

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2012, by and between the Community Development Agency of the City of Lexington, Nebraska (the "Agency") and Orthman Investments, LLC, a _____ corporation (the "Company").

WITNESSETH:

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

WHEREAS, the City of Lexington, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended (collectively the "Act"), has adopted a Redevelopment Plan for a blighted and substandard area designated by the City; and

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

WHEREAS, the Agency and the Company desire to enter into this Redevelopment Contract for acquisition and redevelopment of the redevelopment area;

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

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

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

"Act" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended, and acts amendatory thereof and supplemental thereto.

"Bondholder" means the holders of Bonds issued by the Agency from time to time outstanding.

"Bond" or ""Bonds" means the Agency's Community Redevelopment Revenue Bonds (Orthman Investments, LLC Project), Series 2012 A, authorized to be issued by the Agency pursuant to the

terms and conditions of the Resolution.

"Capital Loan" means the City of Lexington Economic Development Program loan from the City to the Company in the estimated amount of \$500,000 for use in connection with the Project, to be adequately secured by Company.

"City" means the City of Lexington, Nebraska.

"Governing Body" means the Members of the Agency,

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

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

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

"Project Costs" means only costs or expenses incurred by the Company to acquire the Project and to construct necessary improvements thereon, pursuant to the Act, and shall include costs of issuing the Bonds.

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

"Redevelopment Plan" means the Redevelopment Plan of the Agency adopted in accordance with the Act, as amended from time to time and shown on Exhibit C attached hereto and incorporated herein by reference.

"Resolution" means the Resolution of the Agency, as supplemented from time to time, approving this Redevelopment Contract, Redevelopment Plan and providing for the issuance of the Bonds.

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

Section 1.02 Construction and Interpretation.

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

1. This Redevelopment Contract shall be interpreted in accordance with and governed by the laws of the State of Nebraska, including the Act.
2. Wherever in this Redevelopment Contract it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be

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

ARTICLE II REPRESENTATIONS

Section 2.01 Representations by the Agency.

The Agency makes the following representations and findings:

1. The Agency is a duly organized and validly existing community redevelopment authority under the Act.
2. The Redevelopment Plan has been duly approved and adopted by the City pursuant to Sections 18-2116 and 18-2117 of the Act.
3. The Agency has requested proposals for redevelopment of the Redevelopment Area pursuant to Section 18-2119 of the Act, and deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by the Company as specified herein.
4. The Redevelopment Project will achieve the public purposes of the Act by, among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening blighted and substandard conditions in the Redevelopment Area.

Section 2.02 Representations of The Company.

The Company makes the following representations:

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

instrument or agreement.

3. There is no litigation pending or to the best of its knowledge threatened against the Company affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Contract or, except as disclosed in writing to the Agency, as to any other matter materially affecting the ability of the Company to perform its obligations hereunder.
4. Any financial statements of the Company or its shareholders delivered to the Agency prior to the date hereof are true and correct in all respects and fairly present the financial condition of the Company as of the dates thereof; no materially adverse change has occurred in the financial condition reflected therein since the respective dates thereof; and no additional borrowings have been made by the Company since the date thereof which would have a material impact on the financial condition of the Company.

ARTICLE III OBLIGATIONS OF THE AGENCY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Agency hereby providing that any ad valorem tax on real property in the 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, 2013.

Section 3.02 Issuance of Series 2012 A Bonds.

In accordance with Section 18-2124 of the Act and the Resolution, the Agency on or about _____, 2012, will issue its Series 2012 A Bonds in the aggregate principal amount of approximately \$1,500,000.00 which shall be payable in accordance with the amortization schedule attached hereto as Exhibit D1, bearing interest at _____ percent (___%) per annum (Series 2012 A Bonds). The Series 2012 A Bonds shall be limited obligations of the Agency, and shall be solely payable from and secured by TIF Revenues and other security specifically pledged therefor. Agency shall have no obligation to find a purchaser for the Series 2012 A Bonds. Proceeds of the Series A Bonds shall be granted to the Company as provided in Section 3.05 hereof and shall be used solely for site acquisition, preparation, on site paving, concrete installation, street and utility costs, and public improvements.

Section 3.03 Issuance of Series 2012 B Bonds. Reserved

Section 3.04 Pledge of TIF Revenues.

Pursuant to the Resolution, the Agency will pledge the TIF Revenues as security for the Bonds as provided herein. The Agency hereby represents that the aggregate mill levy on real property within its jurisdiction for fiscal 2011 is 2.225397. The Agency is not aware of any facts which would result in a material reduction of such mill levy. Based upon the foregoing, and the anticipated construction costs of the Project, the amount of TIF Revenues which the Company reasonably believes will be generated annually from the Project is set forth in Exhibit D hereto.

Section 3.05 Grant.

The Agency shall grant one hundred percent (100%) of the proceeds of the Series 2012 A Bonds, together with the proceeds of any additional bonds issued by the Agency from time to time and secured by a pledge of the TIF Revenues as contemplated in Sections 3.02 and 3.03 above, to the Company for the purpose of paying Project Costs.

Section 3.06 Creation of Fund.

In accordance with Sections 18-2147 and 18-2102.01(7) of the Act, the Agency will create a special fund pursuant to the Resolution to collect, hold and disburse the TIF Revenues. TIF Revenues deposited into such special fund shall be used for no purpose other than to pay the principal of, interest, if any, and premium, if any, due on the Bonds issued pursuant to Section 3.02 above. The description and operation of such special fund shall be set forth in more detail in the Resolution.

Section 3.07 Purchase of Existing Facilities.

The Agency shall purchase or arrange the purchase of the existing Company real estate and facilities located at 1502 E Walnut Street, Lexington, Nebraska 68850, for the sum of \$800,000 and subject to the representations, warranties, covenants and considerations of that certain Real Estate Purchase Agreement dated as of the date hereof, by and between the Agency and the Company.

Section 3.08 Off-Site and Public Improvements.

The Agency covenants and agrees to use its best efforts to undertake and complete the improvements set forth in Exhibit C attached hereto relating to necessary off-site and public infrastructure improvements to and for the Project (the "Improvements").

Section 3.09 Capital Loan.

The Agency shall arrange a loan of \$500,000 from the City's Economic Development Program to the Company for the purpose of paying project costs. The principal amount of the loan shall accrue interest at the rate of 0% per annum and be payable in ten (10) equal annual installments beginning one year following the Company's occupancy of the new manufacturing facility. Such loan will be adequately secured by Company.

ARTICLE IV
OBLIGATIONS OF THE COMPANY

Section 4.01 Construction of Project; Insurance.

The Company will complete the Project and install all equipment and furnishings necessary to operate the Project. The Company shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Project. Until construction of the Project has been completed, the Company shall make reports in such detail and at such times as may be reasonably requested by the Agency as to the actual progress of the Company with respect to construction of the Project, Promptly after completion by the Company of the Project, the Company shall furnish to the Agency a Certificate of Completion. The certification by the Company shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Contract with respect to the obligations of the Company and its successors and assigns to construct the Project. As used herein, the term "completion" shall mean substantial completion of the Project.

Any contractor chosen by the Company or the Company itself shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability, completed operations and automobile liability. The minimum acceptable limits of liability to be provided by such insurance are: bodily injury of \$3 million per person or occurrence and property damage of \$3 million per occurrence. The Agency, the Company, the City and the Agency shall be named as additional insureds. Any contractor chosen by the Company or the Company itself, as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include "All Risk" insurance for physical loss or damage. Notwithstanding the foregoing, the Company reserves the right to self-insure against the risks described herein. The Agency, the Company, the City and the Agency shall be named as additional insureds.

The contractor or the Company, as the case may be, shall furnish the Agency with a Certificate(s) of Insurance evidencing policies as required above. Such certificates shall specifically indicate that the public liability insurance includes all extensions of coverage required and shall state that the insurance companies shall give the Agency and all other named insureds at least thirty (30) days' written notice in the event of cancellation of or material change in any of the policies.

Section 4.02 The Company to Operate Project.

If the Company fails to operate the Project for at least 10 years from and after January 1, 2013, which is the effective date of the provision specified in Section 3.01 of this Redevelopment Contract, then such failure shall constitute an Event of Default hereunder, subject however to the Force Majeure provisions of Section 7.01 hereof. The Company shall be deemed to be operating the Project so long as the Company is operating in the ordinary course of its business on a substantial and continuous basis.

Section 4.03 Other Agreements.

The Company will enter into and perform its obligations under such other agreements as are reasonably necessary in connection herewith, including but not limited to those documents set forth and described in Section 8.01 hereof.

Section 4.04 Penal Bond.

The Developer shall execute a penal bond for the Project with good and sufficient surety to be approved by the Agency meeting the requirements of Section 18-2151, Reissue Revised Statutes of Nebraska, as amended, on or prior to its execution of this Contract.

Section 4.05 No Discrimination.

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

Section. 4.06 Pay Real Estate Taxes.

The Company intends to create a taxable real property base attributable to the Project of not less than \$6,500,000.00, no later than January 1, 2014. During the period that any Bonds are outstanding, the Company will (1) not convey the Premises or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes; and (2) cause all real estate taxes and assessments levied on the Premises to be paid prior to the time such become delinquent during the term that any Bonds are outstanding. The Company shall pay all real estate taxes assessed on the Premises directly to the Dawson County, Nebraska Treasurer ("County Treasurer") as required by applicable law. After deducting County taxes in the amount of one percent (1%) of said funds plus associated collection fees as required pursuant to Neb. Rev. Stat. §33-114, the County Treasurer, is expected to promptly pay the remaining balance of said taxes to the Paying Agent for deposit in the Debt Service Fund established pursuant to the Resolution.

Section 4.07 Payment in Lieu of Taxes.

If for any reason, at any time, TIF Revenues received by the Agency are less than \$_____ for each tax year for tax years 2013 through 2028, inclusive, then immediately upon receipt of written notice of such deficiency from the Agency, the Company hereby agrees to make such payments in lieu of taxes to the Agency as shall be necessary to pay the difference between the

TIF Revenue for such tax year and the said _____ (the “Deficiency Payment”). The obligation of the Company to make such deficiency payments may be evidenced by a note, guaranty, or other evidence of indebtedness and secured by a mortgage or 'Deed of Trust on the Premises in favor of the Agency, as the Agency may deem appropriate and necessary. The Company agrees to pay the real property taxes for the year 2028 prior to December 15, 2028.

Section 4.08 Payment of Expenses.

Upon the execution of this Redevelopment Contract, the Company shall pay to Bacon and Vinton, Gothenburg, Nebraska, the sum of \$_____ for certain legal costs incurred by the Agency in connection with this Redevelopment Contract, provided, however, in the event the Agency fails to provide or cause to be provided to the Company the documents set forth in Section 8.01 hereof, the sum set forth above shall be paid into escrow until such documents are provided to the Company.

Section 4.09 No Assignment or Conveyance.

The Company may convey, assign or transfer the Premises, the Project or any interest therein during the 15 year period commencing on the effective date specified in Section 3.01 hereof, without the prior written consent of the Agency, subject, however, to each of the following conditions:

1. No conveyance, assignment, or transfer shall relieve the Company from primary liability for the Company's obligations under the Redevelopment Contract or the Bonds (collectively the "Financing Documents") and in the event of any such conveyance, assignment or transfer, the Company shall remain primarily liable for the Company's obligations under the Financing Documents to the same extent as though no conveyance, assignment or transfer had been made;
2. Any proposed transferee and its successors and assigns, shall expressly, in writing, assume all of the Company's obligations under the Financing Documents and agree to be subject to all of the conditions and restrictions to which the Company is subject there under; and
3. The Company shall, within thirty (30) days after delivery thereof, furnish or cause to be furnished to the Agency a true and complete copy of each assignment, transfer or assumption of obligation, as the case may be.

Section 4.10 Capital Loan.

The Company will execute all agreements, documents and certificates necessary in connection with the Capital Loan.

Section 4.11 Sale of Existing Facilities. The Company shall sell the existing Company facilities located at 1502 E Walnut Street, Lexington, Nebraska, 68850, for the sum of \$800,000 and subject to the representations, warranties, covenants and considerations of that certain Real Estate Purchase Agreement dated as of the date hereof, by and between the Agency, or other entity, and the Company.

Section 4.12 Immigration Status. The Redeveloper agrees that any contractor for the Project shall be required to agree to use a federal immigration verification system (as defined in §4-114, R.S. Supp. 2009) to determine the work eligibility status of new employees physically performing services on the Project and to comply with all applicable requirements of §4-114, R.S. Supp. 2009.

ARTICLE V
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

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

ARTICLE VI
DEVELOPMENT SCHEDULES

Section 6.01 Development Schedule.

The Agency and the Company acknowledge that time is of the essence in the development of the Project and that each party hereby agrees to use its best efforts to follow and complete the schedule of development activities and performance set forth in Exhibit "F" attached hereto.

ARTICLE VII
DEFAULT, REMEDIES; INDEMNIFICATION

Section 7.01 Event of Default.

Any one or more of the following events shall constitute an Event of Default hereunder:

1. Failure by the Company to pay when due real estate taxes or assessments on the Premises or any part thereof or payments-in-lieu of taxes pursuant to Section 4.07 hereof and such failure shall continue for a period of thirty (30) business days after written notice thereof shall have been given to the Company by the Agency or the City;
2. Failure by the Company to complete construction of the Project on or before April 1, 2013, and such failure shall not be cured, ended or remedied within three (3) months after written demand by the Agency to the Company to so complete construction of the Project, provided, however, that no Event of Default shall occur if, at the conclusion of such three (3) month period, the Company is taking substantial steps to complete construction of the Project, which if diligently pursued, will result in the completion of construction of the Project within a reasonable time;
3. The Company shall abandon the Project, or any substantial part thereof, or the operation thereof as defined in Section 4.02 hereof; and such abandonment shall continue, without an agreement between the Company and the Agency or the City for the exercise by the

Company of its best efforts to resume operating the Project, for a period of ninety (90) days after written notice thereof shall have been given to the Company by the Agency or the City;

4. The Company shall transfer the Project, or any part thereof; in violation of Section 4.09 hereof and such violation shall not have been cured within thirty (30) days after written notice of such violation shall have been given to the Company by the Agency;
5. There shall occur an Event of Default under the CDBG Loan Agreement;
6. There shall occur an Event of Default under the Resolution;
7. Failure by the Company or the Agency to observe or perform any other agreement, term or condition contained in this Redevelopment Contract and such failure shall continue for a period of thirty (30) days after written notice of such failure shall have been given to the breaching party by the non-breaching party, or for such longer period as the non-breaching party may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an Event of Default so long as the breaching party institutes curative action within the applicable period and diligently pursues (in the sole judgment of the non-breaching party) that action to completion;
8. Any representation or warranty made by the Company or the Agency herein or any statement made by the Company or the Agency in any report, certificate, financial statement or other instrument furnished in connection with this Redevelopment Contract or with the purchase of the Bonds shall at any time prove to have been false or misleading in any material respect when made or given;

Notwithstanding the foregoing, if, by reason of Force Majeure, the Company or the Agency is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of Default under subsections 2, 3 or 8 hereof, the breaching party shall not be deemed in default during the continuance of such inability. However, the breaching party shall promptly give notice to the non-breaching party of the existence of an event of Force Majeure and shall use its best efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within its discretion. With respect to the Company's obligations to complete construction of the Project and to operate the Project, it is the purpose and intent of this provision that in the event of the occurrence of any such Force Majeure, the time or times for performance by the Company with respect thereto shall be extended for the period of the Force Majeure and for such additional period of time as shall be necessary to commence and complete such action as may be reasonably designed to cure or remedy such Force Majeure, which action shall be accomplished within a reasonable time by the diligent pursuit of such corrective action by the non breaching party, except as otherwise provided in this Redevelopment Contract.

Section 7.02 Remedy of the Agency - Liquidated Damage.

Upon the occurrence of an Event of Default by the Company under Sections 7.01 subsection 1 through subsection 8 above, and at anytime thereafter during the continuance of such Event of Default, the Agency may terminate this Redevelopment Contract. The Company and the Agency agree that the damages caused to the Agency upon the occurrence of any such Event of Default by the Company would be difficult to determine with certainty and that a reasonable estimation

of the amount of damages that would be incurred is set forth below (hereinafter referred to as the "Liquidated Damages Amount"). The Liquidated Damages Amount shall be paid by the Company to the Agency or such other party as may be hereinafter designated, within sixty (60) days of the occurrence of said Event of Default. The Liquidated Damages Amount shall be an amount equal to the sum of the following:

1. The unpaid principal of the Capital Loan, if any, payable to the City.

Should such Event of Default occur prior to April 1, 2013, an amount equal to a portion of the cost of the public infrastructure improvements constructed and paid for by the City as set forth in Exhibit C hereto, computed as follows: $\text{Repayment Amount} = \text{Certified Cost of Improvements} \times (\text{Remaining Term of Pledge of Incremental Tax Revenues})$. Such Repayment Amount shall be payable to the City. "Certified Cost of Improvements" means the cost of such public improvements as represented by the Certificate of the City's Project Engineer filed upon completion of construction of such public improvements. "Remaining Term" shall have the same meaning as provided above. In no case shall the value of the fraction used herein be greater than one. The right of the Agency to terminate this Redevelopment Contract and to demand payment of the Liquidated Damages Amount shall be the sole and exclusive remedy of the Agency for an Event of Default occurring under Section 7.01 hereof.

Section 7.03 Remedies in the Event of Other Company Defaults.

Upon the occurrence of any other Event of Default by the Company, and at any time thereafter during the continuance of such Event of Default, the Agency may seek to enforce the terms of the Redevelopment Contract or exercise any other remedies that may be provided in this Redevelopment Contract or by applicable law, provided, however, that the Events of Default covered by this Section shall not give rise to a right of rescission or termination of this Redevelopment Contract, nor shall they give rise to or be covered by the Liquidated Damage Amount set forth in Section 7.02 hereof.

Section 7.04 Remedies of The Company.

Upon the occurrence of an Event of Default by the Agency, and at any time thereafter during the continuance of such Event of Default, the Company may take one or more of the following remedial steps:

1. Initiate by mandamus, suit, action or proceeding at law or in equity a proceeding, as provided in §18-2133 of the Act, to compel the Agency and the members, officers, agents or employees thereof to perform each and every term, provision, and covenant contained in this Redevelopment Contract and to require the carrying out of any and all such covenants and agreements to the Agency and the fulfillment of all duties imposed upon the Agency by the provisions of, the Act and this Redevelopment Contract;
2. Initiate a suit, action or proceeding in equity to enjoin (i) any act or things which may be unlawful or (ii) the violation of any of the rights of the Company by the Agency;
3. Take all action necessary to complete any improvements to and for the Project required to be undertaken and completed by the Agency pursuant to Section 3.08 hereof, as more fully described in Exhibit C hereto which, by virtue of the Agency's failure to undertake

or perform any such improvement, prevents or significantly impedes the Company from completing or operating the Project in accordance with the terms of this Redevelopment Contract. If the Company at any time, by reason of such default by the Agency, is compelled to pay or elects to pay any sum of money or do any act which will require the payment of any sum of money to cure such default, such sum or sums shall be reimbursed to the Company by the Agency, provided however, the reimbursement obligation of the Agency hereunder shall not exceed the actual cost to cure such breach or default and shall not include consequential damages (i.e. lost profits, etc.).

4. Terminate this Redevelopment Contract.

Section 7.05 No Remedy Exclusive.

Unless otherwise provided herein, no remedy conferred upon or reserved to the Company or the Agency by this Redevelopment Contract is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Redevelopment Contract, or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Company or the Agency to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made herein.

Section 7.06 No Waiver.

No failure by the Company or the Agency to insist upon the strict performance by the other of any provision hereof shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the other party to observe or comply with any provision thereof

Section 7.07 Limitation of Liability; Indemnification.

No member, official, employee, consultant, or agent of the Agency shall be personally liable to the Company or any successor in interest in the event of any default or breach by the Agency or for any amount which may become due to the Company or successor or on any obligations under the terms of this Redevelopment Contract. It is the intention of the parties hereto that the Agency and its officers, shall not incur pecuniary liability by reason of or in connection with the issuance of the Bonds or the execution of the Resolution; nevertheless, if the Agency or its officers should incur any pecuniary liability, then in such event the Company shall indemnify and hold the Issuer and its officers harmless against all claims by or on behalf of any person, firm or corporation or other legal entity, arising out of the same. The Company releases the Agency and the City from, agrees that the Agency and the City shall not be liable for, and agrees to indemnify and hold the Agency and the City harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by, resulting from, connected with or growing out of any act of commission or omission of the Company or any of its officers, employees, agents, assignees, contractors or subcontractors.

Section 7.08 Cooperation of the Company and the Agency.

The Company hereby covenants and agrees to cooperate with and assist the Agency in remarketing and selling the Project in the event that the Company should permanently close, abandon, or cease operating the Project.

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Delivery of Documents.

Upon the execution of this Redevelopment Contract, the Agency and the Company agree to execute, deliver and provide or cause to be provided the documents listed forth in Exhibit "___" attached hereto.

Section 8.02 Notice Recording.

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

Section 8.03 Governing Law.

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

Section 8.04 Binding Effect; Amendment.

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

Section 8.05 Counterparts.

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

Section 8.06 Severability.

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

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

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF LEXINGTON, NEBRASKA

ORTHMAN INVESTMENTS,
LLC

By: _____

By: _____

DRAFT

EXHIBIT A
DESCRIPTION OF PREMISES

Lot 11, Replat of Southeast Second Addition to the City of Lexington, Dawson County,
Nebraska.

DRAFT

EXHIBIT B
DESCRIPTION OF PROJECT

OVERVIEW:

This plan is intended to redevelop an area within the City of Lexington, which has been declared blighted and substandard within the meaning of the Community Redevelopment Law of the State of Nebraska.

The Developer intends to acquire, develop and rehabilitate the real estate shown on Exhibit A to the Redevelopment Contract by constructing a 115,000 square foot manufacturing facility, creating 100 additional jobs.

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

The Agency will convey the real estate shown on Exhibit A, and obtain from tax increment funds generated within Redevelopment Area #1 funds to and install paving and utilities to serve the project.

DRAFT

EXHIBIT C
REDEVELOPMENT PLAN

THE REDEVELOPMENT PLAN:

1. Relationship of Plan to Local objectives for appropriate land use: This plan contemplates a change in current land use. Industrial zoning is currently appropriate for the intended use. Reutilization of the existing real estate meets existing local objectives for appropriate land use for the area affected by this plan.

2. Relationship of Plan to Local objectives for improved traffic flow and public utilities in plan area:

Streets: Streets will conform to current layout and design as set forth in the various subdivision plats affecting the project. The City will pay for the installation of paving, in accordance with the Redevelopment Contract.

Potable Water Lines: The City will install all potable water lines and fire hydrants required to the real property.

Sanitary Sewer Lines: The City will install sanitary sewer lines to the real property.

No special assessment districts will be established for the initial infrastructure installation.

3. Redevelopment project boundaries: Exhibit B 1 to the Redevelopment Contract shows the boundaries of the project. The property is currently unimproved.

4. Proposed land use plan: Exhibit B 2 shows the proposed land use plan after redevelopment as an industrial development. This plat will be amended and changed as circumstances require for development.

5. Information on standards for population densities; land coverage; building intensities; and land coverage after redevelopment: Population density will not change for the area. Currently there is no residential occupancy.

6. Statement regarding change in street layouts: This Plan proposes no change in street layouts.

7. Site plan after redevelopment: Exhibit B2 is an accurate proposed site plan of the redevelopment project after redevelopment.

8. Statement as to the kind and number of additional public facilities or utilities required to support land use after redevelopment: Additional public utilities are required to support the proposed plan, as discussed above.

9. Estimated costs to be incurred by the Agency for the project are as follows:

City expenditures:

Capital Loan	\$ 500,000.00
Existing Building Acquisition	\$ 800,000.00
Street, Water, Sewer:	<u>\$1,520,000.00</u>
Total	\$2,820,000.00

Financing of costs:

NE Site & Building Fund	\$ 250,000.00
EDA Grant Funds	\$ 760,000.00
REDLG Loan Funds	\$ 300,000.00
Local Development Funds	<u>\$1,510,000.00</u>
Total	\$2,820,000.00

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EXHIBIT D

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