

## REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between the Community Development Agency of Lexington, Nebraska ("Agency"), and HNB Properties, LLC a Nebraska limited liability company ("Redeveloper").

WITNESSETH:

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 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended (collectively the "Act"), has designated an area within the City as blighted and substandard;

WHEREAS, the Agency has adopted, after approval by the Mayor and Council of the City, that redevelopment plan entitled "**HOUSING REDEVELOPMENT PLAN FOR THE SOUTHWEST QUADRANT OF THE CITY OF LEXINGTON, NEBRASKA**" (the "Redevelopment Plan");

WHEREAS, Agency and Redeveloper desire to enter into this Redevelopment Contract in order to implement Phase 1 of the Redevelopment Plan and provide for the redevelopment of lots and lands located in a blighted and substandard area;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Agency and Redeveloper 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, 2012, as amended, and acts amendatory thereof and supplemental thereto.

"Agency" means the Community Development Agency of Lexington, Nebraska.

"City" means the City of Lexington, Nebraska.

"Governing Body" means the Mayor and City Council of the City.

"Holder(s)" means the registered owner or owners of Indebtedness issued by the Agency from time to time outstanding.

"Indebtedness" means any bonds, notes, loans, and advances of money or other indebtedness, including interest and premium, if any, thereon, incurred by the Agency pursuant to the Resolution and Article III hereof to provide financing for a portion of the Project Costs and secured in whole or in part by TIF Revenues. The Indebtedness as initially issued by the Agency shall consist of two of the Agency's Tax Increment Development Revenue Bond (HNB Properties Project). The first such bond shall be the Series 2017 A TIF Bond, to be issued in an amount not to exceed \$\_\_\_\_\_ in substantially the form set forth on Exhibit "C". The second such bond shall be the Series 2017 B TIF Bond, to be issued in an amount not to exceed \$\_\_\_\_\_ in substantially the form set forth on Exhibit "D".

"Liquidated Damages Amount" means the amounts to be repaid to Agency by Redeveloper pursuant to Section 6.02 of this Redevelopment Contract.

"Lot" or "Lots" shall mean the separately platted and subdivided lots within the Redevelopment Project Area established pursuant to an approved and filed subdivision plat in accordance with the ordinances and regulations of the City.

"Project" means the improvements to the Redevelopment Project Area, as further described in Exhibit "B" attached hereto and incorporated herein by reference and, as used herein, shall include the Redevelopment Project Property and additions and improvements thereto. The Project shall include Project all improvements related to Project public infrastructure costs, site preparation costs, and qualifying private improvements all as described in Section 3.04 of this Redevelopment Contract.

"Project Cost Certification" means a statement prepared and signed by the Redeveloper verifying the Redeveloper has become legally obligated for the payment of and has paid the Project Costs identified on Exhibit "E".

"Project Costs" means only costs or expenses incurred by Redeveloper, Agency and City for the purposes set forth in §18-2103(12)(a) through (f), inclusive, including the providing for such costs by the exercise of the powers set forth in §18-2107(4) of the Act, and those identified on Exhibit "E".

"Redeveloper" means HNB Properties, LLC, a Nebraska limited liability company.

"Redevelopment Project Area" means that certain real property situated in the City of Lexington, Dawson County, Nebraska which has been declared blighted and substandard by the City pursuant to the Act, and which is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference. The Redevelopment Project Area is also described on Exhibit "A" to the Redevelopment Plan. All such legal descriptions are subject to change based upon any re-platting requested by the Redeveloper and approved by the City.

"Redevelopment Project Property" means all of the Redevelopment Project Area which is the site for the improvements constituting the Project, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

"Redevelopment Contract" means this redevelopment contract between the Agency and Redeveloper with respect to the Project, as the same may be amended from time to time, including, without limitation, by Redevelopment Contract Amendments executed from time to time in connection with the separate Phases of the Project.

"Redevelopment Contract Amendment" shall mean an amendment to this Redevelopment Contract, for the purpose of establishing the effective date for the division of *ad valorem* taxes pursuant to section 18-2147 of the Act as to each Phase, as defined in Section 3.01 hereof, of lots in the Redevelopment Project Area. The form of the Redevelopment Contract Amendment is attached hereto as Exhibit "F".

"Redevelopment Plan" means the Redevelopment Plan (also defined in the recitals hereto) for the Redevelopment Project Area related to the Project, as attached hereto as Exhibit "B", prepared by the Redeveloper, approved by the City and adopted by the Agency pursuant to the Act.

"Resolution" means the Resolution of the Agency authorizing the issuance of the Indebtedness, as supplemented from time to time, and also approving this Redevelopment Contract.

"TIF Revenues" means incremental ad valorem taxes generated on the Redevelopment Project Property by the Project which are to be 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:

- (a) Whenever 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.

(b) The phrase "at any time" shall be construed as meaning at any time or from time to time.

(c) The word "including" shall be construed as meaning "including, but not limited to."

(d) The words "will" and "shall" shall each be construed as mandatory.

(e) 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.

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

(g) 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 FINDINGS AND REPRESENTATIONS

### Section 2.01 Findings of Agency.

The Agency makes the following findings:

(a) The Agency is a duly organized and validly existing community development agency under the Act.

(b) The Redevelopment Plan has been duly approved by the City and adopted by the Agency pursuant to Sections 18-2109 through 18-2117 of the Act.

(c) The Agency deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

(d) The Redevelopment Project is expected to 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 Project Area and other purposes set forth in the Act.

(e) (1) The Redevelopment Plan is feasible and in conformity with the general plan for the development of the City as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(2) Based solely on representations made by the Redeveloper:

(i) the Project would not be economically feasible without the use of tax-increment financing, and

(ii) the Project would not occur in the Redevelopment Project Area without the use of tax-increment financing.

(f) The Agency has determined that the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the Agency and have been found to be in the long-term best interest of the community impacted by the Project.

(g) The Agency has determined that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development: including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations, or conditions of blight.

#### Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is a Nebraska limited liability company, having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract. Prior to the execution and delivery of this Redevelopment Contract, the Redeveloper has delivered to the Agency a certificate of good standing, a certified copy of the Redeveloper's by-laws and a certified copy of the resolution or resolutions authorizing the execution and delivery of this Redevelopment Contract.

(b) The execution and delivery of this Redevelopment Contract and the consummation of the transactions herein 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 Redeveloper 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 Redeveloper contrary to the terms of any instrument or agreement.

(c) There is no litigation pending or to the best of its knowledge threatened against Redeveloper 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 in any other matter materially affecting the ability to Redeveloper to perform its obligations hereunder.

(d) The Project would not be economically feasible without the use of tax increment financing.

(e) The Project would not occur in the Redevelopment Project Area without the use of tax-increment financing.

### ARTICLE III

#### OBLIGATIONS OF THE AGENCY

##### Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution, the Agency hereby provides that any ad valorem tax on any Lot or Lots located in the Redevelopment Project Area identified from time to time by the Redeveloper (such Lot or Lots being referred to herein as a "Phase") as identified in a Redevelopment Contract Amendment executed on behalf of the Redeveloper and delivered to the Agency in the form attached hereto as Exhibit F (each, a "Redevelopment Contract Amendment") for the benefit of any public body be divided for a period of fifteen years after the effective date (the "Effective Date"), as described in Section 18-2147 (1) of the Act (which Effective date shall be the January 1 of the year in which the division of taxes occurs which shall be the Division Date as described in Exhibit F) of this provision as set forth in a Redevelopment Contract Amendment, consistent with the Redevelopment Plan. Said taxes shall be divided as follows:

(a) That portion of the ad valorem tax on real property in each Phase which is produced by levy at the rate fixed each year by or for each public body upon the "redevelopment project valuation" (as defined in the Act) of the Lots within such Phase shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That portion of the ad valorem tax on real property in each Phase in excess of such amount (the "Incremental Ad Valorem Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Agency (designated in the Resolution as the "Bond Fund") to pay the principal of, the interest on, and any premium due in connection with the Indebtedness. When such Indebtedness, including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Phase shall be paid into the funds of the respective public bodies.

Provided a Redevelopment Contract Amendment in form attached hereto as Exhibit F and signed by the Redeveloper, and a proposed form of "Notice to Divide Tax for Community Redevelopment Project", all prepared in accordance with this Redevelopment Contract and the Act) is delivered to the Agency no later than July 1 of any year, the Agency shall: (a) execute the Redevelopment Contract Amendment, and (b) file before August 1 of such year a "Notice to Divide Tax for Community Redevelopment Project" for such Phase with the office of the Dawson County Treasurer and Dawson County Assessor, without requirement of additional hearings or public notice.

No Redevelopment Contract Amendment providing for the division of taxes pursuant to this Redevelopment Contract and Section 18-2147 of the Act shall be made after January 1, 2030.

### Section 3.02 Issuance of Indebtedness

Prior to \_\_\_\_\_, 2017, the Agency shall issue one Tax Increment Revenue Bond, in one taxable series, being Series 2017 A in a maximum principal amount of \_\_\_\_\_no/100 Dollars (\$\_\_\_\_), in substantially the form shown on the attached Exhibit "C" ("Series 2017 A TIF Bond"); provided, at all times the maximum amount of the Series 2017 A Indebtedness shall be limited to those sums determined by the Agency to finance in the installation, engineering and bonding of the infrastructure for which the Agency is responsible related to the Redevelopment Project. The Series 2017 A Indebtedness shall be delivered to the City pursuant to the terms of an agreement between the City and Agency which provides for the engineering, bidding, and installation of such infrastructure.

Prior to \_\_\_\_\_, 2017, the Agency shall issue one Tax Increment Revenue Bond, in one taxable series, being Series 2017 B in a maximum principal amount of \_\_\_\_\_no/100 Dollars (\$\_\_\_\_), in substantially the form shown on the attached Exhibit "D" ("Series 2017 B TIF Bond"), for net funds available to be purchased by Redeveloper ("TIF Bond Purchaser"), in a written form acceptable to Redeveloper's attorney, and receive Bond proceeds from the Series 2017 B TIF Bond Purchaser in said amount. Provided, however, at all times the maximum amount of the Series 2017 B Indebtedness shall be limited to those sums the lesser of (i) the stated face amount of the Indebtedness, or (ii) the sum of all Project Costs incurred by the Redeveloper as set forth on Exhibit "E".

At the option of the Redeveloper, the Agency shall make a grant to Redeveloper in such amount, and such grant shall offset Series 2017 B TIF Bond Purchaser's obligation to purchase the Series 2017 B TIF Bond. Subject to the terms of this Agreement and the Resolution, the Agency's Treasurer on behalf of the Agency shall have the authority to determine the timing of issuing the Series 2017 B TIF Bond and all the other necessary details of such bond.

The Redeveloper agrees to purchase the Series 2017 B TIF Bond at a price equal to the principal amount thereof, in a private placement satisfactory to the Agency as to its terms and participants (including any pledgee thereof). Neither the Agency nor the City shall have any obligation to provide for the sale of the Indebtedness. It is the sole responsibility of the Redeveloper to effect the sale of the Indebtedness by purchasing the Indebtedness in accordance with the terms of this Redevelopment Contract and the Resolution. Redeveloper acknowledges

that it is its understanding and the Agency's understanding that interest on the Indebtedness will be includable in gross income for federal income tax purposes and subject to Nebraska State income taxation.

### Section 3.03 Pledge of Revenues.

Under the terms of the Resolution, the Agency pledges 100% of the available annual TIF Revenues derived from the Redevelopment Project Property as security for and to provide payment of the Series 2017 A TIF Bond as the same fall due (including payment of any mandatory redemption amounts set for the Series 2017 A TIF Bond in accordance with the terms of the Resolution). Further, under the terms of the Resolution, the Agency pledges 100% of the remaining available annual TIF Revenues derived from the Redevelopment Project Property, **after satisfaction of all principal and interest on the Series 2017 A TIF Bond**, as security for and to provide payment of the Series 2017 B TIF Bond as the same fall due (including payment of any mandatory redemption amounts set for the Series 2017 B TIF Bond in accordance with the terms of the Resolution).

### Section 3.04 Purchase and Pledge of Indebtedness/Grant of Net Proceeds of Indebtedness.

The Redeveloper has agreed to purchase the Series 2017 B TIF Bond from the Agency for a price equal to the principal amount thereof, payable as provided in Section 3.02 and this Section 3.04. The Redevelopment Plan provides for the Redeveloper to receive a grant under this Redevelopment Contract. In accordance with the terms of the Redevelopment Plan the Redeveloper is to receive a grant sufficient to pay the costs for reimbursement of site preparation costs, public infrastructure costs and utilities including those items as described on Exhibit "E" (the "Project Costs"), in the aggregate maximum amount not to exceed \$\_\_\_\_\_. Notwithstanding the foregoing, the aggregate amount of the Series 2017 B TIF Bond and the grant shall not exceed the amount of Project Costs as certified pursuant to Section 4.02 of this Redevelopment Contract. Such grant shall be made to the Redeveloper upon certification of Project Costs as set forth herein and in the Resolution, and payment purchase of the Series 2017 B TIF Bond as provided in Section 3.02, unless Redeveloper elects to offset the payment of the purchase of the Indebtedness with the grant proceeds as provided herein and in the Resolution. The Agency shall have no obligation to provide grant funds from any source other than as set forth in the Resolution and this Redevelopment Contract.

### Section 3.05 Creation of Funds.

In the Resolution, the Agency has provided for the creation of a the following funds and accounts which funds shall be held by the Agency separate and apart from all other funds and moneys of the Agency and the City:

- (a) a special trust fund called the "HNB Properties Project Series 2017 A Bond Fund" (the "Series 2017 A Bond Fund"). All of the TIF Revenues shall be deposited into the Series 2017 A Bond Fund. The TIF Revenues accumulated in the Series 2017 A Bond Fund shall be used and applied on the Business Day prior to each Interest Payment Date (i) to make any payments to the City or the Agency as may be required under the Redevelopment Contract and (ii) to pay principal of or interest on the



Series 2017 A TIF Bond to the extent of any money then remaining the Bond Fund on such Interest Payment Date. Money in the Series 2017 A Bond Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received through and including December 31, 2035 shall be used solely for the payments required herein and by the Resolution; and

(b) a special trust fund called the “HNB Properties Project Series 2017 B Bond Fund” (the “Series 2017 B Bond Fund”). All of the TIF Revenues, after payment in full of all principal and interest of the Series 2017 A TIF Bond, shall be deposited into the Series 2017 B Bond Fund. The TIF Revenues accumulated in the Series 2017 B Bond Fund shall be used and applied on the Business Day prior to each Interest Payment Date (i) to make any payments to the City or the Agency as may be required under the Redevelopment Contract and (ii) to pay principal of or interest on the Series 2017 B TIF Bond to the extent of any money then remaining the Bond Fund on such Interest Payment Date. Money in the Series 2017 B Bond Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received through and including December 31, 2035 shall be used solely for the payments required herein and by the Resolution; and

(c) a special trust fund called the “HNB Properties Project Fund” (the “Project Fund”) The Agency shall disburse any money on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for the Project Costs in each case within 5 Business Days after completion of the steps set forth herein and in the Resolution. If a sufficient amount to pay a properly completed Disbursement Request (as defined in Section 4.02) is not in the Project Fund at the time of the receipt by the Agency of such request, the Agency shall notify the owner of the Bond and such owner may deposit an amount sufficient to pay such request with the Agency for such payment. As set forth in the Resolution, if the Redeveloper is the owner of the Bond and the Redeveloper so elects, the Agency shall make a grant to Redeveloper in the amount of an approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Bond.

#### Section 3.06 Installation of Infrastructure.

The Agency shall provide, through an agreement with the City for the installation of sanitary and storm sewer mains, water mains, paved streets and sewer and gutter in the Redevelopment Project Area. The Agency shall endeavor to provide for the installation of such infrastructure in a timely manner so that the Redeveloper may begin the construction of residential structures as soon as reasonably possible.

#### Section 3.07 Grant of Lots in Phases.

The Agency shall, from time to time, grant to the Redeveloper lots in the Redevelopment Project Area for construction of residential units. Such grants shall be made subject to the terms of this Redevelopment Contract, the Resolution, and conditioned on the Redeveloper assuming and agreeing to pay any assessments levied on such lots by the City for the installation of infrastructure and to undertake the immediate construction of residential units on such lots. Prior to the transfer of such lots to the Redeveloper, the Agency may require proof of financial ability to construct such residences. The Agency may grant lots in the Redevelopment Project Area to persons or entities for the construction of residences, both single and multifamily without being in violation of this Redevelopment Contract.

## ARTICLE IV

### OBLIGATIONS OF REDEVELOPER

#### Section 4.01 Construction of Project; Insurance.

(a) Redeveloper will acquire lots pursuant to this Redevelopment Contract, prepare the lots for redevelopment and construct single family, duplex, triplex or apartment buildings on the lots as agreed with the Agency from time to time. Redeveloper will coordinate with the Agency for the construction of such residential buildings.

Redeveloper will also complete other public infrastructure improvements, including site grading, installation of sidewalks on public right of way for each lot on which the Redeveloper constructs a residential building and landscaping necessary to complete the Redevelopment Project.

Redeveloper shall pay for the costs of the site preparation, sidewalks and any public parking and improvements to public right of way from the grant provided in Section 3.04 hereof. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the residential units. Until construction of the Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Agency as to the actual progress of Redeveloper with respect to construction of the Project. Such reports shall include actual expenditures incurred as described on Exhibit "E".

(b) Any general contractor chosen by the Redeveloper 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 and completed operations and a penal bond or bonds as required by the Act or as is otherwise required by law. The City, the Agency and the Redeveloper shall be named as additional insureds. Any contractor chosen by the Redeveloper or the Redeveloper itself, as 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. The contractor with respect to any specific contract or the Redeveloper shall also carry insurance on all stored materials. The contractor or the Redeveloper, as the case may be, shall furnish the Agency and the City with a Certificate of Insurance evidencing policies as required above. Such certificates shall state that the insurance companies shall give the Agency prior written notice in the event of cancellation of or material change in any of the policies.

#### Section 4.02 Cost Certification & Disbursement of Bond Proceeds.

Proceeds of the 2017 Series B TIF Bond may be advanced and disbursed in the manner set forth below:

(a) There shall be submitted to the Agency a grant disbursement request (the "Disbursement Request"), executed by the City's Clerk and an authorized representative of the

Redeveloper, (i) certifying that a portion of the Project has been substantially completed and (ii) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(b) If the costs requested for reimbursement under the Disbursement Request are currently reimbursable under Exhibit "E" of this Redevelopment Contract and the Community Redevelopment Law, the Agency shall evidence such allocation in writing and inform the owner of the Bond of any amounts allocated to the Bond.

(c) Upon notification from the Agency as described in Section 4.02(b), deposits to the accounts in the Project Fund may be made from time to time from funds received by the Agency from the owner of the Bond (if other than the Redeveloper) in the amounts necessary to pay amounts requested in properly completed, signed and approved written Disbursement Requests as described herein. Such amounts shall be proceeds of the Bond and the Treasurer of the Agency shall inform the Registrar (as defined in the Bond Resolution) in writing of the date and amount of such deposits. At the option of the Redeveloper, if the Redeveloper is the owner of the Bond, the Agency shall make a grant to Redeveloper in the amount of the approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Bond. The Registrar shall keep and maintain a record of the amounts deposited into the Project Fund from Bond proceeds pursuant to the terms of this Resolution as "Principal Amount Advanced" and shall enter the aggregate principal amount then Outstanding as the "Cumulative Outstanding Principal Amount" on its records maintained for the Bond. The aggregate amount deposited into the Project Fund from proceeds of the Bond shall not exceed \$\_\_\_\_\_.

#### Section 4.03 No Discrimination.

Redeveloper agrees and covenants for itself its successors and assigns that it will not 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. Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Project, Redeveloper will not 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. Redeveloper will comply with all applicable federal, state and local laws related to the Project.

#### Section 4.04 Assignment or Conveyance.

This Redevelopment Contract shall not be assigned by the Redeveloper without the written consent of the Agency. Such consent shall not be unreasonably withheld. Redeveloper agrees that it shall not convey any Lot or any portion thereof or any structures thereon to any person or entity that would be exempt from payment of real estate taxes, and that it will not make application for any structure, or any portion thereof, to be taxed separately from the underlying land of any Lot.

Section 4.05 Federal Immigration Verification System.

The Redeveloper agrees that Redeveloper and any contractor for the improvements to be reimbursed as a part of the Project Costs shall be required to agree to use a federal immigration verification system (as defined in Section 4-114, Reissue Revised Statutes of Nebraska, 2012) to determine the work eligibility status of new employees physically performing services on the Project and to comply with all applicable requirements of Section 4-114, Reissue Revised Statutes of Nebraska, 2012.

Section 4.06 Payments in Lieu of Taxes.

The Agency is required to pay to the City sums equal to bonds issued by the City the proceeds of which will be utilized to install public infrastructure in the Redevelopment Project Area. Such bonds are referred to as the "City Bonds". The City Bonds may be issued in one or more series or issues. Each such City Bond shall provide for payments of principal and interest. The terms of this Redevelopment Contract contemplate that the Tax Increment Revenues payable to the holder of the Series 2017 A TIF Bond will be allocated and utilized by the City to pay the principal and interest on the City Bonds. However, there will not be sufficient Tax Increment Revenue to generate funds to pay the City Bonds in full. Therefore, the Redeveloper agrees that it will pay the Agency, without demand or notice on or prior to the dates set forth on the City Bonds all sums due, both principal and interest, from time to time, on all City Bonds, as and to the extent that the Tax Increment Revenues pledged to the payment of the Series 2017 A TIF Bonds are insufficient to pay any installment of principal or interest on the City Bonds or any of them.

**ARTICLE V**

**FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES**

Section 5.01 Financing

Redeveloper shall pay all private construction costs related to the redevelopment of the Redevelopment Project Area and the Redevelopment Project Property which are in excess of the amounts paid from the proceeds of the grant provided from the proceeds of the Indebtedness and granted to Redeveloper. Redeveloper shall timely pay all costs, expenses, fees, charges and other amounts associated with the Project.

## ARTICLE VI

### DEFAULT, REMEDIES; INDEMNIFICATION

#### Section 6.01 General Remedies of Agency and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations. The Redeveloper hereby acknowledges and agrees that the Agency shall have completed its required performances and satisfied all of its obligations under this Redevelopment Contract upon the issuance of the Indebtedness and the subsequent payment of grant amounts to the Redeveloper as set forth in Article III hereof and by complying with the obligations of all Redevelopment Contract Amendments.

#### Section 6.02 Additional Remedies of Agency

In the event that (each such event an "event of default"):

(a) the Redeveloper, or its successor in interest, shall fail to commence the construction of the improvements included in the Project Costs on or before \_\_\_\_\_, or shall abandon construction work related to the Project Costs, once commenced, for any period of 180 days, excepting delays caused by inclement weather,

(b) the Redeveloper, shall fail to pay real estate taxes or assessments on the Redevelopment Project Property owned by the Redeveloper or any part thereof when due; and

(c) there is a violation of any other provision of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 90 days following written notice from Agency, then the Redeveloper shall be in default of this Redevelopment Contract.

In the event of such failure to perform, breach or default occurs and is not cured in the period herein provided, the parties agree that the damages caused to the Agency would be difficult to determine with certainty and that a reasonable estimation of the amount of damages that could be incurred is the amount of the grant to Redeveloper pursuant to Section 3.04 of this Redevelopment Contract, less any reductions in the principal amount of the Series 2017 A TIF

Bond, plus interest on such amounts as provided herein (the "**Liquidated Damages Amount**"). Upon the occurrence of an event of default, the Liquidated Damages Amount shall be paid by Redeveloper to Agency within 30 days of demand from Agency given to the Redeveloper.

Interest shall accrue on the Liquidated Damages Amount at the rate of seven percent (7%) per annum and interest shall commence from the date that the Agency gives notice to the Redeveloper demanding payment.

Payment of the Liquidated Damages Amount shall not relieve Redeveloper of its obligation to pay real estate taxes or assessments with respect to the Redevelopment Project Property and the Project.

Redeveloper, on or before contracting for work included within the Project Costs, shall furnish to the Agency copies of labor and materials payment bonds and performance bonds for each contract entered into by Redeveloper related to Project Costs. Each such bond shall show the Agency and the City as well as the Redeveloper as beneficiary of any such bond, as and to the extent commercially obtainable (as determined in the discretion of the Agency). In addition, the Redeveloper shall provide a penal bond with good and sufficient surety to be approved by the Agency, conditioned that the Redeveloper shall at all times promptly make payments of all amounts lawfully due to all persons supplying or furnishing to any contractor or his or her subcontractors (for each contract entered into by Redeveloper related to Project Costs) with labor or materials performed or used in the prosecution of the work provided for in such contract, and will indemnify and save harmless the Agency to the extent of any payments in connection with the carrying out of such contracts which the Agency may be required to make under the law.

#### Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event the Redeveloper fails to perform any other provisions of this Redevelopment Contract (other than those specific provisions contained in Section 6.02), the Redeveloper shall be in default. In such an instance, the Agency may seek to enforce the terms of this Redevelopment Contract or exercise any other remedies that may be provided in this Redevelopment Contract or by applicable law; provided, however, that any defaults covered by this Section shall not give rise to a right or rescission on termination of this Redevelopment Contract, and shall not be covered by the Liquidated Damages Amount.

#### Section 6.04 Forced Delay Beyond Party's Control.

For the purposes of any of the provisions of this Redevelopment Contract, neither the Agency nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the conveyance or preparation of the Redevelopment Area or any part thereof for redevelopment, or the beginning and completion of construction of the Project, or progress in respect thereto, in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being

the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Agency or of the Redeveloper with respect to construction of the Project, as the case may be, shall be extended for the period of the forced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other party thereto in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.05 Limitations of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the City, the Agency, nor their respective elected officials, officers, directors, appointed officials, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Agency under this Redevelopment Contract shall be the issuance of the Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, and full compliance with the terms specifically set forth Article III hereof and payment of TIF Revenues pledged pursuant to the Resolution. The Redeveloper releases the City and Agency from, agrees that neither the City nor Agency shall be liable for, and agrees to indemnify and hold the City and Agency 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 any cause whatsoever pertaining to the Project.

The Redeveloper will indemnify and hold each of the City and Agency and their respective elected officials, directors, officers, appointed officials, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, excluding litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about that portion of the Project owned by the Redeveloper, during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, related to activities of the Redeveloper or its agents during the construction of the public infrastructure or public right of ways in the Project.

**ARTICLE VII**

**MISCELLANEOUS**

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract may be recorded in the office of the Register of Deeds of Dawson County, Nebraska.

Section 7.02 Governing Law.

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

Section 7.03 Binding Effect: Amendment.

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

Section 7.04 Effective Date and Implementation of Redevelopment Contract.

This Agreement is in full force and effect from and after the date of execution hereof by both the Redeveloper and the Agency.

Section 7.05 Notices to Parties.

Notices to Parties shall be mailed by U. S. Mail to the following addresses:

Redeveloper:  
HNB Properties, LLC

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Agency and City:  
Lexington City Clerk  
406 East 7<sup>th</sup> Street  
Lexington, NE 68850

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

ATTEST:

\_\_\_\_\_  
Secretary

COMMUNITY DEVELOPMENT  
AGENCY OF  
LEXINGTON, NEBRASKA

By: \_\_\_\_\_  
Chairman

HNB PROPERTIES, LLC

By: \_\_\_\_\_  
Its Manager





EXHIBIT "A"  
DESCRIPTION OF REDEVELOPMENT AREA

EXHIBIT "B"  
Redevelopment Plan

EXHIBIT "C"

(FORM OF BOND)

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND THIS BOND MAY NOT BE TRANSFERRED UNLESS THE PROPOSED ASSIGNEE IS A BANK OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION AND THE OWNER HAS OBTAINED AND PROVIDED TO THE AGENCY, PRIOR TO SUCH TRANSFER AND ASSIGNMENT, AN INVESTOR'S LETTER IN FORM AND SUBSTANCE SATISFACTORY TO THE AGENCY EVIDENCING THE COMPLIANCE WITH THE PROVISIONS OF ALL FEDERAL AND STATE SECURITIES LAWS AND CONTAINING SUCH OTHER REPRESENTATIONS AS THE AGENCY MAY REQUIRE.

THIS BOND MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN RESOLUTION NO. \_\_\_\_\_ OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA.

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF DAWSON

COMMUNITY DEVELOPMENT AGENCY  
OF LEXINGTON, NEBRASKA

TAX INCREMENT DEVELOPMENT REVENUE BOND  
(HNB PROPERTIES REDEVELOPMENT PROJECT), SERIES 2017 A

No. R-1

Up to \$ \_\_\_\_\_  
(subject to reduction as described herein)

Date of  
Original Issue

Date of  
Maturity

Rate of  
Interest

December 31, 20\_\_\*

TBD%

REGISTERED OWNER:

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE BOND SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

**IN WITNESS WHEREOF, THE COMMUNITY DEVELOPMENT AGENCY LEXINGTON, NEBRASKA** has caused this Bond to be signed by the manual signature of the Mayor of the City, countersigned by the manual signature of the Clerk of the City, and the City's corporate seal imprinted hereon.

**COMMUNITY DEVELOPMENT AGENCY  
OF LEXINGTON, NEBRASKA**

[S E A L]

By: \_\_\_\_\_ (manual signature)  
Chairman

By: \_\_\_\_\_ (manual signature)  
Clerk

**\* or, if sooner, fourteen years after the last effective date established for a Phase under the terms of the Redevelopment Contract**

The **COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA** (the "**Agency**") acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues and other funds hereinafter specified, to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Lexington, Nebraska (the "**Registrar**"), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in **Schedule 1** at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve, 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on May 1 and November 1 of each year until payment in full of such Principal Amount, beginning \_\_\_\_\_, 201\_, by check or draft mailed to the Registered Owner hereof as shown on the bond registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable interest payment date occurs, at such Owner's address as it appears on such bond registration books. The principal of this Bond and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Bond is issued by the Agency under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. \_\_\_\_\_ duly passed and adopted by the Agency on \_\_\_\_\_, 2017, as from time to time amended and supplemented (the "**Resolution**").

**THE PRINCIPAL AMOUNT OF THIS BOND IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS BOND IS \$\_\_\_\_\_.**

This Bond is a special limited obligation of the Agency payable as to principal and interest solely from and is secured solely by the Revenue (as defined in the Resolution) and certain other money, funds and securities pledged under the Resolution, all on the terms and conditions set forth in the Resolution. The Revenue represents that portion of ad valorem taxes levied by public bodies of the State of Nebraska, including the City, on real property in the Project Area (as defined in this Resolution) which is in excess of that portion of such ad valorem taxes produced by the levy at the rate fixed each year by or for each such public body upon the valuation of the Project Area as of a certain date and as has been certified by the County Assessor of Dawson County, Nebraska to the City in accordance with law.

Reference is hereby made to the Resolution for the provisions, among others, with respect to the collection and disposition of certain tax and other revenues, the special funds charged with and pledged to the payment of the principal of and interest on this Bond, the nature and extent of the security thereby created, the terms and conditions under which this Bond has been issued, the rights and remedies of the Registered Owner of this Bond, and the rights, duties, immunities and obligations of the City and the Agency. By the acceptance of this Bond, the Registered Owner assents to all of the provisions of the Resolution.

The principal of and interest hereon shall not be payable from the general funds of the City nor the Agency nor shall this Bond constitute a legal or equitable pledge, charge, lien, security interest or encumbrance upon any of the property or upon any of the income, receipts, or money and securities of the City or the Agency or of any other party other than those specifically pledged under the Resolution. This Bond is not a debt of the City or the Agency within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City or the Agency, and does not impose any general liability upon the City or the Agency and neither the City nor the Agency shall be liable for the payment hereof out of any funds of the City or the Agency other than the Revenues and other funds pledged under the Resolution, which Revenues and other funds have been and hereby are pledged to the punctual payment of the principal of and interest on this Bond in accordance with the provisions of this Resolution.

The Registered Owner may from time to time enter the respective amounts advanced pursuant to the terms of the Resolution under the column headed "Principal Amount Advanced" on **Schedule 1** hereto (the "**Table**") and may enter the aggregate principal amount of this Bond then outstanding under the column headed "Cumulative Outstanding Principal Amount" on the Table. On each date upon which a portion of the Cumulative Outstanding Principal Amount is paid to the Registered Owner pursuant to the redemption provisions of the Resolution, the Registered Owner may enter the principal amount paid on this Bond under the column headed "Principal Amount Redeemed" on the Table and may enter the then outstanding principal amount of this Bond under the column headed "Cumulative Outstanding Principal Amount" on the Table. Notwithstanding the foregoing, the records maintained by the Trustee as to the principal amount issued and principal amounts paid on this Bond shall be the official records of the Cumulative Outstanding Principal Amount of this Bond for all purposes.

Reference is hereby made to the Resolution, a copy of which is on file in the office of the City Clerk, and to all of the provisions of which each Owner of this Bond by its acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for this Bond; the Revenue and other money and securities pledged to the payment of the principal of and interest on this Bond; the nature and extent and manner of enforcement of the pledge; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Owner of this Bond; the rights, duties and obligations of the Agency and the Registrar thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond thereafter no longer be secured by the Resolution or be deemed to be outstanding thereunder, if money or certain specified securities shall have been deposited with the Registrar sufficient and held in trust solely for the payment hereof; and for the other terms and provisions thereof.

This Bond is subject to redemption prior to maturity, at the option of the Agency, in whole or in part at any time at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest on such principal amount to the date fixed for redemption. Reference is hereby made to the Resolution for a description of the redemption procedures and the notice requirements pertaining thereto.

In the event this Bond is called for prior redemption, notice of such redemption shall be given by first-class mail to the Registered Owner hereof at its address as shown on the registration books maintained by the Registrar not less than 10 days prior to the date fixed for redemption, unless waived by the Registered Owner hereof. If this Bond, or any portion thereof, shall have been duly called for redemption and notice of such redemption duly given as provided, then upon such redemption date the portion of this Bond so redeemed shall become due and payable and if money for the payment of the portion of the Bond so redeemed and the accrued interest thereon to the date fixed for redemption shall be held for the purpose of such payment by the Registrar, interest shall cease to accrue and become payable hereon from and after the redemption date.

This Bond is transferable by the Registered Owner hereof in person or by its attorney or legal representative duly authorized in writing at the principal office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond of the same series and maturity and for the same principal amount will be issued to the transferee in exchange therefor. The Agency and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal of and interest due hereon and for all other purposes.

This bond is being issued as fully a registered bond without coupons. This bond is subject to exchange as provided in the Resolution.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Bond have happened, do exist and have been performed in regular and due time, form and manner; that this Bond does not exceed any constitutional, statutory or charter limitation on indebtedness; and that

provision has been made for the payment of the principal of and interest on this Bond as provided in this Resolution.

*[The remainder of this page intentionally left blank]*



(FORM OF ASSIGNMENT)

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto

---

Print or Type Name, Address and Social Security Number  
or other Taxpayer Identification Number of Transferee

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ agent to transfer the within Bond on the bond register kept by the Registrar for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

---

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular.

Signature Guaranteed By:

---

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

*[The remainder of this page intentionally left blank]*

**SCHEDULE 1**

**TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT**  
**COMMUNITY DEVELOPMENT AGENCY LEXINGTON, NEBRASKA**  
**HNB PROPERTIES REDEVELOPMENT PROJECT**  
**TAX INCREMENT DEVELOPMENT REVENUE BOND, SERIES 2017 A**

<b>Date</b>	<b>Principal Amount Advanced</b>	<b>Principal Amount Redeemed</b>	<b>Cumulative Outstanding Principal Amount</b>	<b>Notation Made By</b>

EXHIBIT "D"

(FORM OF BOND)

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND THIS BOND MAY NOT BE TRANSFERRED UNLESS THE PROPOSED ASSIGNEE IS A BANK OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION AND THE OWNER HAS OBTAINED AND PROVIDED TO THE AGENCY, PRIOR TO SUCH TRANSFER AND ASSIGNMENT, AN INVESTOR'S LETTER IN FORM AND SUBSTANCE SATISFACTORY TO THE AGENCY EVIDENCING THE COMPLIANCE WITH THE PROVISIONS OF ALL FEDERAL AND STATE SECURITIES LAWS AND CONTAINING SUCH OTHER REPRESENTATIONS AS THE AGENCY MAY REQUIRE.

THIS BOND MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN RESOLUTION NO. \_\_\_\_\_ OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA.

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF DAWSON

COMMUNITY DEVELOPMENT AGENCY  
OF LEXINGTON, NEBRASKA

TAX INCREMENT DEVELOPMENT REVENUE BOND  
(HNB PROPERTIES REDEVELOPMENT PROJECT), SERIES 2017 B

No. R-1

Up to \$\_\_\_\_\_.00  
(subject to reduction as described herein)

Date of  
Original Issue

Date of  
Maturity

Rate of  
Interest

December 31, 20\_\_\*

TBD%

REGISTERED OWNER:

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE BOND SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

**IN WITNESS WHEREOF, THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA** has caused this Bond to be signed by the manual signature of the Mayor of the City, countersigned by the manual signature of the Clerk of the City, and the City's corporate seal imprinted hereon.

**COMMUNITY DEVELOPMENT AGENCY  
OF LEXINGTON, NEBRASKA**

[S E A L]

By: \_\_\_\_\_ (manual signature)  
Chairman

By: \_\_\_\_\_ (manual signature)  
Clerk

**\* or, if sooner, fourteen years after the last effective date established for a Phase under the terms of the Redevelopment Contract**

The **COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA** (the "**Agency**") acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues and other funds hereinafter specified, to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Lexington, Nebraska (the "**Registrar**"), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in **Schedule 1** at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve, 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on May 1 and November 1 of each year until payment in full of such Principal Amount, beginning \_\_\_\_\_, 201\_, by check or draft mailed to the Registered Owner hereof as shown on the bond registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable interest payment date occurs, at such Owner's address as it appears on such bond registration books. The principal of this Bond and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Bond is issued by the Agency under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. \_\_\_\_\_ duly passed and adopted by the Agency on \_\_\_\_\_, 2017, as from time to time amended and supplemented (the "**Resolution**").

**THE PRINCIPAL AMOUNT OF THIS BOND IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS BOND IS \$\_\_\_\_\_.**

This Bond is a special limited obligation of the Agency payable as to principal and interest solely from and is secured solely by the Revenue (as defined in the Resolution) and certain other money, funds and securities pledged under the Resolution, all on the terms and conditions set forth in the Resolution. The Revenue represents that portion of ad valorem taxes levied by public bodies of the State of Nebraska, including the City, on real property in the Project Area (as defined in this Resolution) which is in excess of that portion of such ad valorem taxes produced by the levy at the rate fixed each year by or for each such public body upon the valuation of the Project Area as of a certain date and as has been certified by the County Assessor of Dawson County, Nebraska to the City in accordance with law.

Reference is hereby made to the Resolution for the provisions, among others, with respect to the collection and disposition of certain tax and other revenues, the special funds charged with and pledged to the payment of the principal of and interest on this Bond, the nature and extent of the security thereby created, the terms and conditions under which this Bond has been issued, the rights and remedies of the Registered Owner of this Bond, and the rights, duties, immunities and obligations of the City and the Agency. By the acceptance of this Bond, the Registered Owner assents to all of the provisions of the Resolution.

The principal of and interest hereon shall not be payable from the general funds of the City nor the Agency nor shall this Bond constitute a legal or equitable pledge, charge, lien, security interest or encumbrance upon any of the property or upon any of the income, receipts, or money and securities of the City or the Agency or of any other party other than those specifically pledged under the Resolution. This Bond is not a debt of the City or the Agency within the meaning of any constitutional, statutory or charter limitation upon the creation of general obligation indebtedness of the City or the Agency, and does not impose any general liability upon the City or the Agency and neither the City nor the Agency shall be liable for the payment hereof out of any funds of the City or the Agency other than the Revenues and other funds pledged under the Resolution, which Revenues and other funds have been and hereby are pledged to the punctual payment of the principal of and interest on this Bond in accordance with the provisions of this Resolution.

The Registered Owner may from time to time enter the respective amounts advanced pursuant to the terms of the Resolution under the column headed "Principal Amount Advanced" on **Schedule 1** hereto (the "**Table**") and may enter the aggregate principal amount of this Bond then outstanding under the column headed "Cumulative Outstanding Principal Amount" on the Table. On each date upon which a portion of the Cumulative Outstanding Principal Amount is paid to the Registered Owner pursuant to the redemption provisions of the Resolution, the Registered Owner may enter the principal amount paid on this Bond under the column headed "Principal Amount Redeemed" on the Table and may enter the then outstanding principal amount of this Bond under the column headed "Cumulative Outstanding Principal Amount" on the Table. Notwithstanding the foregoing, the records maintained by the Trustee as to the principal amount issued and principal amounts paid on this Bond shall be the official records of the Cumulative Outstanding Principal Amount of this Bond for all purposes.

Reference is hereby made to the Resolution, a copy of which is on file in the office of the City Clerk, and to all of the provisions of which each Owner of this Bond by its acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for this Bond; the Revenue and other money and securities pledged to the payment of the principal of and interest on this Bond; the nature and extent and manner of enforcement of the pledge; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Owner of this Bond; the rights, duties and obligations of the Agency and the Registrar thereunder; the terms and provisions upon which the liens, pledges, charges, trusts and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond thereafter no longer be secured by the Resolution or be deemed to be outstanding thereunder, if money or certain specified securities shall have been deposited with the Registrar sufficient and held in trust solely for the payment hereof; and for the other terms and provisions thereof.

This Bond is subject to redemption prior to maturity, at the option of the Agency, in whole or in part at any time at a redemption price equal to 100% of the principal amount being redeemed, plus accrued interest on such principal amount to the date fixed for redemption. Reference is hereby made to the Resolution for a description of the redemption procedures and the notice requirements pertaining thereto.

In the event this Bond is called for prior redemption, notice of such redemption shall be given by first-class mail to the Registered Owner hereof at its address as shown on the registration books maintained by the Registrar not less than 10 days prior to the date fixed for redemption, unless waived by the Registered Owner hereof. If this Bond, or any portion thereof, shall have been duly called for redemption and notice of such redemption duly given as provided, then upon such redemption date the portion of this Bond so redeemed shall become due and payable and if money for the payment of the portion of the Bond so redeemed and the accrued interest thereon to the date fixed for redemption shall be held for the purpose of such payment by the Registrar, interest shall cease to accrue and become payable hereon from and after the redemption date.

This Bond is transferable by the Registered Owner hereof in person or by its attorney or legal representative duly authorized in writing at the principal office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond of the same series and maturity and for the same principal amount will be issued to the transferee in exchange therefor. The Agency and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal of and interest due hereon and for all other purposes.

This bond is being issued as fully a registered bond without coupons. This bond is subject to exchange as provided in the Resolution.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Bond have happened, do exist and have been performed in regular and due time, form and manner; that this Bond does not exceed any constitutional, statutory or charter limitation on indebtedness; and that

provision has been made for the payment of the principal of and interest on this Bond as provided in this Resolution.

*[The remainder of this page intentionally left blank]*

(FORM OF ASSIGNMENT)

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto

---

Print or Type Name, Address and Social Security Number  
or other Taxpayer Identification Number of Transferee

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ agent to transfer the within Bond on the bond register kept by the Registrar for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

---

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular.

Signature Guaranteed By:

---

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

By: \_\_\_\_\_

Title: \_\_\_\_\_

*[The remainder of this page intentionally left blank]*



**SCHEDULE 1**

**TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT**

**COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA  
HNB PROPERTIES REDEVELOPMENT PROJECT  
TAX INCREMENT DEVELOPMENT REVENUE BOND, SERIES 2017 B**

<b>Date</b>	<b>Principal Amount Advanced</b>	<b>Principal Amount Redeemed</b>	<b>Cumulative Outstanding Principal Amount</b>	<b>Notation Made By</b>

Exhibit "E"  
Redeveloper Project Costs

Redevelopment Project Costs

1. Site preparation,	\$
2. Electrical infrastructure, street lights & contingency on lighting	\$
3. Landscaping and sidewalks	\$
4. Engineering, Planning and Legal	\$
5. Public parking	\$
<b>TOTAL</b>	<b>\$</b>

EXHIBIT "F"

AMENDMENT TO REDEVELOPMENT CONTRACT

Amendment No. \_\_\_\_

This Amendment to Redevelopment Contract (this "Amendment") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Community Development Agency of Lexington, Nebraska ("Agency"), and HNB Properties, LLC, a Nebraska limited liability company ("Redeveloper").

RECITALS

WHEREAS, Agency and Redeveloper entered into a Redevelopment Contract, dated as of \_\_\_\_\_, 2017 (the "Contract");

WHEREAS, the Contract intended to implement the redevelopment plan entitled "HOUSINGREDEVELOPMENT PLAN FOR SOUTHWEST QUADRANT OF THE CITY OF LEXINGTON, NEBRASKA", (the "Redevelopment Plan") to provide for the redevelopment of lots and lands located in a blighted and substandard area of the City of Lexington, Nebraska (the "City");

WHEREAS, in order to assist in the financing of the Redevelopment Project described in the Redevelopment Plan, the Contract provides for periodic amendments thereto; and

WHEREAS, pursuant to Section 3.01 of the Contract the parties desire to amend the Contract on the terms set forth herein and this Amendment shall constitute a "Redevelopment Contract Amendment" as defined in the Contract.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Agency and Redeveloper do hereby agree to amend the Contract as follows:

1. Definitions. All capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Contract.

2. Amendment – New Phase. This Amendment incorporates a new Phase to the Project entitled [Phase No. \_\_\_\_].

(a) Lots. This new Phase shall include all of Lots in the Redevelopment Project Area for which a building permit has been issued by the City during the calendar year prior to the Effective Date described in Section 2 (b) hereof, which lots are described as follows:

*[identification of such Lot(s) including the legal description of each]*

(b) Effective Date. The effective date of the Amendment shall be January 1, 20\_\_\_\_. [The effective date shall be the January 1<sup>st</sup> of the year following the issuance of a building permit for a residence to be constructed on a Lot described in Section 2 (a) hereof.]

(c) Division Date. The Division Date (the "Division Date") shall mean the effective date for purposes of dividing taxes pursuant to Section 18-2147 of the Nebraska Community Development Law. The Division Date for the applicable Phase shall be January 1, 20\_\_\_; and a proposed form of the "Notice to Divide Tax for Community Redevelopment Project" applicable to such Phase is attached hereto as Exhibit A and incorporated herein by this reference. [The Division Date shall be the January 1<sup>st</sup> of the year following the issuance of a building permit for a residence to be constructed on a Lot described in Section 2 (a) hereof.] For purposes of the Notice to Divide Tax for Community Redevelopment Project, the calendar year in which the division of real property tax becomes effective shall be the year of the Division Date.

(d) Base Value Year. The base value year for such Phase shall be 20\_\_\_. [The Base Value Year, shall mean the calendar year prior to the Division Date described in Section 2 (c) hereof.] For purposes of the Notice to Divide Tax for Community Redevelopment Project, the Base value Year shall be the year defined in this Section 2 (d).

3. Requirement to File Notice to Divide Tax for Community Redevelopment Project. The Agency shall execute and file with the Dawson County Assessor and Treasurer a signed original of Exhibit A, attached hereto, being the Notice to Divide Tax for Community Redevelopment Project, prior to August 1, 20\_\_\_. [This date shall be the August 1 following the Division Date described in Section 2 (c) hereof.]

4. Miscellaneous Provisions.

(a) Effectiveness. This Amendment shall become effective when and only when counterparts of this Amendment have been duly executed by both Agency and Redeveloper.

(b) Ratification of Contract. Except as amended by this Amendment, the Contract shall remain in full force and effect and is hereby ratified and confirmed in all respects. Each party acknowledges and agrees to all terms of the Contract, as the same are amended by this Amendment, and makes and restates each representation and warranty set forth therein as if made on the date of this Amendment.

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

COMMUNITY DEVELOPMENT  
AGENCY OF  
LEXINGTON, NEBRASKA

ATTEST:

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Chairman

HNB PROPERTIES, LLC

By: \_\_\_\_\_  
Manager

STATE OF NEBRASKA    )  
                                  ) SS  
COUNTY OF DAWSON )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_ and \_\_\_\_\_, Chairman and Secretary, respectively, of the Community Development Agency of Lexington, Nebraska, on behalf of the Agency.

\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA    )  
                                  ) SS  
COUNTY OF DAWSON )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_ Manager of HNB Properties, LLC on behalf of the limited liability company.

\_\_\_\_\_  
Notary Public

EXHIBIT A

Notice to Divide Tax for Community Redevelopment Project

[TO BE ATTACHED]