

**COMMUNITY DEVELOPMENT AGENCY
LEXINGTON NEBRASKA**

January 21, 2013

A Regular Meeting of the Community Development Agency was held Monday, January 21, 2013, at the Lexington City Hall, located at 406 East 7th Street, Lexington, Nebraska at 5:30 p.m. Members present were Jeff Wightman, Steve Smith, Gail Hall, Jason Fagot, Linda Miller and John Fagot. Member Steve Atwood was absent. City Officials present were City Manager Joe Pepplitsch, Assistant City Manager Dennis Burnside, City Attorney Will Weinhold and Secretary Pamela Berke. The press was represented by KRVN Radio.

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 Jeff Wightman who informed the public that the Open Meetings Act is posted in the Council Chambers at the Lexington City Hall, located at 406 E. 7th Street, Lexington, Nebraska.

MINUTES – REGULAR MEETING 12-17-2012 Minutes of the Regular meeting held Monday, December 17, 2012, were presented. Moved by Miller, seconded by Hall, to approve the minutes as presented. Roll Call. Voting “aye” were John Fagot, Jason Fagot, Smith, Hall, Miller, Wightman. Motion carried.

RESOLUTION: Pepplitsch requested Board consideration of Resolution No. 2013-01 regarding additional TIF indebtedness pursuant to a redevelopment contract with Cornhusker Energy Lexington LLC. Pepplitsch reviewed the history of the TIF financing for CEL and gave an explanation of future projects between CEL and the City. Following discussion, moved by Smith, seconded by Jason Fagot, to approve Resolution No. 2013-01 as presented and to authorize the Chairperson to signed any related documents. Roll call. Voting “aye” were Miller, John Fagot, Hall, Jason Fagot, Smith, Wightman. Motion carried.

RESOLUTION NO. 2013-01

RESOLUTION OF THE COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF LEXINGTON, NEBRASKA,
APPROVING THE ISSUANCE OF ADDITIONAL TIF
INDEBTEDNESS PURSUANT TO A REDEVELOPMENT
CONTRACT WITH CORNHUSKER ENERGY LEXINGTON,

LLC; PROVIDING FOR GRANTS FROM THE PROCEEDS OF SUCH INDEBTEDNESS AND OTHER MATTERS

WHEREAS, the Community Development Agency of the City 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 is successor in interest to the Community Redevelopment Authority of the City of Lexington, Nebraska, (“Authority”); and

WHEREAS, the Authority, on the 30th day of July, 2002, entered into a Redevelopment Contract (“Contract”) with Cornhusker Energy Lexington, LLC, (“Redeveloper”), a copy of which is attached hereto as Exhibit A, which provided for the issuance of a Series A and a Series B TIF Indebtedness; and

WHEREAS, the City Council of the City of Lexington passed its ordinance number 2312 creating the Agency and transferred the interest of the Authority in the Contract to the Agency; and

WHEREAS, the Agency is authorized, as successor to the Authority under the Contract, and by the Act (hereinafter defined) to issue and sell its revenue Notes, notes or other obligations for the purpose of providing money to pay or otherwise provide funds to pay costs of the redevelopment project described in the Contract 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 Redeveloper has certified to the Agency that Redeveloper has incurred project costs in addition to those subject to the Series A and Series B TIF Indebtedness previously issued, which certification is attached hereto as Exhibit B; and

WHEREAS, the City of Lexington (“City”) has certified to the Agency that City has incurred project costs in addition to those subject to the Series A and Series B TIF Indebtedness previously issued, which certification is attached hereto as Exhibit C; and

WHEREAS, the Agency has determined that there are sufficient TIF Revenues, as defined in the Contract to pay the principal and interest on additional TIF Indebtedness, as set forth hereafter, for the purpose of making funds available for payment of project costs as defined in the Contract; and

WHEREAS, the Agency has made the necessary arrangements for financing a portion of the costs of the project in part by issuing Promissory Notes, Series B-1, 2013, and Series B-2, 2013, of the Development Agency (“Notes”) and for use of the proceeds of such Notes in connection with the project costs; and

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

WHEREAS, the Notes are in substantially the form attached hereto as Exhibits D and E 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 Notes shall be issued and delivered upon and subject to the terms, conditions, stipulations, uses and purposes as hereinafter expressed, which are:

ARTICLE I

THE NOTES

Section 1.01. Form and Maturity of Notes.

The Notes 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 series designated "Community Development Agency of the City of Lexington, Nebraska, Community Development Revenue Notes, Series B-1, 2013 and Series B-2, 2013". The Notes shall be substantially in the form and of the tenor as set forth in the form of the Notes attached hereto as Exhibit D (Series B-1 Note) and Exhibit E (Series B-2 Note) with such appropriate variations, omissions and insertions as are permitted or required by this Resolution.

The Series B-1 Note shall be issued in one series in the amount of \$800,000.00, and shall be dated as of the date its issuance. The Series B-1 Note shall be delivered to Cornhusker Energy Lexington, LLC, upon issuance and shall be immediately redeemed by the Agency from funds on hand in the Cornhusker Energy Lexington, LLC, TIF Revenue Account. The Series B-1 Note shall bear interest at the rate of 0.0% per annum from and after the date of issuance of such Note.

Series B-2 Note shall be issued in the amount of \$730,000.00, and shall be dated as of the date of its issuance. The series B-2 Note shall mature on December 31, 2018, and shall bear 0.0% interest.

Principal and interest on the Series B-2 Note shall be paid only after payment of the Series A and Series B payments of principal and interest and on the dates of provided for such payments,

from remaining funds on hand in the Cornhusker Energy Lexington, LLC, TIF Revenue Account.

Section 1.02 Execution. Limited Obligation.

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

The Notes shall not be a general obligation of the Development Agency, but only a limited obligation payable solely from the tax increment revenues pledged as security for the Notes, and from any other security pledged by Redeveloper 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 Notes) and shall be a valid claim of the registered owner thereof and otherwise secured for the payment of the Notes and shall be used for no other purpose than to pay the principal and interest on the Notes, except as may be otherwise expressly authorized by this Resolution.

Neither the Development 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 Notes 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 Development 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 Notes or the interest thereon or other costs incident thereto. The Notes shall never constitute an indebtedness of the Development Agency or the City within the meaning of any state constitutional provision or statutory limitation, nor shall the Notes or the interest thereon ever give rise to any pecuniary liability of the Development Agency or the City or a charge against its general credit or taxing powers.

Section 1.03 Delivery of Series B-2, 2012, Notes.

The Development Agency shall execute and deliver the Series B-2, 2013, Note to the City.

ARTICLE II

APPLICATION OF NOTES PROCEEDS

One hundred percent of the proceeds of the B-1, 2013, Note shall be granted to Redeveloper and one hundred percent of the proceeds of the B-1, 2013, Note shall be delivered to the City upon receipt of such proceeds and used to pay Project Costs pursuant to the Redevelopment Contract.

ARTICLE III

PAYMENT OF NOTES

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 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.

Passed and approved this 21st day of January, 2013.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF
LEXINGTON, NEBRASKA

Steven H. Smith, Chairman

ATTEST: Pamela Berke, Secretary

DEVELOPMENT AGMT:

Pepplitsch presented a proposed development agreement from Alpha Mail Carriers, Inc. for property in Redevelopment Area #1. The agreement outlines the intent and obligations of the firm and the CDA in developing a relay and maintenance station for the cross country carrier group. Following discussion, Resolution No. 2013-02 was presented for consideration. Moved by Smith, seconded by Hall, to approve Resolution No. 2013-02 as presented. Roll call. Voting "aye" were John Fagot, Jason Fagot, Miller, Hall, Smith, Wightman. Motion carried.

RESOLUTION NO. 2013-02

RESOLUTION OF THE COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF LEXINGTON, NEBRASKA,

PROVIDING NOTICE TO THE GOVERNING BODY OF
THE CITY OF LEXINGTON, OF INTENT TO ENTER INTO
A DEVELOPMENT AGREEMENT ON THE EXPIRATION
OF 30 DAYS FROM THE DATE OF THIS RESOLUTION

WHEREAS, this Community Development Agency of the City of Lexington, Nebraska ("Authority"), has pursuant to Section 18-2119 of the Nebraska Community Development Law (the "Act"), solicited proposals for redevelopment of an area within the City limits of the City of Lexington; and

WHEREAS, the Agency has considered all of the redevelopment and development proposals and financial and legal ability of the prospective redevelopers and developers to carry out their proposals;

WHEREAS, the Agency deems it to be in the public interest and in furtherance of the purposes of the Act to accept the development agreement proposal submitted in the form of the proposed development agreement attached hereto;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. By copy of this Resolution delivered to the CITY OF LEXINGTON on this date, the Agency hereby gives the 30 days notice required by Section 18-2119 of the Act of its intention to accept such development agreement proposal with Alpha Mail Carriers, Inc. in substantially the attached form and with such modifications, additions or deletions deemed necessary or appropriate by the Agency.

Passed and approved this 21st day of January, 2013.

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF
LEXINGTON, NEBRASKA.

BY Steven H. Smith, Chairperson

ATTESTED: Pamela Berke, Secretary

DEVELOPMENT AGMT: Pepplichtsch presented a proposed development agreement from MRK Real Estate LLC for property in Redevelopment Area #1 for a truck wash facility. He noted that the 30 day notice of intent has passed with no adverse comments. The agreement outlines the intent and obligations of the firm and of the CDA. Following discussion, moved by Hall, seconded by Miller, to approve the development agreement as presented and to authorize the chairmen to sign the required documents. Roll call. Voting "aye" were John Fagot, Jason Fagot, Smith, Miller, Hall, Wightman. Motion carried.

ELECTION OF OFFICERS: Wightman called for nominations for Chairperson for 2013. Moved by Wightman, seconded by John Fagot, to elect Steve Smith as Chairperson for 2013. Roll call. Voting “aye” were Miller, Jason Fagot, Hall, Smith, John Fagot, Wightman. Motion carried.

Wightman called for nominations for Vice Chairperson. Moved by John Fagot, seconded by Wightman, to elect Gail Hall as Vice Chairperson for 2013. Roll call. Voting “aye” were Miller, Jason Fagot, Hall, Smith, John Fagot, Wightman. Motion carried.

ROUNDTABLE: Peplitsch gave an update on the Orthman project and several other projects, and noted that he has had interest in property located in the Southeast Second Addition.

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

Respectfully submitted,
Pamela Berke
CDA Secretary