

**CITY OF LEXINGTON
COMMUNITY DEVELOPMENT AGENCY**

RESOLUTION NO. 2013-____

RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA, APPROVING THE REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT REVENUE BONDS (LEGEND OAKS II PROJECT) SERIES 2013 A AND SERIES 2013 B.

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

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

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

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

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

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Defined Terms.

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

“Act” means Section 12 of Article VIII of the Nebraska Constitution, and Sections 18-2101 through 18-2154 of the Nebraska Revised Statutes, as amended, known as the Nebraska Community Development Law and acts amendatory thereof and supplemental thereto.

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

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

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

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

“City” means the City of Lexington, Nebraska.

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

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

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

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

“Governing Body” means the members of the Agency.

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

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

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

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

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

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

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

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

Section 1.02 Provisions as to Interpretation.

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

- (a) This Bond Resolution shall be interpreted in accordance with and governed by the laws of the State of Nebraska.
- (b) Wherever in this Bond Resolution it is provided that any person may do or perform any act or thing the word “may” shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.
- (c) The phrase “at any time” shall be construed as meaning “at any time or from time to time.”

- (d) The word “including” shall be construed as meaning “including, but not limited to.”
- (e) The words “will” and “shall” shall each be construed as mandatory.
- (f) The words “herein,” “hereof,” “hereunder,” “hereinafter” and words of similar import shall refer to this Bond Resolution as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.
- (g) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.
- (h) The captions to the sections of this Bond Resolution are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary by implication or otherwise any of the provisions hereof.

Section 1.03 Exhibits.

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

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

ARTICLE II

THE BONDS

Section 2.01. Form and Maturity of Bonds.

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

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

The Series 2013 B Bond shall be issued in the amount of \$180,500.00 and shall be dated as of the date of its issuance. The Series 2013 B Bond shall finally mature on December 31, 2028. The Series 2013 B Bond shall bear interest at the rate of 2.8% per annum from and after the date of issuance of such bond. Additional Series B Bonds shall be dated as of the date of their issuance. The subsequent Series B Bonds shall mature on the dates and bear interest at the rates determined pursuant to Section 2.04B of this Resolution. Series B Bonds shall mature serially, with a final maturity not later than December 31, 2028.

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

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

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

Section 2.02 Execution. Limited Obligation.

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

The Bonds shall not be a general obligation of the Agency, but only a limited obligation payable solely from the tax increment revenues pledged as security for the Bonds, and from any other security pledged by Legend Oaks II pursuant to the Redevelopment Contract or other financing documents (except to the extent paid out of monies attributable to income from the temporary investment of the proceeds of the Bonds) and shall be a valid claim of the registered

owner thereof and otherwise secured for the payment of the Bonds and shall be used for no other purpose than to pay the principal and interest on the Bonds, except as may be otherwise expressly authorized by this Bond Resolution.

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

In the event the monies collected and held in that special fund established under Section 18-2147 of the Act and pursuant to the Redevelopment Contract and this Resolution authorizing the issuance of this Bond are insufficient to pay in full all amounts due and owing at a date fifteen (15) years from the pertinent effective date for the division of ad valorem taxes (the "effective date"), and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan and Contract, have been collected by the City of Lexington, Nebraska, and have been paid, as required by the Redevelopment Contract and the Series A and Series B Bonds, towards the retirement of the amounts due on the Series A and Series B Bonds, at said date fifteen (15) years from the pertinent effective date, neither the Agency or the City of Lexington, Nebraska, shall have any further payment or other obligations under this Bond and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Agency or the City.

Section 2.03 Registration and Authentication of Bonds.

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

Section 2.04A Conditions for Delivery of Series A Bonds.

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

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

Section 2.04B Conditions for Delivery of Series B Bonds.

The Agency shall execute and deliver the Series 2013 B Bonds to the City of Lexington, pursuant to the Redevelopment Contract and Plan. Additional Series B bonds shall be issued

based on the estimated TIF Revenues from the property described in Section 6.01 and shall bear interest at the rate of 2.8% per annum.

Section 2.05 Registration of Bonds.

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

Section 2.06 Ownership of Bond.

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

Section 2.07 Valid Obligation.

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

Section 2.08 Loss or Destruction of Bond.

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

Section 2.09 Transfer of the Bond.

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

ARTICLE III

APPLICATION OF BOND PROCEEDS

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

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

ARTICLE IV

PAYMENT OF BOND

Section 4.01 Debt Service Fund.

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

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

Section 4.02 Pledge of Debt Service Funds.

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

Section 4.03 Funds Held in Trust or Secured.

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

Section 4.04 Application of Funds.

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

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

FIRST:

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

SECOND:

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

Section 4.05 Redemption of Bond Before Maturity.

- (a) The Series 2013 A Bond is callable for redemption at any time in whole or in part, without premium, in the event Legend Oaks II advises the Agency that it wishes to prepay the Bond.
- (b) Both the Series 2013 A and Series 2013 B Bonds are also callable for redemption in the event the registered owner thereof has declared the entire unpaid principal amount at the time outstanding to be payable due to an Event of Default as that term is defined in this Bond Resolution, which shall have occurred and be continuing upon the conditions, in the manner and with the effect provided in this Bond Resolution.
- (c) Both the Series 2013 A and Series 2013 B Bonds shall also be subject to mandatory partial redemption, without notice, on each interest payment date from all funds to be available in the respective Debt Service Funds, excluding amounts, if any, from investment earnings for such fund which the Agency shall be entitled to apply to administrative costs related to the Bond, rounded down to the nearest one hundred dollars, after payment of all accrued but unpaid interest on each interest payment date (which funds are referred to in this Bond Resolution as “Available Funds”). Available Funds shall be applied to the prepayment of principal on each interest payment date and shall be remitted to the registered owner of the Bond with interest payments. The Agent shall mark the Agent's records with respect to each mandatory partial principal prepayment made from Available Funds and it shall not be necessary for the registered owner to present the Bond for notation of such prepayment. The records of the Agent shall govern as to any determination of the principal amount of the Bond outstanding at any time and the registered owner shall have the right to request information in writing from the Agent at any time as to the principal amount outstanding upon the Bond.

Section 4.06 Redemption Date.

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

Section 4.07 Investment of Funds.

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

Section 4.08 Disposition of Excess Funds.

Monies on deposit in the respective Debt Service Funds remaining after payment of principal and interest on the Bond in full shall, if neither Legend Oaks II nor the Agency are then in default under the Redevelopment Contract or this Bond Resolution, immediately be paid to Agency and shall no longer be subject to this Bond Resolution.

ARTICLE V

SECURITY FOR THE SERIES 2013 A BOND

Section 5.01 Pledge of Tax Increment Revenues as Security.

- (a) In accordance with Section 18-2147 of the Act, the Agency hereby adopts the Redevelopment Plan of the Agency by approving the Project and by providing that any ad valorem tax on real property in the Redevelopment Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act. The effective date of this provision shall be January 1, 2014, as to the real estate described on Exhibit D.
- (b) In accordance with Section 18-2150 of the Act, the Tax Increment Revenues divided pursuant to subsection (a) hereof are hereby pledged for payment of principal, premium, if any, and interest on the Series 2013 A Bond. The Agency shall execute a notice with the City providing for such pledge of taxes and shall file a copy of such notice with the Dawson County Treasurer and Dawson County Assessor. The Pledge of Tax Increment Revenues for payment of the Series 2013 A Bond is in Pari Passu with the Pledge of Tax Increment Revenues with the Series 2013 B Bonds.

ARTICLE VI

SECURITY FOR THE SERIES B BOND

Section 6.01 Pledge of Tax Increment Revenues as Security.

- (a) In accordance with Section 18-2147 of the Act, the Agency hereby adopts the Redevelopment Plan of the Agency by approving the Project and by providing

that any ad valorem tax on real property in the Redevelopment Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act. The effective date of this provision shall be January 1, 2014, as to the real estate described on Exhibit D.

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

ARTICLE VII

LEGAL AUTHORIZATION; FINDINGS

Section 7.01 Legal Authorization.

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

Section 7.02 Findings.

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

- (a) The Project financed by the Bond is a qualified “redevelopment project” as defined by the Act and has been approved as part of the Redevelopment Plan;
- (b) The issuance of the Bond and the construction of the Project will promote the public welfare and carry out the purposes of the Act, by, among other things, decreasing blighted and substandard conditions in the Redevelopment Area;
- (c) The amounts necessary to acquire and construct the Project will be equal to or exceed the amount of the Bond;
- (d) The Redevelopment Contract is in full and complete compliance and conformity with all of the provisions of the Act;
- (e) The Redevelopment Project in the Plan would not be economically feasible without the use of tax-increment financing;

- (f) The Redevelopment Project would not occur in the Community Redevelopment Area without the use of tax-increment financing;
- (g) The costs and benefits of the Redevelopment Project, including the costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and have been found to be in the long-term best interest of the community impacted by the Redevelopment Project;
- (h) The Bond will not constitute a debt of the Agency within the meaning of any constitutional or statutory limitation; and

ARTICLE VIII

AUTHORIZATION TO EXECUTE DOCUMENTS AND ISSUE BOND

Section 8.01 Approval and Authorization of Documents.

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

Section 8.02 Authorization to Issue Bonds.

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

Section 8.03 Ratification of Actions Taken By the Agency.

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

Section 8.04 Agency to Execute and Deliver Additional Documents.

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

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

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

ARTICLE IX

PARTICULAR COVENANTS OF THE AGENCY

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

Section 9.01 First Lien.

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

Section 9.02 Payment of Bond.

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

Section 9.03 Extensions of Payment of Bond and Interest.

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

Section 9.04 Agency of the Issuer.

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

Section 9.05 Further Assurances.

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

Section 9.06 Proper Books and Records.

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

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

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

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default.

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

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

Section 10.02 Remedies.

- (a) Upon the occurrence of an Event of Default, the holders of a majority of outstanding principal amount of any series of the Bond may declare the entire unpaid principal of and accrued interest on such series of Bond, and including all sums advanced hereunder to be forthwith due and payable. Upon such declaration, all outstanding Bonds of all series, including principal and all interest thereof, shall be and become immediately due and payable without presentment, demand or further notice of any kind;
- (b) Upon the occurrence and continuation of an Event of Default, or in case the principal of the Bond shall have become due and payable, whether by lapse of time or by acceleration, then and in every such case the Bondholders may proceed to protect and enforce their rights by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein, or in the Bond, or in aid of the execution of any power herein or therein granted, or for the enforcement of any other appropriate legal or equitable remedy;
- (c) Notwithstanding any provision herein or under the Redevelopment Contract or this Bond Resolution to the contrary, all monies paid or collected with respect to the Agency's, City's or Legend Oaks II' obligations under this Bond Resolution or the Redevelopment Contract shall, after payment of expenses as provided in Section 9.04(a) of this Bond Resolution, be deposited in the Debt Service Fund and shall be paid and applied as provided in Section 4.04 of this Bond Resolution.

Section 10.03 Proceeds of Sale.

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

- (a) All court costs, attorneys' fees, receivers' fees and receivership expenses, appraiser's fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title, all of which fees and expenses shall be reasonable.
- (b) As provided in Section 4.04 of this Bond Resolution.

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

Section 10.04 Waiver of Event of Default; Forbearance.

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

ARTICLE XI

PAYING AGENT AND REGISTRAR

Section 11.01 Appointment of Paying Agent and Registrar.

The Agency hereby appoints the City Treasurer of the City of Lexington, Nebraska, as Paying Agent and Registrar. The Paying Agent shall make all payments to Bondholders out of the Debt Service Fund as provided in Section 4.04 hereof. The Registrar shall maintain registration books of the holders of the Bond.

Section 11.02 Reliance on Documents.

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

Section 11.03 Liability.

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

Section 11.04 Holding Bond.

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

Section 11.05 Resignation.

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

Section 11.06 Appointment of Successor.

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

ARTICLE XII

MISCELLANEOUS

Section 12.01 Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Resolution or in the Bond is intended or shall be construed to give to any person other than the Agency, Legend Oaks II and the Bondholders any legal or equitable right, remedy or claim under or with respect to this Resolution or any

covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Agency, Legend Oaks II and the Bondholders as herein provided.

Section 12.02 Supplemental Resolutions.

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

Section 12.03 Severability.

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

Section 12.04 Immunity of Officers.

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

Section 12.05 Incorporation of Act.

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

Section 12.06 Prior Resolutions.

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

Section 12.07 Effective Date.

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

Section 12.08 Notices to Parties.

Any notice, demand, certificate, request, instrument or other communication authorized or required by this Bond Resolution shall be in writing and shall be deemed to have been

sufficiently given or filed for all purposes of this Bond Resolution if and when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE AGENCY:

Community Development Agency
Attention: Joe Peplitsch
406 E 7th Street
Lexington, NE 68850

IF TO Legend Oaks II:

Legend Oaks II, LLC
609 E 3rd Street
Lexington, NE 68850

IF TO THE PAYING AGENT AND REGISTRAR:

Lexington City Treasurer
406 E 7th Street
Lexington, NE 68850

Section 12.09 Captions.

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

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

COMMUNITY DEVELOPMENT AGENCY
OF LEXINGTON, NEBRASKA

Chairman

ATTEST:

Secretary

Exhibit A

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF DAWSON

TAX INCREMENT REVENUE BOND OF THE COMMUNITY
DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA
(Legend Oaks II PROJECT)
SERIES 2013 A

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$40,000.00	0.0%	December 31, 2028

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Development Agency of the City of Lexington, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to the registered owner designated on the reverse hereof, or registered assigns, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate of zero percent (0.0%) per annum, subject to limitation as set forth in the authorizing Resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, 2015, until December 31, 2028, at which time said Bond is due and payable in full. This Bond is subject to mandatory partial prepayment as provided in the Resolution of the Agency authorizing the issuance of this Bond. The payment of principal and interest due upon the final maturity is payable upon presentation and surrender of this Bond to the Treasurer of said Agency, as Paying Agent and Registrar for said Agency, at the offices of the Community Development Agency of the City of Lexington at City Hall, in Lexington, Nebraska. The payments of interest and of mandatory partial redemption of principal on each interest payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this Bond, as shown on the books or records maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this Bond on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

The Agency, however, reserves the right and option of prepaying principal of this Bond, in whole or in part, from any available sources at any time at the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this Bond at said registered owner's address in the manner provided in the Resolution authorizing this Bond. The principal of this Bond shall be subject to mandatory redemptions made in part on any interest payment date from available

funds without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the Resolution authorizing this Bond.

This Bond is the single Bond of its series of the total principal amount of Forty Thousand no one hundredths Dollars (\$40,000.00) issued by the Agency for the purpose of paying the costs of redevelopment of certain real estate located in the City of Lexington, as designated in the Redevelopment Plan recommended by the Agency and approved by the City Council of the City of Lexington, Nebraska (the "Plan"), all in compliance with Article 21 of Chapter 18, Nebraska Revised Statutes, as amended, and has been duly authorized by resolution passed and approved by the Mayor and City Council of the City of Lexington, acting as the governing body of the Agency (the "Resolution").

This Bond constitutes a limited obligation of the Agency payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, Nebraska Revised Statutes, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" as defined in the Resolution. Pursuant to the Resolution and Section 18-2150, Nebraska Revised Statutes, said portion of taxes has been pledged for the payment of this Bond, both principal and interest as the same fall due or become subject to mandatory redemption. This Bond shall not constitute a general obligation of the Agency and the Agency shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Bond shall not constitute an obligation of the State of Nebraska or of the City or Lexington (except for such receipts as have been pledged pursuant to Section 18-2150, Nebraska Revised Statutes) and neither the State of Nebraska nor the City of Lexington shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150, Nebraska Revised Statutes). Neither the members of the Agency's governing body nor any person executing this Bond shall be liable personally on this Bond by reason of the issuance hereof. The Resolution authorizing said issue designates the terms upon which additional Bonds payable from said taxes may be issued in the future.

This Bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Bond for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the Resolution authorizing the issuance of this Bond. The Agency, the Paying Agent and Registrar and any other person may treat the person in whose name this Bond is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this Bond be overdue or not.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Bond are insufficient to pay in full all amounts due and owing at on December 31, 2028, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Lexington, Nebraska, and have been paid, as required by the Redevelopment contract and this Bond, towards the retirement of the amounts due hereunder, then, at said date, neither the Community Development

Agency or the City of Lexington, Nebraska, shall have any further payment or other obligations under this Bond and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Agency or the City.

THIS BOND, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Lexington, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Agency, including this Bond, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, the Chair and Members of the Community Development Agency of Lexington, Nebraska, have caused this Bond to be executed on behalf of said Agency by being signed by the Chair and Secretary by causing the official seal of said Agency to be affixed hereto, all as of the date of issue shown above.

Delivered this ____ day of _____, 2013.

COMMUNITY DEVELOPMENT
AGENCY OF
LEXINGTON, NEBRASKA

By: _____(Do Not Sign)_____
Chairman

ATTEST:

Secretary

PROVISION FOR REGISTRATION

The ownership of this Bond shall be registered as to both principal and interest on the books and records of the Community Development Agency of Lexington, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing Bond, who shall make notation of such registration in the registration blank below, and the transfer of this Bond may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration

Name of Registered Owner
Registrar

Signature of Paying
Registrar

Exhibit B

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF DAWSON

TAX INCREMENT REVENUE BOND OF THE COMMUNITY
DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA
(Legend Oaks II PROJECT)
SERIES 2013 B

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$180,500.00	2.8%	December 31, 2028

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Development Agency of Lexington, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to the registered owner designated on the reverse hereof, or registered assigns, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate of two and eight tenths percent (2.8%) per annum, subject to limitation as set forth in the authorizing Resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, 2015, until December 31, 2028, at which time said Bond is due and payable in full. This Bond is subject to mandatory partial prepayment as provided in the Resolution of the Agency authorizing the issuance of this Bond. The payment of principal and interest due upon the final maturity is payable upon presentation and surrender of this Bond to the Treasurer of said Agency, as Paying Agent and Registrar for said Agency, at the offices of the Community Development Agency of Lexington at City Hall, in Lexington, Nebraska. The payments of interest and of mandatory partial redemption of principal on each interest payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this Bond, as shown on the books or records maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this Bond on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

The Agency, however, reserves the right and option of prepaying principal of this Bond, in whole or in part, from any available sources at any time at the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this Bond at said registered owner's address in the manner provided in the Resolution authorizing this Bond. The principal of this Bond shall be

subject to mandatory redemptions made in part on any interest payment date from available funds without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the Resolution authorizing this Bond.

This Bond is the single Bond of its series of the total principal amount of One Hundred Eighty Thousand Five Hundred and no one hundredths Dollars (\$180,500.00) issued by the Agency for the purpose of paying the costs of redevelopment of certain real estate located in the City of Lexington, as designated in the Redevelopment Plan recommended by the Agency and approved by the City Council of the City of Lexington, Nebraska (the "Plan"), all in compliance with Article 21 of Chapter 18, Nebraska Revised Statutes, as amended, and has been duly authorized by resolution passed and approved by the Chairman and City Council of the City of Lexington, acting as the governing body of the Agency (the "Resolution").

This Bond constitutes a limited obligation of the Agency payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, Nebraska Revised Statutes, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" as defined in the Resolution. Pursuant to the Resolution and Section 18-2150, Nebraska Revised Statutes, said portion of taxes has been pledged for the payment of this Bond, both principal and interest as the same fall due or become subject to mandatory redemption. This Bond shall not constitute a general obligation of the Agency and the Agency shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Bond shall not constitute an obligation of the State of Nebraska or of the City or Lexington (except for such receipts as have been pledged pursuant to Section 18-2150, Nebraska Revised Statutes) and neither the State of Nebraska nor the City of Lexington shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150, Nebraska Revised Statutes). Neither the members of the Agency's governing body nor any person executing this Bond shall be liable personally on this Bond by reason of the issuance hereof. The Resolution authorizing said issue designates the terms upon which additional Bonds payable from said taxes may be issued in the future.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Bond are insufficient to pay in full all amounts due and owing at on December 31, 2028, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Lexington, Nebraska, and have been paid, as required by the Redevelopment contract and this Bond, towards the retirement of the amounts due hereunder, then, at said date, neither the Community Development Agency or the City of Lexington, Nebraska, shall have any further payment or other obligations under this Bond and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Agency or the City.

This Bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Bond

for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the Resolution authorizing the issuance of this Bond. The Agency, the Paying Agent and Registrar and any other person may treat the person in whose name this Bond is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this Bond be overdue or not.

THIS BOND, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Lexington, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Agency, including this Bond, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, the Chair and Members of the Community Development Agency of the City of Lexington, Nebraska, have caused this Bond to be executed on behalf of said Agency by being signed by the Chair and Secretary by causing the official seal of said Agency to be affixed hereto, all as of the date of issue shown above.

Delivered this ____ day of _____, 2013.

COMMUNITY DEVELOPMENT
AGENCY OF
LEXINGTON, NEBRASKA

By: _____ (Do Not Sign) _____
Chairman

ATTEST:

Secretary

PROVISION FOR REGISTRATION

The ownership of this Bond shall be registered as to both principal and interest on the books and records of the Community Development Agency of Lexington, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing Bond, who shall make notation of such registration in the registration blank below, and the transfer of this Bond may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration Name of Registered Owner Signature of Paying Agent

EXHIBIT C

Site preparation, acquisition and infrastructure and the installation and construction of 18 duplex residential units for seniors.

EXHIBIT D

DESCRIPTION OF PREMISES

Pledged with an effective date of January 1, 2014

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