not from the proceeds of the TIF Indebtedness or any taxes divided pursuant to §18-2147(1)(b) of the Act.

ARTICLE IV  
OBLIGATIONS OF THE DEVELOPER

Section 4.01 Construction of Project; Insurance; Penal Bond.

The Developer will acquire the project site by purchase from the Agency and construct an approximate 6,300 square foot commercial building on the Premises. Construction on the project shall be complete and ready for occupancy prior to December 31, 2022, pursuant to the Plan set forth on attached Exhibit C.

The Developer shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Project. Until construction of the Project has been completed, the Developer shall make reports in such detail and at such times as may be reasonably requested by the Agency (not to exceed one report per month) as to the actual progress of the Developer with respect to construction of the Project. Promptly after completion by the Developer of the Project, the Developer shall furnish to the Agency a certificate of completion. The certification by the Developer shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Contract with respect to the obligations of the Developer and its successors and assigns to construct the Project. As used herein, the term "completion" shall mean substantial completion of the Project.

Any contractor chosen by the Developer or the Developer itself shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability, completed operations and automobile liability. The minimum acceptable limits of liability to be provided by such insurance are: bodily injury of \$2 million per person or occurrence and property damage of \$2 million per occurrence. The Agency, the Developer, the City and the Agency shall be named as additional insured parties. The Developer shall also obtain a Penal Bond as required by the Act.

Any contractor chosen by the Developer or the Developer itself, as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include "All Risk" insurance for physical loss or damage. Notwithstanding the foregoing, the Developer reserves the right to self-insure against the risks described herein. The contractor or the Developer, as the case may be, shall furnish the Agency with a Certificate(s) of Insurance evidencing policies as required above. Such certificates shall specifically indicate that the public liability insurance includes all

extensions of coverage required and shall state that the insurance companies shall give the Agency and all other named insureds at least thirty (30) days' written notice in the event of cancellation of or material change in any of the policies.

Section 4.02 Cost Certification.

Developer shall submit to Agency a certification of Project Costs, in a form acceptable to Agency, which shall contain detail and documentation showing the payment of Project Costs specified on the attached Exhibit E in an amount at least equal to the grant to Developer pursuant to Section 3.04.

Section 4.03 The Developer to Operate Project.

The Developer will operate the Project for not less than 15 years from the effective date of the provision specified in Section 3.01 of this Redevelopment Contract. The Developer shall be deemed to be operating the Project so long as the Developer is operating in the in the ordinary course of its business on a substantial and continuous basis. Any transferee of the Project shall be bound by the terms of this contract.

Section 4.04 No Discrimination.

The Developer agrees and covenants for itself, its successors and assigns that as long as any TIF Indebtedness are outstanding, it will not knowingly discriminate against any person or group of persons on account of race, sex, color, religion, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Project. The Developer, for itself and its successors and assigns, agrees that during the construction of the Project, the Developer will not knowingly discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance, The Developer will use its best efforts to comply with all applicable federal, state and local laws related to the Project.

Section 4.05 Pay Real Estate Taxes.

The Developer intends to create a taxable real property base attributable to the Project of not less than \$465,000, no later than January 1, 2023. During the period that any TIF Indebtedness is outstanding, the Developer will (1) not protest a real estate property valuation on the Premises of \$465,000 or more after substantial completion or occupancy; (2) not convey the Premises or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes; and (3) cause all real estate taxes and assessments levied on the Premises to be paid prior to the time such become delinquent during the term that any TIF Indebtedness is outstanding.

Section 4.06 Payment in Lieu of Taxes.

Developer agrees to make payments in lieu of taxes in an amount equal to the principal of and interest on the TIF Indebtedness as the same fall due as and to the extent not fully paid from TIF



Revenues, immediately upon receipt of notice from Agency, if for any reason at any time TIF Revenues received by the Agency are not sufficient to pay principal and interest on the TIF Indebtedness when due. This payment in lieu of obligation may be represented by a note or other evidence of indebtedness and secured by a deed of trust subordinate to the first lien.

Section 4.07 No Assignment or Conveyance.

Developer shall not convey, assign or transfer the Premises, the Project or any interest therein prior to the termination of the 15 year period commencing on the effective date specified in the Section 3.01 hereof, without the prior written consent of the Agency, which the Agency shall grant or deny within fifteen (15) days of receipt of written request from Developer, which consent shall not be unreasonably withheld, and which the Agency may make subject to any terms or conditions it deems appropriate, except for the following conveyances, which shall be permitted without consent of Agency:

- (1) Any conveyance as security for indebtedness incurred by Developer for Project Costs or any subsequent physical improvements to the Premises, provided that any such conveyance shall be subject to the obligations of the Developer pursuant to this Redevelopment Contract;
- (2) Any conveyance to any person or entity which owns more than 50% of the voting equity interests of Developer (if Developer is a corporation, partnership, limited liability company or other entity) or with respect to which Developer owns more than 50% of the voting equity interests, provided that any such successor owner of the Project agrees to assume all obligations of the Developer and be bound by all terms and conditions of this Redevelopment Contract;
- (3) If Developer is a corporation, partnership or limited liability company, any merger, consolidation, split off, split-up, spin off or other reorganization of Developer which does not result in a substantial change of control or management of the Developer, provided that any such successor owner of the Project agrees to assume all obligations of the Developer and be bound by all terms and conditions of this Redevelopment Contract.
- (4) If Developer is a corporation, partnership or limited liability company, and if Developer sells all or substantially all of Developer's assets to an entity (the "Purchaser"), the Developer can convey to the Purchaser or an entity that is under common control with Purchaser (the "Successor Owner") provided that any such Successor Owner agrees to assume all obligations of the Developer and be bound by all terms and conditions of this Redevelopment Contract.

Section 4.08 Immigration Status.

The Developer agrees that any contractor for the Project shall be required to agree to use a federal immigration verification system (as defined in Nebraska Revised Statute §4-114) to determine the work eligibility status of new employees physically performing services on the Project and to comply with all applicable requirements of Nebraska Revised Statute §4-114.

Section 4.09 Progress Reports.

The Developer shall provide the City with progress reports during the redevelopment, upon the written request of the City, and allow the City reasonable access, upon request to Developer, to premises, as well as to relevant financial records pertaining to the redevelopment project.

Section 4.10 Purchase of TIF Indebtedness.

Upon issuance, the Developer shall purchase, at the full principal amount thereof the TIF Indebtedness issued pursuant to Section 3.02 hereof, the purchase of the TIF Indebtedness may be offset against the Grant provided in Section 3.04 hereof.

Section 4.11 Payment of Agency Costs.

Developer shall reimburse the Agency, on or before the date of receipt of the grant or any portion thereof pursuant to Section 3.04, for legal fees and costs incurred by the Agency in connection with this Redevelopment Contract in the sum of \$5,000.00. The difference between the purchase price of the Premises referred to in Section 3.07 and the Grant of Agency Funds referred in Section 3.08 shall be considered payment of this obligation.

Section 4.12 Other Agreements.

The Developer will enter into and perform its obligations under such other agreements as are reasonably necessary in connection herewith, including but not limited to those documents set forth and described in Section 7.01 hereof.

ARTICLE V  
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

The Developer shall pay all Project Costs, if any, which are in excess of the amounts paid from the proceeds of the TIF Indebtedness granted to the Developer. Prior to issuance of the TIF Indebtedness, the Developer shall provide to the Agency evidence satisfactory to the Agency that private funds have been committed to the Redevelopment Project in amounts sufficient to complete the Redevelopment Project.

ARTICLE VI  
DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Agency and Developer.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by either party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed

immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract.

Section 6.02            Additional Remedies of Agency.

In the event that Developer, or its successor in interest, shall fail to commence the construction of the Project on or before January 1, 2023, such event shall be deemed a failure to perform under this Redevelopment Contract.

In the event of such failure to perform, breach or default occurs and is not cured in the period herein provided, the parties agree that the damages caused to the Agency would be difficult to determine with certainty and that a reasonable estimation of the amount of damages that could be incurred is the unpaid portion of the principal of the TIF Indebtedness as of the date of declaration of default (the "Liquidated Damages Amount"). The Liquidated Damages Amount shall be paid by Developer to Agency within 30 days of demand from Agency and may be paid in full by transferring ownership of the TIF Indebtedness to the Agency.

Interest shall accrue on the Liquidated Damages Amount at the rate of one percent (1%) over the prime rate as published and modified in the Wall Street Journal from time to time and interest shall commence from the date that the Agency gives notice to the Developer demanding payment.

Section 6.03            Enforced Delay Beyond Party's Control.

For the purposes of this Redevelopment Contract, neither party, as the case may be, nor any successor shall be in breach of or in default in its performance of obligations within its control, when and without its fault, a default in such obligation occurs caused by acts of God, or Government, acts of terrorism, or in the event of enforced delay in the project due to unforeseeable causes beyond the control of the parties or either of them, including fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Agency or of Developer with respect to construction of the Project, as the case may be, shall be extended for the period of the enforced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay.

Section 6.04            Limitation of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary neither Agency, City, nor their officers, directors, employees, agents, attorneys or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The

sole obligation of the City and Agency under this Redevelopment Contract shall be the issuance of the TIF Indebtedness, granting of a portion of the proceeds thereof to Developer, providing certain public infrastructure improvements and conveying the Premises, as specifically set forth in Sections 3.02, 3.04, 3.06, and 3.07. The obligation of the Agency on any TIF Indebtedness shall be limited solely to the pledge of TIF revenues pursuant to Section 3.03 as security for such TIF Indebtedness. Specifically, but without limitation, neither City nor Agency shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties, or obligations hereunder. The Developer releases the Agency and the City from, agrees that the Agency and City shall not be liable for, and agrees to indemnify and hold the Agency and City harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to Project as the result of any action or inaction of the Developer.

The Developer will indemnify and hold each of the Agency and City and their directors, officers, agents, employees, and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, including litigation expenses, attorney's fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about the Project during the term of this Redevelopment Contract arising out of any action or inaction of Developer.

## ARTICLE VII MISCELLANEOUS

### Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract shall be recorded with the Dawson County Register of Deeds with respect to the Premises.

### Section 7.02 Governing Law.

This Redevelopment Contract shall be governed by the laws of the State of Nebraska, including but not limited to the Act.

### Section 7.03 Binding Effect; Amendment.

This Redevelopment Contract shall be binding on the parties hereto and their respective successors and assigns. This Redevelopment Contract shall run with the Premises, The Redevelopment Contract shall not be amended except by a writing signed by the party to be bound.

### Section 7.04 Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

### Section 7.05 Severability.

The invalidity or unenforceability of any one or more phrases, sentences, clauses or Sections contained in this Redevelopment Contract shall not affect the validity or enforceability of the remaining portions of this Redevelopment Contract, or any part thereof.

IN WITNESS WHEREOF, the Agency and the Developer have signed this Redevelopment Contract as of the date and year first above written.

{SIGNATURE AND NOTARY PAGES TO FOLLOW}





EXHIBIT A

DESCRIPTION OF PREMISES

Tract B, Administrative Replat of Lot Four (4), CDA First Addition to the to the City of Lexington, Dawson County, Nebraska.

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## EXHIBIT B

### DESCRIPTION OF PROJECT

#### OVERVIEW:

This 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 Redevelopment Law of the State of Nebraska.

The Developer intends to acquire, develop and rehabilitate the real estate shown on Exhibit A to the Redevelopment Contract by constructing a minimum 6,300 square foot commercial office and shop, for automotive body work, along with necessary public parking, access, screened storage, and landscaping. It is anticipated the accessed value of the project on completion will be approximately \$465,000.00.

The Developer will not develop the project in the redevelopment area or elsewhere without the benefit of the benefits under the redevelopment contract. The costs and risks of the project are simply too great to be absorbed by the Developer without this assistance.

The Agency shall grant to the Developer 100% of the proceeds of the TIF Indebtedness. The Developer shall use the proceeds to acquire the Premises and prepare the same for development, per activities outlined in Exhibit E.

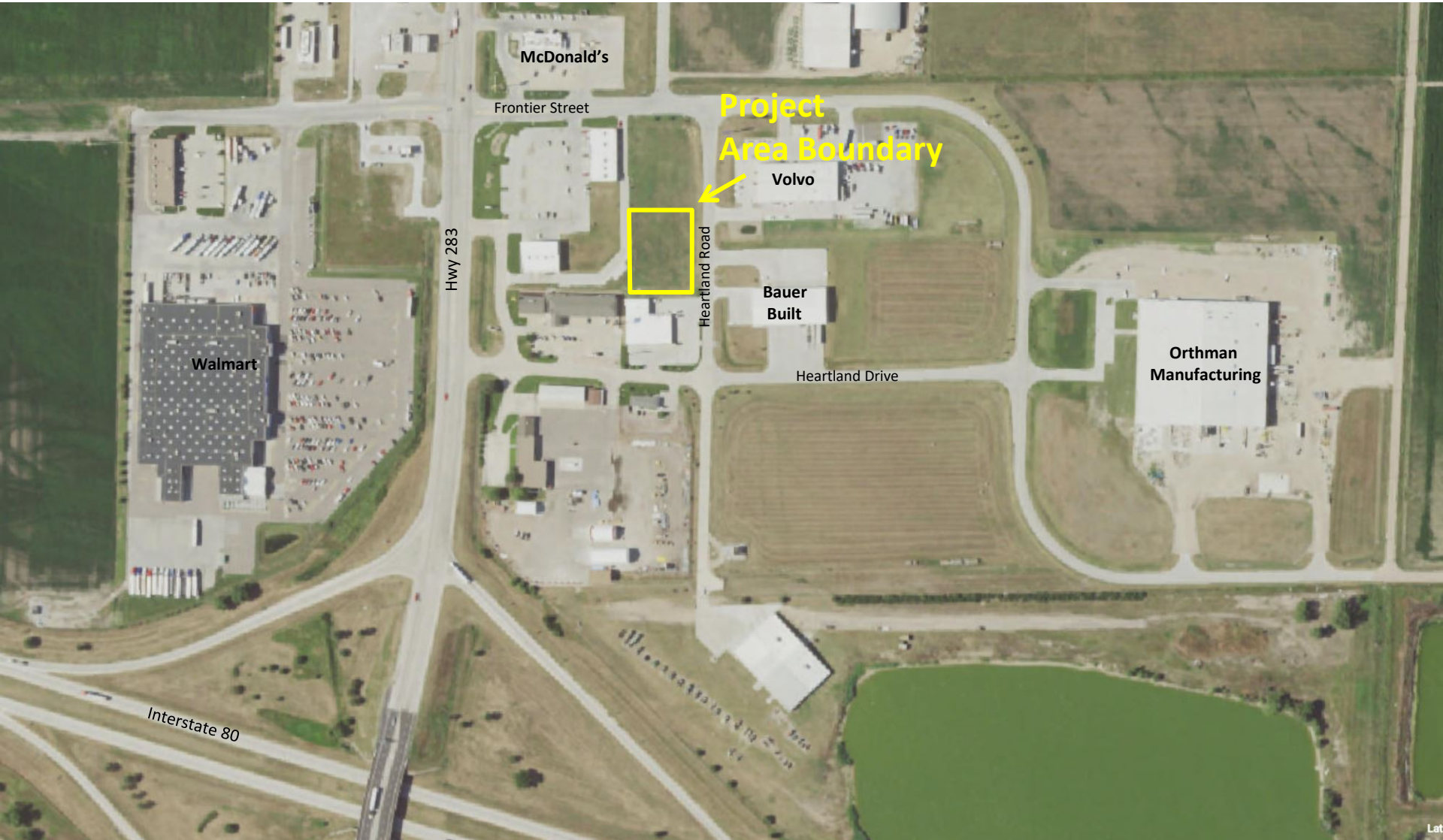




EXHIBIT C  
LEVANDER REDEVELOPMENT PLAN

THE REDEVELOPMENT PLAN:

1. Relationship of Plan to Local objectives for appropriate land use: This plan contemplates no change in current land use. The area is currently zoned C-3 Highway Commercial and such land use is appropriate for the intended use. 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:

**Streets:** Streets will conform to current layout and design as set forth in the various subdivision plats affecting the project.

**Public Utilities:** Public utilities will conform to the current layout and design of the project, no further improvements are anticipated, except for an extension of secondary utilities as required for the plan.

No special assessment districts will be established for the project development.
3. Redevelopment project boundaries: Exhibit B-1 to the Redevelopment Contract shows the boundaries of the project. The property is currently unimproved.
4. Proposed land use plan: Exhibit B-2 shows the proposed land use plan after redevelopment as a commercial development. This plat will not need to be amended and changed.
5. Information on standards for population densities; land coverage; building intensities; and land coverage after redevelopment: Population density will not change for the area. Currently there is no residential occupancy.
6. Statement regarding change in street layouts: This Plan proposes no change in current street layouts.
7. Site plan after redevelopment: Exhibit B-2 is an accurate proposed site plan of the redevelopment project after redevelopment.
8. Statement as to the kind and number of additional public facilities or utilities required to support land use after redevelopment: Additional public utilities will not be required to support the proposed plan.
9. Estimated costs to be incurred by the Agency for the project are as follows: No additional costs are expected to be incurred by the Agency for the project.

10. Pledge of Incremental Taxes. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in described in attached Exhibit A to the Redevelopment Contract shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2023. Said taxes shall be divided as follows:

- 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 TIF Indebtedness, 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 TIF Indebtedness, 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.

11. Cost Benefit Analysis. Pursuant to Section 18-2113 of the Act, this Plan when presented for recommendation and approval shall be accompanied by a cost benefit analysis. The cost-benefit analysis is available for public inspection at the City of Lexington City Offices, 406 E 7<sup>th</sup>, Lexington, NE 68850. Such analysis is as follows:

a. **Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:**

There are no negative tax shifts resulting from this Project. The taxes generated by the current value of the property shall continue to be allocated between taxing jurisdictions pursuant to standard statutory requirements. Only the incremental taxes created by the Project will be captured to pay eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of this Project is a positive shift in taxes in the first year and a more substantial positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the 15-year tax shift is as follows:

1. Redevelopment Project Valuation:	\$17,575
2. Projected Completed Project Assessed Valuation:	\$482,575
3. Projected Incremental Valuation:	\$465,000
4. Estimated Tax Levy:	1.916202
5. Annual Projected Tax Shift:	\$8,929

*Note: The Projected Tax Increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2023 levy rate. There has been no accounting for incremental growth or change in the tax levy over the 15-year TIF period.*

**b. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:**

1. Public infrastructure improvements and impacts:

No substantial adverse effects are anticipated on the public infrastructure and community public service needs. The Redeveloper anticipates expenditures of approximately \$500,000 for construction and installation of the Project and related and ancillary improvements. Of these costs, approximately \$95,000 are TIF-eligible uses under the Community Development Law. TIF will be utilized to assist with the payment of these TIF-eligible costs and Redeveloper shall be responsible for the excess costs. Infrastructure improvements are included in the TIF uses for this Project, and said improvements shall positively impact the City. Redeveloper shall pay for all other Project costs, utilizing TIF to finance the eligible site-specific expenditures. No other public infrastructure improvements are anticipated to be necessary based on this Project, and the Project will not have a material adverse effect on any community public services. The list of anticipated TIF uses has been set forth in the Redevelopment Plan Amendment for this Project, and shall be detailed in the redevelopment agreement for this Project.

2. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, the Project should generate immediate tax growth for the City. The Project will include an amount of personal property that will be on the property tax rolls upon its acquisition and installation. Additionally, the City should realize revenue from sales taxes paid during construction and service operations. The Project will also require and pay for City services. It is not anticipated that the Project will have any material adverse impact on such City services, and the City will generate revenue providing support for those services.

**c. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:**

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The additional business operation should be a positive impact on the recruitment of new employers in the area.

**d. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:**

The Project should have a material positive impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers.

**e. Impacts on the student populations of school districts within the City:**

It is not anticipated that the Project will have a material impact on the student populations of the school district within the City.

**f. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:**

The Project is anticipated to create four (4) full-time position at wages and salaries will competitive in the industry. When secondary employment effects in other employment sectors are added, the total employment effects are expected to be even higher.

**g. Summary of Findings:**

The Project will increase the City's tax base, without material adverse effect on either public or private entities. The Project will increase property tax revenue in the long-term. The Project will facilitate the development of a blighted and substandard area of the City without the incurrence of significant public cost. The benefits outweigh the costs of the proposed Project.

## EXHIBIT D

### TIF INDEBTEDNESS

1. Principal amount      An amount calculated to be amortized by incremental tax revenues from and after January 1, 2023 for a period of 15 years, estimated to be approximately \$125,000.00.
2. Payments:              Semi-annually with interest only until real estate taxes are fully collected for the tax year commencing January 1, 2023 in an amount sufficient to fully amortize the TIF Indebtedness on or before the Maturity Date
3. Interest Rate:        0%
4. Maturity Date:        On or before December 31, 2037.



EXHIBIT E  
PROJECT COSTS

All Project Costs payable from the proceeds of the TIF Indebtedness pursuant to the Act including:

1. Premises acquisition costs.
2. Site work and site preparation.
3. Utility extensions.
4. Construction of roadway access.
5. Engineering, surveying, and legal costs.