

**COMMUNITY DEVELOPMENT AGENCY  
LEXINGTON NEBRASKA  
October 21, 2013**

A Regular Meeting of the Community Development Agency was held Monday, October 21, 2013, at the Lexington City Hall, located at 406 East 7<sup>th</sup> Street, Lexington, Nebraska at 5:30 p.m. Members present were Steve Smith, Gail Hall, Seth McFarland, Jason Fagot, John Fagot and Linda Miller. Member Kory Cetak was absent. City Officials present were City Manager Joe Peplitsch, Assistant City Manager Dennis Burnside, City Attorney Will Weinhold and Secretary Pamela Baruth. The press was represented by Kearney Hub.

**NOTICE:** Notice of the meeting was given in advance notice, thereof by publication in the Lexington Clipper-Herald, the designated method for giving notice, as shown by the Affidavit of Publication attached to these Minutes. The proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public. All items presented and discussed on the Agenda were available for public inspection.

**CALL TO ORDER:** The Meeting was called to order by Chairman Steve Smith who informed the public that the Open Meetings Act is posted in the Council Chambers at the Lexington City Hall, located at 406 E. 7<sup>th</sup> Street, Lexington, Nebraska.

**MINUTES – REGULAR MEETING 9-16-13** Minutes of the Regular meeting held Monday, September 16, 2013, were presented for consideration. Moved by John Fagot, seconded by Miller, to approve the minutes as presented. Roll call. Voting “aye” were McFarland, Jason Fagot, Miller, John Fagot, Smith. Hall abstained. Motion carried.

**LOT SALE:** Peplitsch requested Board consideration of a sales agreement for Lot 4, Block 3 Paulsen’s First Addition. He reviewed the conditions of the agreement with Noe Gomez. Following discussion, moved by John Fagot, seconded by McFarland, to approve the sales agreement with Noe Gomez and to authorize the execution of necessary documents for the transaction. Roll call. Voting “aye” were Miller, Jason Fagot, Hall, McFarland, John Fagot, Smith. Motion carried.

**REDEVELOPMENT CNTRCT:** Peplitsch requested Board consideration of a redevelopment contract proposal for the Legend Oaks II project. He reviewed the proposal, highlighting the responsibilities of each entity, and noted that the proposal has received approval of the Lexington City Council. Following discussion, Resolution No. 2013-09 was presented for consideration. Moved by Smith, seconded by Hall, to approve Resolution No. 2013-09 as presented. Roll call. Voting “aye” were Miller, John Fagot, Jason Fagot, McFarland, Hall, Smith. Motion carried.

**RESOLUTION NO. 2013-09**

RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY  
OF LEXINGTON, NEBRASKA, APPROVING THE  
REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN  
AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT

REVENUE BONDS (Legend Oaks II PROJECT) SERIES 2013 A  
AND SERIES 2013 B.

WHEREAS, the Community Development Agency of Lexington, Nebraska ("Agency") is a duly organized and existing Agency, a body politic and corporate under the laws of the State of Nebraska; and

WHEREAS, the Agency is authorized by the Act (hereinafter defined) to issue and sell its revenue Bond, notes or other obligations for the purpose of providing money to pay or otherwise provide funds to pay costs of redevelopment projects and is further authorized to pledge the revenues as herein provided to secure the payment of principal, premium, if any, and interest on its obligations; and

WHEREAS, the Agency has determined it to be in the best interests of the Agency to issue its Bond, notes or other obligations for the purpose of making funds available for the acquisition, construction and improvement of a Redevelopment Project of Legend Oaks II, LLC ("Legend Oaks II") and related infrastructure pursuant to a Redevelopment Contract ("Redevelopment Contract"); and

WHEREAS, the Agency has made the necessary arrangements for financing a portion of the costs of the development project in part by issuing Community Development Revenue Bonds (Legend Oaks II Project), in the form of fully registered Bonds without coupons (the "Bonds" or "Series 2013 Bonds") of the Agency and for use of the proceeds of the Bonds in connection with the project, in amounts determined pursuant to Sections 2.01, 2.04A and 2.04B; and

WHEREAS, the issuance of the Bonds has been in all respects duly and validly authorized by the Agency pursuant to this Resolution (the "Resolution"); and

WHEREAS, the Bonds are in substantially the form attached hereto as Exhibits A and B which are incorporated herein by this reference, with the necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution.

NOW, THEREFORE, BE IT RESOLVED and expressly declared, that the Bonds shall be issued and delivered upon and subject to the terms, conditions, stipulations, uses and purposes as hereinafter expressed, which are:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Defined Terms.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Bond Resolution, 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, and Sections 18-2101 through 18-2154 of the Nebraska Revised Statutes, as amended, known as the Nebraska Community Development Law and acts amendatory thereof and supplemental thereto.

“Authorized Representative” means the person at the time designated to act on behalf of Legend Oaks II by written certificate furnished to the Bondholders and the Agency, containing the specimen signature of such person. Such certificate may designate an alternate or alternates.

“Authorized Issuer Representative” means the person at the time designated to act on behalf of the Agency by written certificate furnished to Legend Oaks II and the Bondholders containing the specimen signature of such person and signed on behalf of the Agency by its Chair or Vice Chair. Such certificate may designate an alternate or alternates.

"Bond" means the Agency's Community Development Revenue Bonds (Legend Oaks II Project) Series A and B unless the context indicates a particular series of Bond.

“Bondholder” means the holder of the Bonds from time to time outstanding.

“City” means the City of Lexington, Nebraska.

“Closing” means the date of issuance of any Bond.

“Collateral” means all property pledged as security for the Bondholders pursuant to Section 5.01 of this Bond Resolution.

“Legend Oaks II” means Legend Oaks II, LLC, its successors and assigns, and any resulting or transferee corporation or entity.

“Debt Service Fund” means the fund created with the Paying Agent pursuant to Section 4.01 of this Bond Resolution.

“Governing Body” means the members of the Agency.

“Paying Agent” means the paying agent with respect to the Bond appointed pursuant to Section 11.01 of this Bond Resolution.

“Project” means the real property and improvements to be constructed thereon, as further described in Exhibit C attached hereto and incorporated herein by reference.

“Project Costs” means only costs or expenses incurred by Legend Oaks II, LLC to acquire, improve and prepare for development and redevelopment the Project site and by the Agency and City for construction of certain infrastructure costs, including but not limited to costs of engineering, site fill, streets, curbs, gutters, water mains, sanitary sewer lines and lift stations, storm sewer lines, including reimbursement for any such costs, in the City of Lexington, Dawson County, Nebraska, pursuant to the Act and shall include costs of issuing the Bond.

“Redevelopment Contract” means the redevelopment contract between the Agency and Legend Oaks II dated \_\_\_\_\_, 2013, with respect to the Project.

“Redevelopment Plan” means the Redevelopment Plan submitted by Legend Oaks II with respect to the Project, as set forth in the Redevelopment Contract and adopted in accordance with the Act, as amended from time to time.

“Registrar” means the registrar responsible for maintaining records of holders of the Bond appointed pursuant to Section 11.01 of this Bond Resolution.

“Resolution” means this Bond Resolution of the Agency adopted on \_\_\_\_\_, 2013, authorizing the issuance and sale of the Bond, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

“Tax Increment Revenues” means ad valorem property taxes pledged to payment of the Bond in accordance with Sections 18-2147 and 18-2150 of the Act, including those pledged pursuant to this Bond Resolution and those pledged hereafter by action of the Agency pursuant to redevelopment plan amendments, as described in the Redevelopment Contract.

#### Section 1.02 Provisions as to Interpretation.

The provisions of this Bond Resolution shall be construed and interpreted in accordance with the following provisions:

(a) This Bond Resolution shall be interpreted in accordance with and governed by the laws of the State of Nebraska.

(b) Wherever in this Bond Resolution 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.

(c) The phrase “at any time” shall be construed as meaning “at any time or from time to time.”

(d) The word “including” shall be construed as meaning “including, but not limited to.”

(e) The words “will” and “shall” shall each be construed as mandatory.

(f) The words “herein,” “hereof,” “hereunder,” “hereinafter” and words of similar import shall refer to this Bond Resolution as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.

(g) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.

(h) The captions to the sections of this Bond Resolution 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.

#### Section 1.03 Exhibits.

The following Exhibits are attached to and by reference made a part of this Bond Resolution:

- (a) Exhibit A: Form of Series 2013 A Bond.
- (b) Exhibit B: Form of Series 2013 B Bond.
- (c) Exhibit C: Description of Premises and Project.
- (d) Exhibit D: Real Estate Pledged for January 1, 2014 Effective Date.

## ARTICLE II

### THE BONDS

#### Section 2.01. Form and Maturity of Bonds.

The Bonds to be issued pursuant to this Resolution shall be issued pursuant to the Act, including specifically but without limitation Sections 18-2124 et seq., shall be dated as of the date of their issuance, and shall be issued in two or more series designated "Community Development Agency of Lexington, Nebraska, Community Development Revenue Bonds (Legend Oaks II Project), Series \_\_\_\_". The Agency shall issue one Series A Bond, designated "Series [year of issuance] Bonds", and one or more series of "B" Bonds, preceded with the year of issue, such as "Series 2013 B Bonds", "Series 2014 B Bonds", and so forth. The bonds shall be substantially in the form and of the tenor as set forth in the form of the bonds attached hereto as Exhibit A (Series A Bonds) and Exhibit B (Series B Bonds) with such appropriate variations, omissions and insertions as are permitted or required by this Resolution.

The Series A Bond shall be issued in one series in the amount of \$40,000.00, and shall be dated as of the date its issuance. No other Series "A" Bonds shall be issued. The Series A Bond shall finally mature on December 31, 2028. The Series A Bond shall bear interest at the rate of 0% per annum from and after the date of issuance of such bond.

The Series 2013 B Bond shall be issued in the amount of \$180,500.00 and shall be dated as of the date of its issuance. The Series 2013 B Bond shall finally mature on December 31, 2028. The Series 2013 B Bond shall bear interest at the rate of 2.8% per annum from and after

the date of issuance of such bond. Additional Series B Bonds shall be dated as of the date of their issuance. The subsequent Series B Bonds shall mature on the dates and bear interest at the rates determined pursuant to Section 2.04B of this Resolution. Series B Bonds shall mature serially, with a final maturity not later than December 31, 2028.

Interest shall be payable on each June 1 and December 1 beginning on the first June 1 or December 1 after the issuance of the bonds and shall be computed on the basis of a 360 day year consisting of twelve 30 day months.

Principal and interest on the Bonds shall be payable in such coin and currency of the United States of America as may be, on the respective dates of the payment thereof, legal tender for the payment of public and private debts at the principal office of the Paying Agent. Principal and interest will be paid by check or draft mailed to the Bondholders in whose name a Bond is registered as of the 15th calendar day (whether or not a business day) next preceding the interest payment date at his address as it appears on the registration books of the Registrar.

The Bonds shall originally be issued as fully registered bonds without coupon. Upon the written request of a Bondholder, and at its expense, Bonds may be surrendered to the Agency and the Agency shall deliver in exchange and substitution therefore new Bonds of like tenor, aggregating the then outstanding principal amount of the Bonds.

#### Section 2.02 Execution. Limited Obligation.

The Bonds shall be signed in the name and on behalf of the Agency by the manual or facsimile signature of the Chair or Vice Chair of the Agency and attested with the manual or facsimile signature of its Secretary. In the event that any of the officers who shall have signed and sealed the Bonds shall cease to be officers of the Agency before the Bonds shall have been issued and delivered, the Bonds may, nevertheless, be issued and delivered, and upon such issue and delivery shall be binding upon the Agency as though those officers who signed and sealed the same had continued to be such officers of the Agency. The Bonds may be signed and sealed on behalf of the Agency by such person who, at the actual date of execution of the Bonds, shall be the proper officer of the Agency, although at the date of the Bonds such person shall not have been such an officer of the Agency.

The Bonds shall not be a general obligation of the Agency, but only a limited obligation payable solely from the tax increment revenues pledged as security for the Bonds, and from any other security pledged by Legend Oaks II pursuant to the Redevelopment Contract or other financing documents (except to the extent paid out of monies attributable to income from the temporary investment of the proceeds of the Bonds) and shall be a valid claim of the registered owner thereof and otherwise secured for the payment of the Bonds and shall be used for no other purpose than to pay the principal and interest on the Bonds, except as may be otherwise expressly authorized by this Bond Resolution.

Neither the Agency, the State of Nebraska, the City nor any other political subdivision of the State of Nebraska shall be obligated to pay

the principal of the Bonds or the interest thereon or other costs incident thereto except from the money pledged therefore. Neither the faith and credit nor the taxing power (except to the extent of ad valorem taxes pledged hereunder) of the Agency, the City, the State of Nebraska or any political subdivision of the State of Nebraska shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall never constitute an indebtedness of the Agency or the City within the meaning of any state constitutional provision or statutory limitation, nor shall the Bonds or the interest thereon ever give rise to any pecuniary liability of the Agency or the City or a charge against its general credit or taxing powers.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Act and pursuant to the Redevelopment Contract and this 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 pertinent effective date for the division of ad valorem taxes (the "effective date"), and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan and Contract, have been collected by the City of Lexington, Nebraska, and have been paid, as required by the Redevelopment Contract and the Series A and Series B Bonds, towards the retirement of the amounts due on the Series A and Series B Bonds, at said date fifteen (15) years from the pertinent effective date, neither the 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 Agency or the City.

Section 2.03 Registration and Authentication of Bonds.

The Bonds shall not be valid or obligatory for any purpose unless the Bonds shall have been authenticated by the manual signature of the Registrar.

Section 2.04A Conditions for Delivery of Series A Bonds.

The Agency shall execute and deliver the Series A Bonds to the Bondholders or to their assigns, on such date selected by the Agency, provided that Legend Oaks II is not then in default under the Redevelopment Contract, and upon the filing with the Secretary of the Agency the following:

- (a) A certified copy of this Bond Resolution;

Section 2.04B Conditions for Delivery of Series B Bonds.

The Agency shall execute and deliver the Series 2013 B Bonds to the City of Lexington, pursuant to the Redevelopment Contract and Plan. Additional Series B bonds shall be issued based on the estimated TIF Revenues from the property described in Section 6.01 and shall bear interest at the rate of 2.8% per annum.

Section 2.05 Registration of Bonds.

Ownership of the Bonds shall at all times be registered as to principal and interest with the Registrar. Transfer of the Bond may be made only by an assignment duly executed by the registered owner or by his registered assigns, or his legal representative or attorney, in such form as shall be reasonably satisfactory to the Registrar, who shall endorse such registration or transfer on the Bond. No transfer of the Bond shall be effective unless and until notice of such transfer shall be delivered in writing to the Registrar. The Registrar shall retain records showing all registrations, transfers and assignments of the Bond. In the event of any such transfer, the Registrar shall require the payment by the person requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06 Ownership of Bond.

As to the Bond and any interest thereon, the Agency and the Registrar, and their respective successors, each in its discretion, may deem and treat the person in whose name the Bond for the time being shall be registered as the absolute owner thereof for all purposes, and neither the Agency nor the Registrar, nor their respective successors, shall be affected by any notice to the contrary. Payment of or on account of the principal and interest on the Bond shall be made only to or upon the order of such registered owner, but such registration may be changed as provided herein. All such payments shall be valid and effective to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

Section 2.07 Valid Obligation.

The Bond executed, issued and delivered as provided in this Bond Resolution provided shall be a valid special obligation of the Agency.

Section 2.08 Loss or Destruction of Bond.

In case any Bond shall become mutilated or be destroyed or lost, the Agency shall, if not then prohibited by law, cause to be executed and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and substitution for such lost Bond, upon the Bondholder paying the reasonable expenses and charges of the Agency in connection therewith and, in the event the Bond is destroyed or lost, the filing with the Issuer of evidence satisfactory to it that the Bond was destroyed or lost, and furnishing the Agency with indemnifications satisfactory to the Agency.

Section 2.09 Transfer of the Bond.

All transfers of the Bond shall be upon the basis of a private placement and each proposed transferee registered owner shall furnish the Registrar with assurances in form satisfactory to the Registrar that the Bond is being purchased for investment purposes only, without a view to redistribution and upon the independent credit judgment and investigation of the proposed transferee.

ARTICLE III



## APPLICATION OF BOND PROCEEDS

One hundred percent of the proceeds of the Series 2013 A Bond shall be granted to the Lexington Housing Authority, or its designee upon receipt of such proceeds and used by the Lexington Housing Authority or its designee to pay for Project Site acquisition pursuant to the Redevelopment Contract.

One hundred percent of the proceeds of the Series B Bond shall be granted to the City of Lexington upon receipt of such proceeds and used to pay Project Costs incurred by the City, including reimbursement for Project Site fill, pursuant to the Redevelopment Contract.

## ARTICLE IV

### PAYMENT OF BOND

#### Section 4.01 Debt Service Fund.

There is hereby created and established a separate fund for the Series 2013 A Bond and a separate fund for the Series 2013 B Bond with the Paying Agent in the name of the Agency to be designated “Community Development Agency of Lexington, Nebraska, Community Development Revenue Bond (Legend Oaks II Project), Debt Service Fund Series 2013 A” and a “Community Development Agency of Lexington, Nebraska, Community Development Revenue Bond (Legend Oaks II Project), Debt Service Fund Series B into which the Agency shall make the following deposits as to each fund:

- (a) Accrued interest, if any, received upon sale of each Bond;
- (b) All Tax Increment Revenues received by the Agency with respect to the Project from the respective incremental ad valorem TIF Revenues pledged for payment of respective such bond;
- (c) All other monies required to be deposited in the Debt Service Fund pursuant to any provision of the Redevelopment Contract or this Bond Resolution; and
- (d) All Tax Increment Revenues received by the Agency with respect to Redevelopment Plan Amendments with respect to the Project.

#### Section 4.02 Pledge of Debt Service Funds.

The monies and investments in the respective Debt Service Funds are hereby irrevocably pledged to and shall be used by the Agency from time to time, to the extent required, solely for the payment of the principal of, premium, if any, and interest on the Bond. That is to say, the funds deposited to and held in the “Community Development Agency of Lexington, Nebraska, Community Development Revenue Bond (Legend Oaks II Project), Debt Service Fund Series 2013 A” are pledged to the payment of the Series 2013 A Bond; and the funds deposited to and held in the “Community Development Agency of Lexington, Nebraska, Community Development Revenue Bond

(Legend Oaks II Project), Debt Service Fund Series B are pledged to the payment of the Series B Bonds.

Section 4.03 Funds Held in Trust or Secured.

All monies deposited in the Debt Service Funds under the provisions of this Bond Resolution or the Redevelopment Contract shall be held in trust or fully secured by pledged assets and applied only in accordance with the provisions of this Bond Resolution and the Redevelopment Contract and shall not be subject to a lien or attachment by any creditor of the City, the Agency or Legend Oaks II.

Section 4.04 Application of Funds.

If at any time the monies and investments in the Debt Service Funds shall not be sufficient to pay in full the principal, premium, if any, and interest on the Bond as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of this Bond Resolution), such funds, together with any monies then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied as follows:

(a) Unless the principal of all of the Bond shall have become or shall have been declared due and payable, all such monies shall be applied in the following order:

FIRST:

To the payment of all installments of interest then due and payable on the bond in the order in which such installments of interest became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective interests specified in the Bond;

SECOND:

To the payment of all principal then due and payable on the bond which shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of the bond due and payable, then ratably to the payment of such principal due on such date, to the persons entitled thereto, without discrimination.

Section 4.05 Redemption of Bond Before Maturity.

(a) The Series 2013 A Bond is callable for redemption at any time in whole or in part, without premium, in the event Legend Oaks II advises the Agency that it wishes to prepay the Bond.

(b) Both the Series 2013 A and Series 2013 B Bonds are also callable for redemption in the event the registered owner thereof has declared the entire unpaid principal amount at the time outstanding to be payable due to an Event of Default as that term is defined in this Bond Resolution, which shall have occurred and be continuing upon

the conditions, in the manner and with the effect provided in this Bond Resolution.

(c) Both the Series 2013 A and Series 2013 B Bonds shall also be subject to mandatory partial redemption, without notice, on each interest payment date from all funds to be available in the respective Debt Service Funds, 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 Bond 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.

#### Section 4.06 Redemption Date.

In the event the Bond or any portion thereof are called for redemption or prepayment as provided in Section 4.05 of this Bond Resolution, except for partial mandatory redemption, notice thereof will be given by registered or certified mail to the Bondholders not less than thirty days prior to the date fixed for prepayment or redemption, specifying such date, the aggregate principal amount of the Bond to be prepaid on such date and the amount of interest on such principal amount accrued to such date. The principal amount of the Bond so called for prepayment or redemption will cease to bear interest after the specified prepayment or redemption date provided funds for such prepayment or redemption are paid to the Bondholders at that time in cash or certified funds; but, if the Series 2013 A Bond has been called for payment at the option of Legend Oaks II and is not prepaid or redeemed as required, the unpaid principal balance shall thereafter bear interest until paid.

#### Section 4.07 Investment of Funds.

Monies on deposit to the credit of the respective Debt Service Funds shall be invested in (i) direct obligations of or obligations fully guaranteed by the United States of America or an Agency or instrumentality of the United States of America, (ii) fully insured certificates of deposit or time deposits of banks or trust companies. Obligations so purchased shall be deemed at all times a part of the Debt Service Fund, respectively.

#### Section 4.08 Disposition of Excess Funds.

Monies on deposit in the respective Debt Service Funds remaining after payment of principal and interest on the Bond in full shall, if neither Legend Oaks II nor the Agency are then in default under the

Redevelopment Contract or this Bond Resolution, immediately be paid to Agency and shall no longer be subject to this Bond Resolution.

## ARTICLE V

### SECURITY FOR THE SERIES 2013 A BOND

#### Section 5.01 Pledge of Tax Increment Revenues as Security.

(a) In accordance with Section 18-2147 of the Act, the Agency hereby adopts the Redevelopment Plan of the Agency by approving the Project and by providing that any ad valorem tax on real property in the Redevelopment Project for the benefit of any public body be divided for a period of 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, 2014, as to the real estate described on Exhibit D.

(b) In accordance with Section 18-2150 of the Act, the Tax Increment Revenues divided pursuant to subsection (a) hereof are hereby pledged for payment of principal, premium, if any, and interest on the Series 2013 A Bond. The Agency shall execute a notice with the City providing for such pledge of taxes and shall file a copy of such notice with the Dawson County Treasurer and Dawson County Assessor. The Pledge of Tax Increment Revenues for payment of the Series 2013 A Bond is in Pari Passu with the Pledge of Tax Increment Revenues with the Series 2013 B Bonds.

## ARTICLE VI

### SECURITY FOR THE SERIES B BOND

#### Section 6.01 Pledge of Tax Increment Revenues as Security.

(a) In accordance with Section 18-2147 of the Act, the Agency hereby adopts the Redevelopment Plan of the Agency by approving the Project and by providing that any ad valorem tax on real property in the Redevelopment Project for the benefit of any public body be divided for a period of 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, 2014, as to the real estate described on Exhibit D.

(b) In accordance with Section 18-2150 of the Act, the Tax Increment Revenues divided pursuant to subsection (a) hereof are hereby pledged for payment of principal, premium, if any, and interest on the Series 2013 B Bond. The Agency shall execute a notice with the City providing for such pledge of taxes and shall file a copy of such notice with the Dawson County Treasurer and Dawson County Assessor. The Pledge of Tax Increment Revenues for payment of the Series 2013 B Bonds is in Pari Passu with the Pledge of Tax Increment Revenues with the Series 2013 A Bond

## ARTICLE VII

### LEGAL AUTHORIZATION; FINDINGS

Section 7.01 Legal Authorization.

The Agency is a body politic and corporate under the laws of the State of Nebraska and is authorized under the Act to provide funds for the Project and construct public improvements thereon, and to issue and sell its development revenue notes such as the Bond for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Bond Resolution.

Section 7.02 Findings.

The Agency has heretofore determined, and does hereby determine, as follows:

- (a) The Project financed by the Bond is a qualified “redevelopment project” as defined by the Act and has been approved as part of the Redevelopment Plan;
- (b) The issuance of the Bond and the construction of the Project will promote the public welfare and carry out the purposes of the Act, by, among other things, decreasing blighted and substandard conditions in the Redevelopment Area;
- (c) The amounts necessary to acquire and construct the Project will be equal to or exceed the amount of the Bond;
- (d) The Redevelopment Contract is in full and complete compliance and conformity with all of the provisions of the Act;
- (e) The Redevelopment Project in the Plan would not be economically feasible without the use of tax-increment financing;
- (f) The Redevelopment Project would not occur in the Community Redevelopment Area without the use of tax-increment financing;
- (g) The costs and benefits of the Redevelopment Project, including the 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 interest of the community impacted by the Redevelopment Project;
- (h) The Bond will not constitute a debt of the Agency within the meaning of any constitutional or statutory limitation; and

ARTICLE VIII

AUTHORIZATION TO EXECUTE DOCUMENTS AND ISSUE BOND

Section 8.01 Approval and Authorization of Documents.

The Redevelopment Contract in the form and content presented to the Agency on this date, is in all respects hereby approved, authorized and

confirmed, and the Chair or Vice Chair of the Agency and the Secretary be and they are hereby authorized and directed to execute and deliver the Redevelopment Contract in substantially the form and content as presented to the Agency on this date, but with such changes, modifications, additions and deletions therein as shall to them seem necessary, desirable or appropriate, for and on behalf of the Agency.

Section 8.02 Authorization to Issue Bonds.

The issuance and delivery of the Community Development Agency of Lexington, Nebraska, Community Development Revenue Bond (Legend Oaks II Project), of the form and content set forth in Exhibits A and B attached hereto, be and the same are in all respects hereby approved, authorized and confirmed, and the Chair of the Agency and the Secretary be and they are hereby authorized and directed to execute and deliver the same for and on behalf of the Agency to the Bondholder's order, upon satisfaction of conditions for delivery pursuant to this resolution, and to deposit the proceeds thereon to be applied in the manner set forth in Articles III and IV hereof. The proceeds of the Series A Bonds may be offset against the grant to Legend Oaks II, LLC. The proceeds of the Series B Bonds may be offset against the grant to the City.

Section 8.03 Ratification of Actions Taken By the Agency.

The Agency hereby ratifies and approves all action taken and expenditures made by the Agency, if any, in connection with the Project based upon prior resolutions of the Agency.

Section 8.04 Agency to Execute and Deliver Additional Documents.

The Chair and Secretary of the Agency and other appropriate Agency officials are hereby authorized to execute and deliver for and on behalf of Issuer any and all additional certificates, documents or other papers and to perform all other acts as they may deem necessary or appropriate in order to implement and carry out the matters herein authorized and the acquisition of the Project.

Section 8.05 Copies of Documents Presented to Agency Available for Inspection.

True and correct copies of all documents presented to the Agency and identified and referred to in this Bond Resolution are on file in the main office of the Agency and are available for inspection by the general public during regular business hours.

ARTICLE IX

PARTICULAR COVENANTS OF THE AGENCY

The Agency covenants and agrees, so long as the Bond shall be outstanding and subject to the limitations on its obligations herein set forth, that:

Section 9.01 First Lien.

The lien on Tax Increment Revenues created by this Bond Resolution is a first and prior lien and the Agency will take no actions which would subject the Tax Increment Revenues pledged hereunder or the rights, privileges and appurtenances thereto to any lien claim of any kind whether superior, equal or inferior to such lien of this Bond Resolution.

Section 9.02 Payment of Bond.

It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Resolution and in the Bonds executed and delivered here under; will pay the principal, premium, if any, and interest on the Bond on the dates, at the places and in the manner prescribed in the Bond in any coin or currency of the United States of America which on the respective dates of payment thereof, is legal tender for the payment of public and private debts; provided, however, that the principal, premium, if any, and interest on the Bond and all other covenants, undertakings, stipulations, provisions and agreements contained in this Bond Resolution, the Bond and any other documents delivered in connection with any of the foregoing are not and shall not be deemed to (i) represent a debt or pledge of the faith or credit of the Agency or the City or (ii) grant to the Bondholders directly, indirectly or contingently, any right to have the Agency or the City levy any taxes or appropriate any funds to the payment of principal or interest on the Bond, such payment or other obligation to be made or satisfied solely and only out of the Tax Increment Revenues and from any other security pledged pursuant to this Bond Resolution.

Section 9.03 Extensions of Payment of Bond and Interest.

It will not directly or indirectly extend or assent to the extension of the due date of any installment of principal, premium, if any, or interest on the Bond, or of the maturity of the Bond or any principal installment thereof, or the time of payment of any claims for interest thereon.

Section 9.04 Agency of the Issuer.

It is duly authorized under the Constitution and laws of the State of Nebraska to provide funds to acquire, construct and install the Project, to create and issue the Bond and to make the covenants as herein provided. All necessary action and proceedings on its part to be taken for the creation and issuance of the Bond and the execution and delivery of this Bond Resolution have been duly and effectively taken and the Bond in the hands of the Bondholder is and will be a valid and enforceable special obligation of the Agency in accordance with its terms.

Section 9.05 Further Assurances.

The Agency will execute or cause to be executed any and all further instruments that may reasonably be requested by the Bondholders and be authorized by law to perfect the pledge of a lien on the revenues and income of the Project granted in this Bond Resolution, or intended so to be, or to vest in the Bondholders the right to receive and apply the same to the payment or protection and security of the Bond.

Section 9.06 Proper Books and Records.

So long as the Bond shall remain outstanding and unpaid, the Agency shall keep proper books and records in which full, true and correct entries will be made of all dealings and transactions relating to the ownership of the Project and the Bond. Such books and records shall be open to inspection by the Bondholders.

Section 9.07 To Observe all Covenants and Terms - Limitations on Agency's Obligations.

It will not issue or permit to be issued the Bond in any manner other than in accordance with the provisions of this Bond Resolution, and will not suffer or permit any default to occur under this Bond Resolution, but will faithfully observe and perform all the conditions, covenants and requirements hereof. Under the Act, the Agency has no obligation to levy taxes for or to make any advance or payment or to incur any expense or liability from its general funds in performing any of the conditions, covenants or requirements of the Bond or this Bond Resolution or to make any payments from any funds other than revenues and income of the Project or monies in the funds and accounts provided for in this Bond Resolution.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default.

The following shall be "Events of Default" under this Bond Resolution and the term "Event of Default" shall mean, whenever used in this Bond Resolution, any one or more of the following events:

- (a) If the Agency fails to pay any installment of principal and interest, if any, on any Bond when the same shall become due and payable (whether at maturity, on acceleration or otherwise) and such failure shall continue for a period of seven business days after written notice thereof shall have been given to the Agency by the holder of the Bond; or
- (b) Upon Event of Default by Legend Oaks II occurs under the Redevelopment Contract; or
- (c) If any representation or warranty made by the Agency in this Bond Resolution is or was, at the time it is made, false or misleading in any material respect.

Section 10.02 Remedies.

- (a) Upon the occurrence of an Event of Default, the holders of a majority of outstanding principal amount of any series of the Bond may declare the entire unpaid principal of and accrued interest on such series of Bond, and including all sums advanced hereunder to be forthwith due and payable. Upon such declaration, all outstanding Bonds of all series, including principal and all interest thereof, shall be



and become immediately due and payable without presentment, demand or further notice of any kind;

(b) Upon the occurrence and continuation of an Event of Default, or in case the principal of the Bond shall have become due and payable, whether by lapse of time or by acceleration, then and in every such case the Bondholders may proceed to protect and enforce their rights by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein, or in the Bond, or in aid of the execution of any power herein or therein granted, or for the enforcement of any other appropriate legal or equitable remedy;

(c) Notwithstanding any provision herein or under the Redevelopment Contract or this Bond Resolution to the contrary, all monies paid or collected with respect to the Agency's, City's or Legend Oaks II' obligations under this Bond Resolution or the Redevelopment Contract shall, after payment of expenses as provided in Section 9.04(a) of this Bond Resolution, be deposited in the Debt Service Fund and shall be paid and applied as provided in Section 4.04 of this Bond Resolution.

#### Section 10.03 Proceeds of Sale.

Upon any receipt of funds pursuant to enforcement of remedies hereunder, such proceeds shall be paid in the following order:

(a) All court costs, attorneys' fees, receivers' fees and receivership expenses, appraiser's fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title, all of which fees and expenses shall be reasonable.

(b) As provided in Section 4.04 of this Bond Resolution.

The proceeds of any sale shall be distributed and applied to the items described in (a) and (b), in the order of their listing, and any surplus of the proceeds of such sale shall be paid to City.

#### Section 10.04 Waiver of Event of Default; Forbearance.

The Bondholders may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal. No forbearance by the Bondholders in the exercise of any right or remedy hereunder shall affect the ability of the Bondholders to thereafter exercise any such right or remedy.

### ARTICLE XI

#### PAYING AGENT AND REGISTRAR

##### Section 11.01 Appointment of Paying Agent and Registrar.

The Agency hereby appoints the City Treasurer of the City of Lexington, Nebraska, as Paying Agent and Registrar. The Paying Agent shall make all payments to Bondholders out of the Debt Service

Fund as provided in Section 4.04 hereof. The Registrar shall maintain registration books of the holders of the Bond.

Section 11.02 Reliance on Documents.

The Paying Agent and Registrar may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Section 11.03 Liability.

The Paying Agent and Registrar shall not be liable for any error of judgment made in good faith by the Paying Agent and Registrar unless it shall be proved that the Paying Agent and Registrar was negligent in ascertaining the pertinent facts.

Section 11.04 Holding Bond.

The Paying Agent and Registrar may acquire and hold, or become the pledgee of, any of the Bond, and otherwise deal with the Agency, City or Legend Oaks II in the same manner and to the same extent and with like effect as though it were not Paying Agent and Registrar hereunder.

Section 11.05 Resignation.

The Paying Agent and Registrar may resign and be discharged by giving to the Agency, Legend Oaks II and the Bondholders thirty days notice in writing of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, unless previously a successor paying agent and note registrar shall have been appointed by the Bondholders as hereinafter provided, in which event such resignation shall take effect immediately on the appointment at any time for failure to perform its obligations set forth in this Bond Resolution by an instrument or instruments in writing, appointing a successor to the Paying Agent and Registrar so removed, filed with the Paying Agent and Registrar and executed by the Bondholders.

Section 11.06 Appointment of Successor.

In case at any time the Paying Agent and Registrar shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver of the Paying Agent and Registrar or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Paying Agent and Registrar or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Paying Agent and Registrar hereunder, and a successor shall be appointed by the holders of the Series 2013 A Bond hereby secured and then outstanding by an instrument or instruments in writing filed with the Paying Agent and Registrar and executed by such Bondholders, notification thereof being given to the Agency and Legend Oaks II. If no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this paragraph within thirty days after vacancy shall have occurred in

the office of Paying Agent and Registrar, the Agency shall serve as Paying Agent and Registrar until appointment of a successor.

## ARTICLE XII

### MISCELLANEOUS

#### Section 12.01 Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Resolution or in the Bond is intended or shall be construed to give to any person other than the Agency, Legend Oaks II and the Bondholders any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Agency, Legend Oaks II and the Bondholders as herein provided.

#### Section 12.02 Supplemental Resolutions.

The Agency may, upon the request of and with the written consent of Legend Oaks II and the Bondholders, pass and execute resolutions supplemental to this Bond Resolution which shall not be inconsistent with the terms and provisions hereof.

#### Section 12.03 Severability.

If any provision of this Bond Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

#### Section 12.04 Immunity of Officers.

No recourse for the payment of any part of the principal of or interest on the Bond or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bond shall be had against any officer, member, employee or agent of the Agency or the City or the State of Nebraska, as such, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale and purchase of the Bond.

#### Section 12.05 Incorporation of Act.

This Bond Resolution does hereby incorporate by reference, the same as though fully set out herein, the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Nebraska Revised Statutes, as amended.

#### Section 12.06 Prior Resolutions.

All resolutions, or parts thereof, in conflict with the provisions of this Bond Resolution are to the extent of such conflicts hereby repealed.

Section 12.07 Effective Date.

This Bond Resolution shall be in full force and effect from and after its adoption as provided by law.

Section 12.08 Notices to Parties.

Any notice, demand, certificate, request, instrument or other communication authorized or required by this Bond Resolution shall be in writing and shall be deemed to have been sufficiently given or filed for all purposes of this Bond Resolution if and when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE AGENCY:  
Community Development Agency  
Attention: Joe Peplitsch  
406 E 7<sup>th</sup> Street  
Lexington, NE 68850

IF TO Legend Oaks II:  
Legend Oaks II, LLC  
609 E 3<sup>rd</sup> Street  
Lexington, NE 68850

IF TO THE PAYING AGENT AND REGISTRAR:  
Lexington City Treasurer  
406 E 7<sup>th</sup> Street  
Lexington, NE 68850

Section 12.09 Captions.

The captions or headings in this Bond Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

IN WITNESS WHEREOF, the undersigned hereby certify that the members of the Community Development Agency of the City of Lexington, Nebraska passed and adopted this Bond Resolution, and caused these presents to be signed in its name and behalf by a majority of its members and its official seal to be hereunto affixed, and to be attested by its Secretary, on the date first above written.

COMMUNITY DEVELOPMENT AGENCY  
OF LEXINGTON, NEBRASKA

Steven H. Smith, Chairman

ATTEST: Pamela Baruth, Secretary

Resolution No. 2013-10 was presented for Board consideration. Moved by John Fagot, seconded by Miller, to approve Resolution No. 2013-10 as presented. Roll call. Voting "aye" were Hall, McFarland, Jason Fagot, Miller, John Fagot, Smith. Motion carried.

**RESOLUTION AUTHORIZING SALE OF REAL ESTATE 2013-10**

Pamela Baruth, Secretary of Community Development Agency of Lexington, Nebraska, f/k/a Community Redevelopment Authority of Lexington, Nebraska, a Municipal Corporation organized and existing under the laws of Nebraska, does hereby certify that the following is a true, complete and correct copy of resolutions adopted at a meeting of the Corporation duly and properly called and held on the 21st day of October, 2013. That a quorum was present at the meeting; that the resolutions are set forth in the minutes of the meeting and have not been rescinded or modified.

RESOLVED, that Joe Pepplichtsch, Director, is hereby authorized to sell the following-described real property for and on behalf of and in the name of this corporation:

All of Lots 13 and 14, and Lot 12, except that part described as follows: Beginning at the Northeast corner of Lot 11, (also the Northwest corner of said Lot 12); thence Easterly on the North line of said Lot 12 a distance of 65.96 feet to the Northeasterly corner of said Lot 12; thence Southerly on the East line of said Lot 12 a distance of 85.37 feet to a point of intersection of said east line and the South line of Lot 11 extended Easterly; thence Westerly on said South line extended a distance of 68.13 feet to the Southeast corner of Lot 11; thence Northerly on the East line of Lot 11 (also the West line of said Lot 12) to the point of beginning, all in Replat of Block 3, Parkview Addition, an Addition to the City of Lexington, Dawson County, Nebraska.

for the price of \$40,000.00.

Executed this 21st day of October, 2013.

Community Development Agency of Lexington, Nebraska  
f/k/a Community Redevelopment Authority of Lexington, Nebraska

Steven H. Smith, Chairman

ATTEST: Pamela Baruth, Secretary

**REDEVELOPMENT CNTRCT:** Pepplichtsch requested Board consideration of a redevelopment contract proposal for the Lexington Development Group LLC retail shopping project. He reviewed the proposal, outlining the project and the responsibilities of the development group, the CDA and the city of Lexington. He noted that the contract proposal has been approved by the Lexington City Council. Resolution No. 2013-11 was presented for consideration. Moved by McFarland, seconded by Hall, to approve Resolution No. 2013-11 as presented. Roll call. Voting “aye” were Jason Fagot, John Fagot, Miller, Hall, McFarland. Smith abstained from the vote. Motion carried.

**RESOLUTION NO. 2013-11**

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" [LEXINGTON DEVELOPMENT GROUP, LLC Project] which constitutes a Redevelopment Plan (the "Plan") for the redevelopment of the following described real estate:

Lot 2, CDA Addition to the City of Lexington, Lexington County, Nebraska, as surveyed, platted and recorded, now being a part of the City of Lexington, all in Lexington 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 LEXINGTON DEVELOPMENT GROUP, LLC, (hereafter referred to as the "Redeveloper") are 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 \$350,000.00, 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" (LEXINGTON DEVELOPMENT GROUP, LLC Project) Series 2013 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 (6.0%) 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, 2028, 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, 2015. The Bond shall be in fully registered form. The Agency's Treasurer (the City Clerk/ 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:

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF DAWSON

TAX INCREMENT REVENUE BOND OF THE COMMUNITY  
DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA  
(LEXINGTON DEVELOPMENT GROUP, LLC Project)  
SERIES 2013 A

Principal Amount	Interest Rate Per Annum	Final Maturity Date
\$350,000.00	6.0%	December 31, 2028

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 six percent (6.0%) 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, 2015. 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 the City of Lexington 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 Three Hundred Fifty Thousand Dollars and no cents (\$350,000.00) 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 Mayor and City Council of the City of Lexington, acting as the governing body of 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 the City of Lexington have caused this bond to be executed on behalf of said Agency by being signed by the Chair and



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 City Clerk 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 Chair, and Secretary of the Agency, and the Mayor and City Clerk 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 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 Mayor and City Council sitting as 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 21<sup>st</sup> day of October, 2013.

Steven H. Smith, Chair

ATTEST: Pamela Baruth, Secretary

**SALE AGREEMENT:**

Peplitsch requested Board consideration of a sale agreement for property in the Southeast Second Addition from Omaha Truck and Trailer Inc. He reviewed the agreement, highlighting the intentions of the purchaser. Following discussion, moved by John Fagot, seconded by Hall, to approve the sale agreement and to authorize the execution of necessary documents. Roll call. Voting “aye” were Miller, Jason Fagot, McFarland, Hall, John Fagot, Smith. Motion carried.

**EXECUTIVE SESSION:**

Moved by Miller, seconded by McFarland, to enter into executive session at 5:47 p.m. to discuss purchase of property. Roll call. Voting “aye” were John Fagot, Jason Fagot, Hall, McFarland, Miller, Smith. Motion carried.

Moved by McFarland, seconded by Smith, to enter into open session at 6:00 p.m. following an executive session. Roll call. Voting “aye” were Miller, Jason Fagot, John Fagot Hall, McFarland, Smith. Motion carried.

**ROUNDTABLE:**

There were no reports.

**ADJOURNMENT:**

There being no further business to discuss, Chairman Steve Smith declared the meeting adjourned.

Respectfully submitted,  
Pamela Baruth  
CDA Secretary