

CONTRIBUTION AGREEMENT

This Contribution Agreement (this “Agreement”) is entered into by and between Tyson Fresh Meats, Inc. (“TFM”) and Community Development Agency of Lexington, Nebraska (“CDA”).

WHEREAS, TFM anticipates donating funds to the CDA to offset the costs of purchasing certain real estate in Lexington, Nebraska from the City of Lexington, Nebraska (the “City”) as depicted in the shaded areas of Exhibit A (the “Property”); and

WHEREAS, upon the consummation of this CDA purchase, TFM desires CDA convey the Property in certain portions in connection with CDA’s redevelopment plan involving the construction of housing on the portions as set forth on Exhibit B (the “Project”).

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. Conditions to TFM Obligations. As a condition precedent to TFM’s obligations hereunder, the City shall have conveyed to CDA the Property in fee simple (the “City Property Conveyance”).
2. Project Phases. Subject to TFM’s performance hereunder, CDA agrees to complete the Project in three phases (each phase, chronologically, “Phase I”, “Phase II”, and “Phase III”). The portion of the Property related to each of the Project phases is identified on Exhibit C (each such portion, as applicable, the “Phase I Property”, the “Phase II Property”, and the “Phase III Property”).
3. Donations. Upon the timely request of CDA, TFM shall donate funding to CDA an amount equal to the acquisition cost of each of Phase I Property, Phase II Property, or Phase III Property, provided that such donated shall be the lesser of (i) the price paid per acre by CDA with respect to each phase and (ii) \$10,791 per acre. Within 15 days of TFM’s receipt of each such request, the parties shall meet and confer as to scope, plan, construction, and completion criteria for each Phase (the “Phase I Requirements”) and, upon mutual written agreement of the same, TFM shall donate funding, as applicable, and City, as applicable, shall complete such Phase as described in the Phase Requirements. Notwithstanding anything to the contrary, the total donations made by TFM hereunder shall not exceed \$472,861.62.
4. Consideration for Donations. Aside from performance of the obligations contained herein, CDA shall not be obligated to deliver any other consideration in exchange for TFM’s donations herein.
5. Permits; Investigations. As between TFM and CDA, CDA shall have responsibility for the obtaining of all permissions, permits, allowances, and approvals in connection with the construction and completion of the Project. CDA has or will have completed all inspections, inquiries, examinations, soil analyses, engineering studies, core borings, drillings, surveys, environmental assessments and such other physical due diligence

investigations and analyses in, on and to the Property as CDA deems necessary to ascertain the suitability of the Property for the Project.

6. Failure to Complete. In the event CDA assigns any phase of the Project to an affiliated entity, CDA shall cause such affiliate to perform the obligations associated with such phase and bear responsibility for such entity's completion thereof. In the event a phase of the Project is not completed as of the time provided for completion herein, CDA shall cause TFM to be paid liquidated damages in an amount equal to 10% of the donation made by TFM with respect to the Phase I Property, Phase II Property, or Phase III Property, as applicable, on the first day following the applicable required completion date and on the first day each month thereafter for so long as the applicable phase is not completed. In no event shall such liquidated damages for any phase of the Project exceed the donation amount made by TFM with respect to the Property associated with such phase. Each of TFM and CDA recognizes and acknowledges that damages resulting from a failure to complete any phase of the Project are difficult or impossible to calculate and therefore the liquidated damages amount and calculation set forth in this section represent the parties' best estimate of the damages TFM shall incur as a result of such failure, and that payment of such liquidated damages amounts represent a reasonable estimate of the total net detriment that TFM would suffer in the event of such a termination.

7. Assignment. CDA will not assign all or any of its interest under this Agreement without the prior written consent of TFM, which may not be unreasonably withheld. TFM may assign its rights and obligations under this Agreement in the event of a change in control in TFM or a sale of all or substantially all of TFM's assets or the assets associated with any portion of TFM's business.

8. Notices. All notices, requests and other communications under this Agreement shall be in writing and shall be either (a) delivered in person, (b) sent by certified mail, return-receipt requested, or (c) delivered by a recognized delivery service as follows:

If intended for CDA: Community Development Agency
406 E 7th Street
Lexington, NE 68850
Phone: 308-324-2341
Attention: Joe Peplitsch

If intended for TFM: Tyson Fresh Meats, Inc.
800 Stevens Port Drive
Dakota Dunes, SD 57049
Phone: 605-235-2061
Attention: President, Tyson Fresh Meats, Inc.

With a copy to: Tyson Foods, Inc.
2200 West Don Tyson Parkway
Springdale, AR 72762
Phone: (479) 290-4000
Attn: Legal Department

or at such other address, and to the attention of such other person, as the parties shall give notice as herein provided. A notice, request and other communication shall be deemed to be duly received if delivered in person or by a recognized delivery service, when delivered to the address of the recipient, if sent by mail, on the date of receipt by the recipient as shown on the return receipt card; provided that if a notice, request or other communication is served by hand on a day which is not a business day, or after 5:00 P.M. (recipient's local time) on any business day at the addressee's location, such notice or communication shall be deemed to be duly received by the recipient at 9:00 A.M. on the first business day thereafter.

9. Entire Agreement; Modifications. This Agreement, together with the other documents, instruments and agreements heretofore or hereinafter entered into in connection with the transactions contemplated herein, embody and constitute the entire understanding between the parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements (oral or written) are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

10. Captions. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions hereof.

11. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

12. Time is of the Essence. With respect to all provisions of this Agreement, time is of the essence. However, if the first date of any period which is set out in any provision of this Agreement falls on a day which is not a business day, then, in such event, the time of such period shall be extended to the next day which is a business day.

13. Waiver of Conditions. Any party may at any time or times, at its election, waive any of the conditions to its obligations hereunder, but any such waiver shall be effective only if contained in a writing signed by such party. No waiver by a Party of any breach of this Agreement or of any warranty or representation hereunder by the other party shall be deemed to be a waiver of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature), and no acceptance of payment or performance by a party after any breach by the other party shall be deemed to be a waiver of any breach of this Agreement or of any representation or warranty hereunder by such other party, whether or not the first party knows of such breach at the time it accepts such payment or performance. No failure or delay by a party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right by the first party while the other party continues to be so in default.

14. Confidentiality. Except as hereinafter provided, from and after the execution of this Agreement, the parties shall keep this Agreement and the contents hereof confidential and shall not disclose the contents hereof except (if and to the extent reasonably necessary) to their respective attorneys, accountants, engineers, surveyors, financiers, bankers and other parties necessary for the consummation of the contemplated transactions and except to the extent any such disclosure is reasonably necessary in connection with the enforcement of the right of a party hereunder.

15. Remedies Cumulative. Except as herein expressly set forth, no remedy conferred upon a party by this Agreement is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law, in equity or by statute.

16. Terminology. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The words “herein”, “hereof”, “hereunder” and similar terms shall refer to this Agreement unless the context requires otherwise. Whenever the context so requires, the neuter gender includes the masculine and/or feminine gender, and the singular number includes the plural and vice versa.

17. Estoppel. Each party confirms and agrees that it (a) has read and understood all of the provisions of this Agreement; (b) is an experienced real estate investor and is familiar with major sophisticated transactions such as that contemplated by this Agreement; (c) has negotiated with the other party at arm’s length with equal bargaining power; and (d) has been advised by competent legal counsel of its own choosing.

18. Joint Preparation. This Agreement (including all exhibits) is deemed to have been jointly prepared by the parties hereto, and any uncertainty or ambiguity existing herein, if any, shall not be interpreted against any party, but shall be interpreted according to the application of the rules of interpretation for arm’s-length agreements.

19. Counterparts. This Agreement may be executed in counterparts, and it is agreed that such counterpart signatures, when assembled into a single document with multiple signature pages, shall be binding upon and enforceable against the parties hereto to the same extent as if all signatures were set forth on the same copy of this Agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

20. Recording. This Agreement shall not be recorded. Upon a party’s reasonable request, the parties will execute a memorandum of this Agreement (“Memorandum”) which Memorandum, at such requesting party’s expense, may be recorded in the appropriate public land records.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date set forth under each party's signature.

TYSON FRESH MEATS, INC.

COMMUNITY DEVELOPMENT
AGENCY OF LEXINGTON, NEBRASKA

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____

Exhibit B

[redevelopment plan]

HOUSING REDEVELOPMENT PLAN AMENDMENT FOR THE SOUTHWEST QUADRANT OF THE CITY OF LEXINGTON, NEBRASKA

I. INTRODUCTION.

The City of Lexington, Nebraska, (the “City”) recognizes that blight is a threat to the stability and vitality of the City as a focal point of residential, business, financial, social, cultural and civic activity, and a focus of community pride and achievement. Therefore, the City has initiated a program of revitalization pursuant to the Nebraska Community Development Law (**Neb. Rev. Stat. §§18-2101 through 18-2154**, as amended the “Act”) whose goal is to promote the City as a prime residential location in Dawson County. Residential development promotes retail, business, industry, office, financial and entertainment activities in the City. A significant strategy to promote the City as a prime residential area, is to incent development of single family and multifamily duplex and apartment residences. The private sector has been unable to provide even a small impact in the perennial housing shortage in Lexington.

The City of Lexington has lacked private subdivision development for more than two decades due to substantial acquisition and infrastructure costs. This Redevelopment Plan Amendment (“Redevelopment Plan”) seeks to enhance the City by assisting in the development of 43 acres in the southwest quadrant of the City. The level of investment to finance the needed site acquisition, site preparation and infrastructure installation will require the combined efforts of the public and private sectors. Municipal leadership is essential as the catalyst for this major private investment.

This Redevelopment Plan has been prepared the Community Development Agency of the City (CDA) to induce private investment by one or more Redevelopers (“Redeveloper”) to set forth the proposed the Southwest Quadrant Housing Redevelopment Project (“Redevelopment Project”). The proposed Redevelopment Project’s boundaries encompass approximately 43 acres located west of and adjacent to South Adams Street in the City. The Redevelopment Project’s boundaries are legally described Exhibit “A”, attached hereto and incorporated herein by this reference (“Community Redevelopment Area”). The Community Redevelopment Area consists of the entire area covered by this Redevelopment Plan. Exhibit “B” attached hereto and incorporated herein by this reference is a map showing the exiting uses and the condition of the Community Redevelopment Area and its location as it relates to the balance of the City. The Community Redevelopment Area was declared blighted and substandard by the City Council on February 27, 2007. The Community Redevelopment Area has been determined, through the blight and substandard resolution, to be in need of revitalization to ensure that it will contribute to the economic and social wellbeing of the City. All available evidence suggests that the area has not had the private investment necessary to contribute to the wellbeing of the community, nor would the area be reasonably anticipated to be developed without public action.

This Plan provides that the CDA will acquire the Redevelopment Area by a grant from Tyson Fresh Meats. The CDA will prepare the area for development in 3 phases and install necessary public infrastructure one phase at a time. In order to pay for the infrastructure, the

CDA will issue tax increment development revenue bonds (TIF Bonds). The CDA intends to negotiate an agreement with the City of Lexington to issue its debt. The TIF Bonds will be delivered to the City to provide a source of payment for the City debt. The City debt will fund the construction of the infrastructure. This Plan contemplates that 3 or more TIF Bonds will be issued for this arrangement.

For each phase of the development the CDA will seek to enter into Redevelopment Contracts with a qualified Redeveloper to build the single family, duplex and apartment residences. The CDA will grant a lot to each Redeveloper prior to the commencement of construction on that lot, pursuant to the terms of each Redevelopment Contract.

This Plan further provides that the CDA may issue TIF Bonds to fund grants to Redevelopers for eligible redevelopment costs for each phase.

II. EXISTING SITUATION.

This section of the Redevelopment Plan examines the existing conditions within the Community Redevelopment Area. This section is divided into the following subsections: existing land use, existing zoning, existing public improvements, and existing building condition/blighting influences.

A. Existing Land Use. The Community Redevelopment Area contains approximately 43 acres. The area is currently undeveloped and lacks necessary infrastructure including sewer, water, streets, and electrical service. This use is shown on Exhibit "B", attached hereto and incorporated herein by this reference.

B. Existing Zoning. The Community Redevelopment Area is zoned High Density Residential (R-3) which allows for the contemplated residential development.

C. Existing Public Improvements.

1. Street System. The Community Redevelopment Area has no streets.

2. Utilities. No existing public utilities exist within the Community Redevelopment Area.

D. Existing Building Conditions/Blighting Influences. Hanna: Keelan Associates conducted a study ("Blight Study") for the southwest portion of the City. The "study area" for the Blight Study included the area shown on Exhibit "A". The evaluation and subsequent findings of the Blight Study were based upon the criteria outlined in the Nebraska Community Development Law (specifically in **Neb. Rev. Stat. § 18-2103 (10) and (11)**). The Blight Study determined the "study area" exhibits a number of deficiencies applicable to the consideration of a "substandard and blight" designation including the existence of conditions which endanger life or property by fire or other causes and dilapidation/deterioration. The City Council declared the Community Redevelopment Area blighted and substandard and eligible for a Redevelopment Project on February 27, 2007, by Resolution. [18-2109]

III. FUTURE SITUATION.

This section of the Redevelopment Plan sets forth the planned future conditions within the Community Redevelopment Area. This section is divided into the following subsections:

- A. Proposed Land Use Plan
- B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations
- C. Relationship to Local Objectives
- D. Building Requirements and Standards after Redevelopment
- E. Proposed Changes and Actions
- F. Cost Benefit Analysis
- G. Plan Feasibility
- H. Proposed Cost and Financing
- I. Implementation of Tax Increment Financing
- J. Procedure for Changes in the Approved Redevelopment Plan
- K. Implementation of Approved Redevelopment Plan

A. Proposed Land Use Plan. Changes are contemplated to the current Land Use for the area. The property is currently farmed. This Plan proposes that a three-phase residential development be implemented which provides for apartments, duplexes and single family residences. Phase 1 will be implemented first with platting and development of apartment complexes, duplex and single family development. Phase 2 will be platted and developed when Phase 1 nears full build out. Phase 3 will follow as Phase 2 fills.

The current Zoning Ordinance for the City allows all three types of residences in the R-3 zone. The Current Comprehensive Plan designates the Redevelopment Area as multifamily residential. The Redevelopment Project will provide for site acquisition, clearance, significant site development including earth work, platting and installation of paved roadways, water, sewer and electrical lines. The specific site plan will also be revised during the three phase development. Exhibit "C" attached hereto and incorporated herein by this reference shows the proposed development providing for up to 102 single family residential lots, 17 duplex residential lots and up to 4 apartment complexes with required street and other infrastructure.

The CDA and the City have determined that the private sector is unable to carry out the necessary private and related public improvements necessitated by the Redevelopment Project (site acquisition, site preparation, right of way, roadway installation, storm water drainage, sanitary sewer, water and electrical lines) without assistance from the City through its CDA. The CDA intends to negotiate a specific redevelopment contract with a Redeveloper for each phase of the Redevelopment. The CDA holds an option to acquire the entire Community Redevelopment Area. The redevelopment contract(s) will set forth the proposed Redevelopment Projects for each phase and what contributions are necessary from the City and its CDA. The written redevelopment contract(s) will include a site plan, Redevelopment Project description, specific funding arrangements, and specific covenants and responsibilities of the City, CDA and the Redeveloper to implement the Redevelopment Project.

B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations. In accordance with Nebraska State Law, the Redevelopment Plan described in this document has been designed to conform to the Lexington Comprehensive Plan 2013 (“Comp Plan”) as amended from time to time. This Redevelopment Plan is feasible and in conformity with the general plan for the development of the City as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Community Development Law. [18-2110]

C. Relationship to Local Objectives. The proposed Community Redevelopment Area lies within the boundary described on Exhibit “A”. [18-2111(1)] This Redevelopment Plan has been developed on the basis of the goals, policies and actions adopted by the City for the community as a whole and for the southwest quadrant of the City. General goals, policies and actions relating to the community as a whole and for that area are contained in the Comp Plan.

D. Building Requirements and Redevelopment Standards. The redevelopment of the Community Redevelopment Area should generally achieve the following:

1. Population Density. There are no dwelling units currently located within the Community Redevelopment Area. The Redeveloper intends to develop 102 single family homes and 17 duplexes in the Community Redevelopment Area. Additionally, up to 4 apartment buildings containing up to 144 apartments will be constructed. This will significantly change the population density within the Community Redevelopment Area. Currently, the Redeveloper believes that the Redevelopment Project may take as long as 5-9 years to fully develop.

Some of residences will have school age children. At 2 persons per household, the Redevelopment Project will increase the population for the Community Redevelopment Area and the City by approximately 560 persons. [18-2111(3)]

2. Land Coverage and Building Density. There are no buildings currently located within the Community Redevelopment Area. The Community Redevelopment Area consists of approximately 43 acres which includes all three phases. [18-2111(3)]

3. General Environment. This Redevelopment Plan is intended to promote the City as a prime residential center in Dawson County area. Currently there are a substantial number of residents living in overcrowded and substandard housing. This development will provide safe and decent housing for existing and future residents of the community.

4. Building Heights and Massing. Building heights and massing will comply with the R-3 zone.

5. Circulation, Access and Parking. This Redevelopment Plan will provide for access from 5 different locations. Apartment complexes will each provide public parking on the premises.

E. Proposed Changes and Actions. This section describes the proposed changes needed to the zoning ordinances or maps, street layouts, street levels or grades, and building codes and ordinances, and actions to be taken to implement this Redevelopment Plan.

1. Zoning, Building Codes and Ordinances. The Community Redevelopment Area is zoned R-3 and is appropriate for the proposed development. No zoning changes or other ordinance changes are required. [18-2111(4)]

2. Traffic Flow, Street Layout and Street Grades. This Project results in significant street infrastructure installation. Total linear feet of paved roadway will equal approximately 8,857 feet. Pavement width will generally be 32 feet. Street grades will conform to current grades existing adjacent to the Redevelopment Area. [18-2111(4)]

3. Public Redevelopments, Improvements, Facilities, Utilities and Rehabilitations. In order to support the new land uses in the Community Redevelopment Area, the following proposed public redevelopment, improvements, facilities, and utilities will be needed:

- (i) Installation of approximately 2,265 linear feet of paved roadway (Phases 1); 2,981 linear feet (Phase 2); and 1,611 linear feet (Phase 3);
- (ii) Installation of approximately 2,100 linear feet of 8" diameter water line (Phase 1); 3,010 linear feet (Phase 2); and 1,625 linear feet (Phase 3).
- (iii) Installation of approximately 1,905 linear feet of sanitary sewer lines (Phase 1); 2,775 linear feet (Phase 2); and 1,270 linear feet (Phase 3).
- (iv) Installation of sanitary sewer pumping station for Phase 2;
- (v) Installation of approximately 1,900 linear feet of storm sewer in public right of way (Phase 1); and 1,870 linear feet (Phase 2).
- (vi) Earthwork for streets 12,100 cubic yards (Phase 1); 12,200 cubic yards (Phase 2); and 8,750 cubic yards (Phase 3) [18-2111(6)]

Exhibit "D" attached hereto and incorporated herein by this reference shows the water main layout and Exhibit "E" attached hereto and incorporated herein by this reference shows the sanitary sewer layout on the Redevelopment Project.

The City has sufficient capacity to provide potable water to the Community Redevelopment Area and has sufficient waste water capacity. No additional wells or expansion of waste water facilities will be required as a part of the Redevelopment Project.

4. Private Redevelopment and Improvements. Installation of significant infrastructure will allow for the development of residential lots which will in turn result in the construction of 102 single family residences, 17 duplex structures (2 residences

each) and 4 apartment buildings with up to 36 units each when all three phases are completed in the Community Redevelopment Area; a total of 280 housing units.

5. Acquisition and Relocation. The CDA, based on the conditions of an agreement providing for the donation to the CDA for the redevelopment area, intends to grant to a Redeveloper one lot at a time, conditioned on the Redeveloper constructing an approved structure on such lot. No additional public right-of-way, other than that which will be dedicated to the public by the City and CDA as part of the platting process, should be required in order to support this Redevelopment Plan. [18-2103(12)]

No residential units are located in the Community Redevelopment Area and no relocation of businesses, families or individuals will occur as a result of this Redevelopment Plan.

Should any relocation be required, the City shall relocate or provide assistance pursuant to the procedures described in the Relocation Assistance Act and pursuant to section 18-2154 of the Community Development Law. [18-2154]

6. Open Spaces, Landscaping, Lighting, Parking. The proposed site plan and private sector improvements will comply with the City's minimum open space, landscaping, lighting, and parking standards as defined in the Zoning and Subdivision Ordinances, Building Codes, or other local ordinances.

F. Cost-Benefit Analysis. A City Redevelopment Project TIF Statutory Cost Benefit Analysis ("Cost-Benefit Analysis") will be developed by the CDA prior to making its recommendation with respect to this Redevelopment Plan to the Council of the City. [18-2113]

G. Plan Feasibility. The Redeveloper has invested a substantial amount of time and resources in determining whether it is economically feasible to undertake this Redevelopment Plan without the use of tax increment financing. Efforts by the Redeveloper and others, dating back to 2007, have failed to result in developing the Community Redevelopment Area.

The CDA has determined that it is not economically feasible to undertake the Redevelopment Plan and/or Redevelopment Project, and the Redevelopment Project would not occur in the Community Redevelopment Area without the use of tax increment financing as described in this Redevelopment Plan. The CDA has been unable to find a Redeveloper that will undertake the development described herein without the assistance of tax increment financing. [18-2116]

H. Proposed Costs and Financing; Statements.

Estimated Redevelopment Project costs, including acquisition, preparation, and relocation costs are broken down as follows:

<u>POTENTIAL PUBLIC AND ELIGIBLE PRIVATE IMPROVEMENTS</u>	
Site acquisition	\$by Grant
Site preparation	\$ 522,480
Streets, and storm sewer and & sidewalks	\$ 2,202,824
Water mains	\$ 674,497
Sanitary sewer	\$ 621,852
Public parking and sidewalks	\$ 970,100
Secondary electrical	\$ 214,000
Architectural	\$ 10,000
Engineering	\$ 205,000
Permits and fees	\$ 40,000
Public park	\$ 100,000
Legal	\$ 25,000
TOTAL	\$ 5,585,753

[18-2114]

PRIVATE IMPROVEMENTS

Estimated single family residential construction on project build out: \$23,362,000

All figures above are estimates. Final figures are subject to a specific site plan, design specifications, City approval and regulations.

The Proposed Public Improvements and Eligible Private Improvements should not exceed the amount of funds available from the tax-increment financing indebtedness that the CDA will issue.

I. IMPLEMENTATION OF TAX INCREMENT FINANCING.

This Redevelopment Plan intends that the CDA, after approval of this Plan, and the execution of Redevelopment Contract(s), issue its TIF bond(s) in the principal amount of the public infrastructure for each phase. Additionally, TIF bonds for eligible private expenditures will be issued for each phase. The TIF bond(s) for the private development will be acquired by the Redeveloper, with the proceeds of the bond(s) granted to the Redeveloper and utilized to pay for the eligible private improvements. The TIF bonds for the public expenditures will be delivered to the City. The TIF bonds will be issued in phases as the phases are initiated. [18-2150]

This Redevelopment Plan proposes that the tax increment revenues available from the residential lots in the Community Redevelopment Area be allocated under the terms of Section

18-2147(1)(b) of the Act for those tax years for which the payments become delinquent within 15 years from the effective dates as set forth in the redevelopment contract and annual amendments thereto. The tax increment revenues will be pledged to the payment of principal and interest on the tax increment revenue bond(s). The effective date of the allocation of the tax increment revenues shall be established in phases pursuant to the redevelopment contract(s).

Designation of the lots in each phase shall be established by the issuance by the City of a building permit. For every lot on which a building permit is issued during a calendar year, the effective date for the division of taxes pursuant to section 18-2147 of the Act shall be the January 1 of the year following the issuance of a building permit as to such lot(s) and, if taxes are received by the Dawson County Treasurer on or before December 31, of the 14th year after such effective date those such taxes as falling due on said December 31, may also be allocated to the CDA and applied to payment of principal and interest on the Indebtedness.

The effective date for such allocations shall be set forth in the redevelopment contract and annual amendments thereto and/or the bond resolution authorizing the issuance of the tax increment revenue bond(s) and noticed to the County Assessor of Dawson County in accordance with the terms of Section 18-2147 of the Act as amended.

The real property ad valorem taxes on the taxable valuation for the year prior to the effective date for the lots in each phase will continue to be paid to the applicable taxing bodies in accordance with the terms of Section 18-2147 of the Act.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision. *Such effective date under this Plan shall be the January 1 of the year following the issuance of a building permit as to each lot in each phase. Such effective date may be confirmed and restated in the resolution authorizing the Indebtedness and/or in the project redevelopment contract to be entered into between the CDA and the Redeveloper.*

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is to be pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed or otherwise, by the CDA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances or indebtedness.

The Indebtedness shall be payable solely from the tax increment revenues available under Section 18-2147 and shall not otherwise constitute indebtedness of the CDA or the City.

Any ad valorem tax levied upon the real property in a Redevelopment Project for the benefit of any public body shall be divided, for a period not to exceed fifteen (15) years as to the lots in each phase after the effective date(s) of such provision established in the redevelopment contract, and annual amendments thereto, related to the Redevelopment Project, as follows:

a. That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the Redevelopment Project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; 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 CDA to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such CDA for financing or refinancing, in whole or in part, a Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the CDA shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a Redevelopment Project shall be paid into the funds of the respective public bodies. [18-2147(1)(b)]

The real property in the Redevelopment Project is within the corporate boundaries of the City. [18-2147(2)]

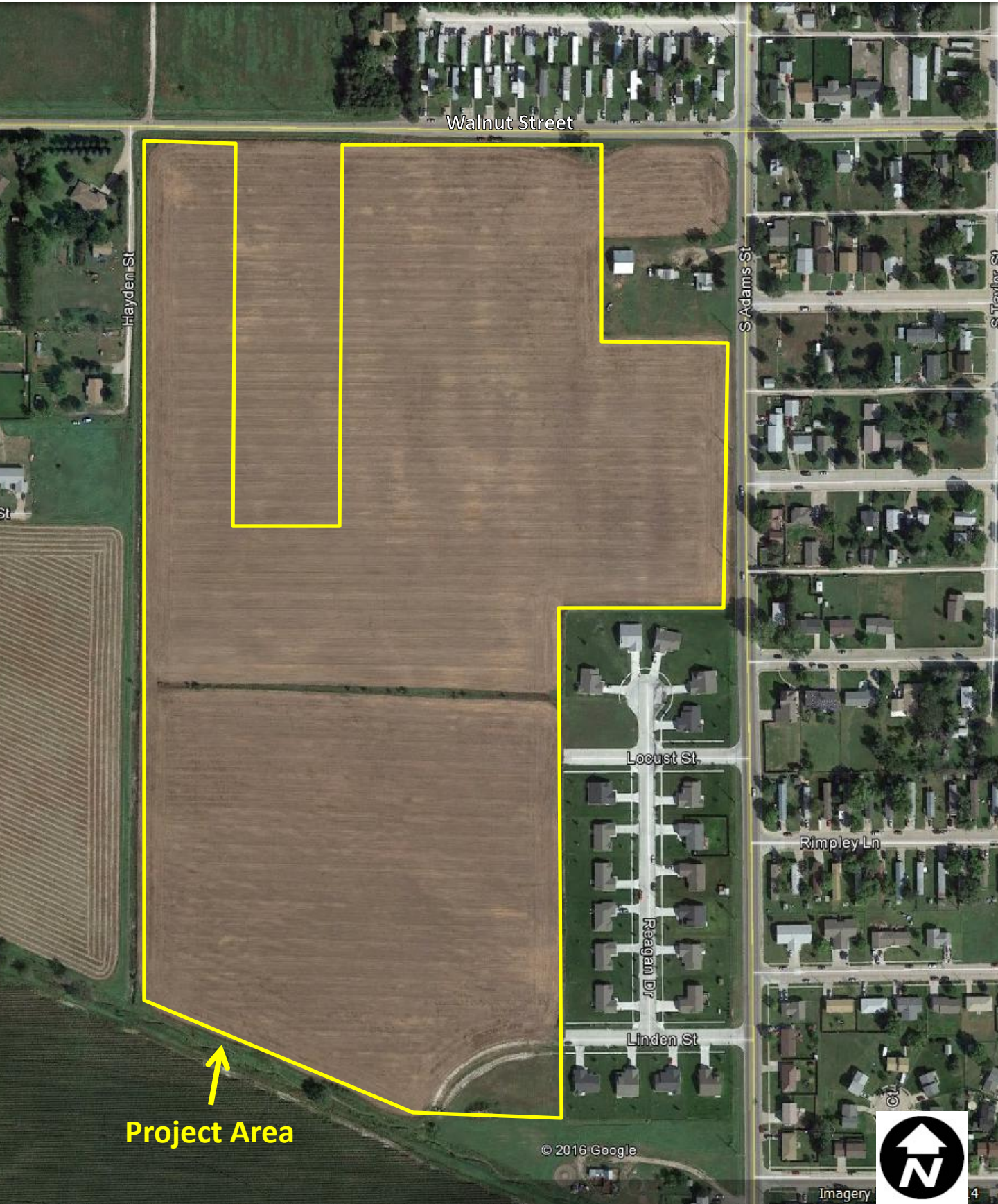
J. Procedure for Changes in the Approved Redevelopment Plan. If the City desires to modify this Redevelopment Plan, it may do so after holding a public hearing on the proposed change in accordance with applicable state and local laws. A redevelopment plan which has not been approved by the governing body when recommended by the CDA may again be recommended to it with any modifications deemed advisable. A redevelopment plan may be modified at any time by the CDA, provided, that if modified after the lease or sale of real property in the Redevelopment Project Area, the modification must be consented to by the Redeveloper or redevelopers of such property or his successor, or their successors, in interest affected by the proposed modification. Where the proposed modification will substantially change the redevelopment plan as previously approved by the governing body the modification must similarly be approved by the governing body.

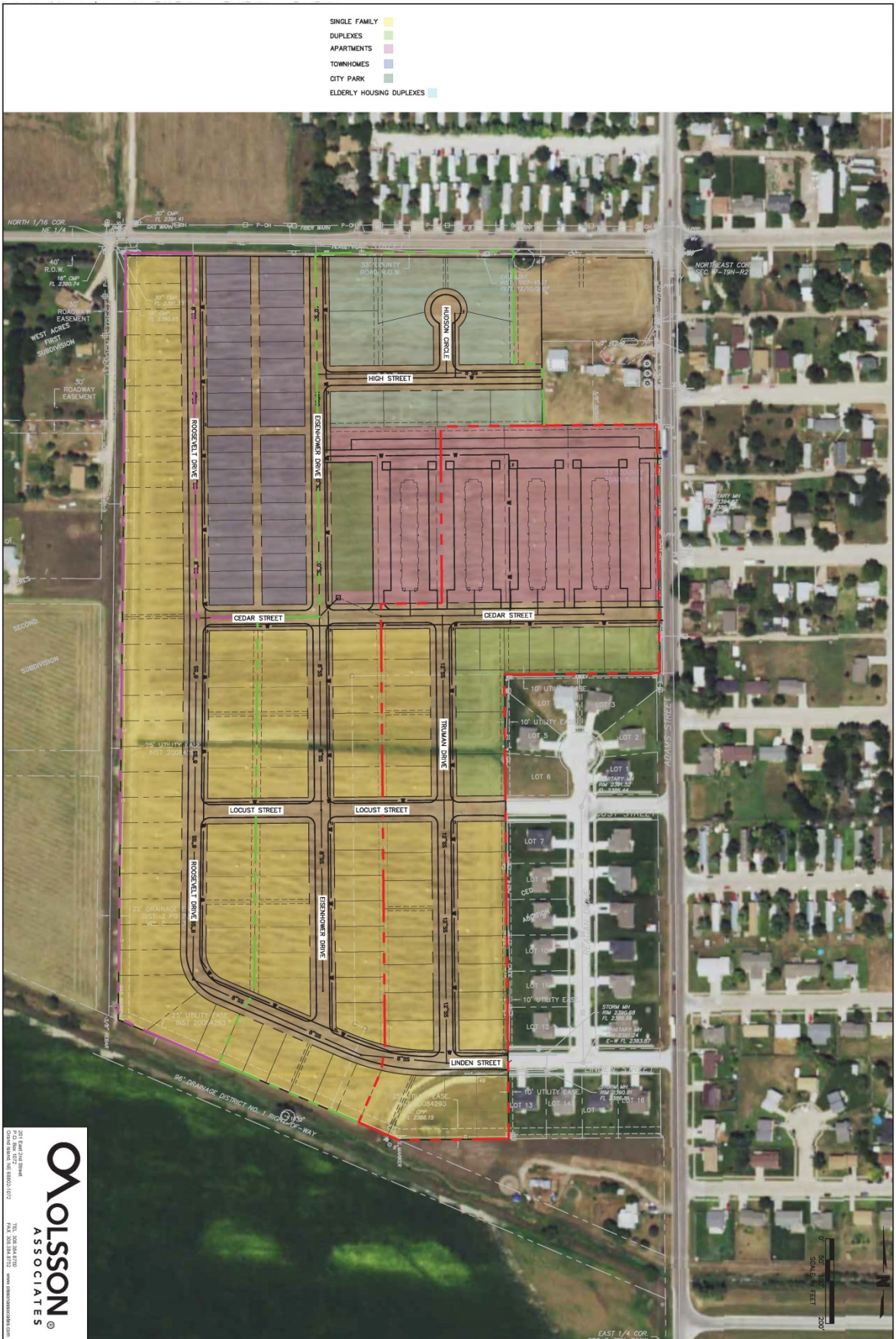
Designation of the effective dates for phases of lots for the division of taxes pursuant to Section 18-2147 of the Act shall not constitute a modification of this Redevelopment Plan and shall not require referral to the Planning Commission or hearing before the City Council. [18-2117]

Exhibit "A"
Legal Description of Redevelopment Area

A TRACT OF LAND LOCATED IN PART OF THE NORTHEAST QUARTER (NE1/4) OF SECTION SEVEN (7), TOWNSHIP NINE (9) NORTH, RANGE TWENTY-ONE (21) WEST OF THE 6TH P.M., DAWSON COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SEC. 7-T9N-R21W; THENCE ON AN ASSUMED BEARING OF S00°32'07"E, ALONG THE EAST LINE OF THE NE1/4, A DISTANCE OF 432.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING S00°32'07"E, ALONG SAID EAST LINE, A DISTANCE OF 586.24 FEET TO A POINT BEING THE NORTHEAST CORNER OF CED ADDITION; THENCE S89°51'27"W, ALONG THE NORTH LINE OF SAID CED ADDITION, A DISTANCE OF 32.78 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF ADAMS STREET; THENCE S89°28'55"W, ALONG SAID NORTH LINE, A DISTANCE OF 365.82 FEET TO THE NORTHWEST CORNER OF SAID CED ADDITION; THENCE S00°30'48"E, ALONG THE WEST LINE OF SAID CED ADDITION, A DISTANCE OF 1094.81 FEET TO THE SOUTHWEST CORNER OF SAID CED ADDITION; THENCE S89°31'28"W A DISTANCE OF 260.50 FEET TO A POINT ON THE NORTHERLY LINE OF 96 FT. DRAINAGE DISTRICT NO. 1 RIGHT-OF-WAY LINE; THENCE N66°35'56"W, ALONG SAID NORTHERLY DRAINAGE RIGHT-OF-WAY LINE, A DISTANCE OF 176.13 FEET; THENCE N66°53'04"W, ALONG SAID NORTHERLY DRAINAGE RIGHT-OF-WAY LINE, A DISTANCE OF 566.58 FEET; THENCE N00°37'12"E A DISTANCE OF 1832.23 FEET TO A POINT ON THE NORTH LINE OF SAID NE1/4; THENCE S89°44'10"E, ALONG SAID NORTH LINE OF THE NE1/4, A DISTANCE OF 208.57 FEET; THENCE S00°32'07"E A DISTANCE OF 863.21 FEET; THENCE N89°27'53"E A DISTANCE OF 230.00 FEET; THENCE N00°32'07"W A DISTANCE OF 860.00 FEET TO A POINT ON THE NORTH LINE OF SAID NE1/4; THENCE S89°44'10"E, ALONG SAID NORTH LINE OF THE NE1/4, A DISTANCE OF 560.31 FEET; THENCE S00°32'07"E A DISTANCE OF 435.56 FEET TO THE SOUTHWEST CORNER OF REAL ESTATE INVESTORS SUBDIVISION; THENCE N89°35'35"E A DISTANCE OF 303.75 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 1,940,069 SQUARE FEET OR 44.538 ACRES MORE OR LESS OF WHICH 1.025 ACRES ARE COUNTY ROAD RIGHT-OF-WAY.





- SINGLE FAMILY
- DUPLEXES
- APARTMENTS
- TOWNHOMES
- CITY PARK
- ELDERLY HOUSING DUPLEXES

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 ASSOCIATES

Exhibit C

[identification of Phase I Property, Phase II Property, and Phase III Property]

All property is located within the Southwest First Addition, and Addition to the City of Lexington, Dawson County, Nebraska.

Phase I Property:

- Lots 1, 2, 3, and 5, Block 1;
- Lots 1-14, Block 2;
- Lots 1-8, Block 3;
- Lots 1-4, Block 4;
- Lots 1-8, Block 5;
- Lots 1-6, Block 6;
- Including abutting ROW and easements.

Phase II Property:

- Lots 4 and 6, Block 1;
- Lot 5, Block 4;
- Lot 9, Block 5;
- Lot 7, Block 6;
- Lot 1, Block 7;
- Lot 1, Block 8;
- Including abutting ROW and easements.

Phase III Property:

- Lot 2, Block 7;
- Lot 2, Block 8;
- Lot 1, Block 9;
- Including abutting ROW and easements.