

RESOLUTION NO. 2017-04

A RESOLUTION ADOPTED BY THE CHAIR AND MEMBERS OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA; AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF TWO TAX INCREMENT REVENUE BONDS, NOTES OR OTHER OBLIGATIONS; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BONDS, NOTES OR OTHER OBLIGATIONS; PLEDGING CERTAIN REVENUES OF THE AGENCY PURSUANT TO THE COMMUNITY DEVELOPMENT LAW; AUTHORIZING THE SALE OF SAID BONDS, NOTES OR OTHER OBLIGATIONS; PROVIDING FOR GRANTS OF THE PROCEEDS OF SAID BONDS, NOTES OR OTHER OBLIGATIONS; PROVIDING FOR THE TERMS AND THE SALE OF THE BONDS, NOTES OR OTHER OBLIGATIONS; PROVIDING FOR PREPAYMENT OF SAID BONDS, NOTES OR OTHER OBLIGATIONS; PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE BONDS, NOTES OR OTHER OBLIGATIONS; PLEDGING CERTAIN TAX REVENUE AND OTHER REVENUE TO THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS, NOTES OR OTHER OBLIGATIONS AS THE SAME BECOME DUE; LIMITING PAYMENT OF THE BONDS, NOTES OR OTHER OBLIGATIONS TO SUCH TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; DELEGATING, AUTHORIZING AND DIRECTING THE TREASURER OF THE AGENCY TO EXERCISE THIER INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING CERTAIN TERMS AND PROVISIONS OF THE BOND, NOTE OR OTHER OBLIGATION NOT SPECIFIED HEREIN; APPROVING THE REDEVELOPMENT CONTRACT; TAKING OTHER ACTIONS AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; PROVIDING FOR THIS RESOLUTION TO TAKE EFFECT; AND RELATED MATTERS

BE IT RESOLVED by the Chair and Members of the Community Development Agency of Lexington, Nebraska, as follows:

Section 1. The Chair and Members of the Community Development Agency of Lexington, Nebraska hereby find and determine (a) that the Community Development Agency of Lexington, Nebraska (the "Agency") has been duly created by ordinance for purposes of assisting with redevelopment of blighted and substandard real estate located within the City; that the Agency has and may exercise all of the powers of a redevelopment authority provided for under the Community Development Law of the State of Nebraska; that there has been prepared a redevelopment plan, entitled "HOUSING REDEVELOPMENT PLAN FOR THE SOUTHWEST QUADRANT OF THE CITY OF LEXINGTON, NEBRASKA" (the "Plan") and a Redevelopment Contract (the "Redevelopment Contract") for the redevelopment of the real estate described in the Redevelopment Contract as the "Redevelopment Project Area" (hereinafter in this Resolution referred to as the "Redevelopment Project Area"); (b) that prior to the recommendation or approval of the Plan the Redevelopment Project Area was declared blighted and substandard by action of the Mayor and Council of the City of Lexington, Nebraska (the "City"); (c) that the City has had in effect its general plan for the development of the City from the time prior to the preparation of the Plan; (d) that the Plan was prepared by the Redeveloper (as defined below) and submitted to the Planning Commission

of the City and approved and thereafter recommended by the Agency to the Mayor and Council of the City; (e) that on March 14, 2017, the Mayor and Council of the City held a public hearing on the Plan for which notice was given by publication prior to such hearing in the *Lexington Clipper Herald* on February 18, 2017, and February 25, 2017, and, after such hearing, the Mayor and Council gave their approval of the Plan; (f) that the Plan, among other things, calls for the redevelopment of the Redevelopment Project Area by the acquisition of land, installation of infrastructure, construction of apartment, duplex and single family residences (all as described in the Plan and Redevelopment Contract, the “Project”); (g) that HNB Properties, LLC., a Nebraska limited liability company (hereafter referred to as the “Redeveloper”) is interested in the redevelopment of the Redevelopment Project Area and the Redeveloper has undertaken and is currently incurring costs and is undertaking preliminary steps related to construction and rehabilitation as provided for in the Plan and Redevelopment Contract and the City and the Agency have previously communicated willingness to assist such redevelopment in order to encourage the providing of employment and the economic development of the City as well as for the redevelopment of a blighted and substandard area of the City; (h) that the Agency and the Redeveloper are about to enter into the Redevelopment Contract (as approved in Section 12 of this Resolution and incorporated by reference herein) and under the terms of the Redevelopment Contract, the Agency agrees to assist the Redeveloper and City with grant assistance to pay part of the costs of the Project and for such purpose it is necessary for the Agency to authorize the issuance and sale of its tax increment revenue bonds, with principal purchase price to be paid by the Redeveloper or its designee and the City in accordance with the terms of the Redevelopment Contract; (i) that all conditions, acts and things required by law to exist or to be done precedent to the authorizing of the Agency’s tax increment revenue bonds as provided for in this Resolution do exist and have been done as provided by law.

Section 2. Pursuant to and in full compliance with the Community Development Law, Section 18-2125, R.R.S. Neb. 2012, and this Resolution, and for purpose of providing funds to pay for completing the Project and for costs of issuing the Bonds, the Agency shall issue the following Bonds:

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

A Tax Increment Development Revenue Bond (HNB Properties Redevelopment Project) Series 2017 A (the “Series 2017 A Bond”) shall be issued in a principal amount not to exceed \$4,610,000. The Bond shall be designated as “Tax Increment Development Revenue Bond of the Community Development Agency of Lexington, Nebraska (HNB Redevelopment Project) Series 2017 A,” with the Treasurer of the Agency designated as the Agent for purposes of registration of said bond (the “Agent”). The Series 2017 A Bond shall be dated the date it is initially issued and delivered, which shall be the date of which the City borrows funds for the installation of infrastructure as provided in the Plan. The Series 2017 A Bond shall mature, subject to right of prior redemption, not later than December 31, 2042, and shall bear zero percent interest (0.00%). Any Bond issued pursuant to this Resolution shall only be due and payable to the extent moneys are available therefor in accordance with the terms of this Resolution.

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

A Tax Increment Development Revenue Bond (HNB Properties Redevelopment Project) Series 2017 B (the "Series 2017 B Bond") shall be issued in a principal amount not to exceed \$3,557,681. The Bond shall be designated as "Tax Increment Development Revenue Bond of the Community Development Agency of Lexington, Nebraska (HNB Redevelopment Project) Series 2017 B," with the Treasurer of the Agency designated as the Agent for purposes of registration of said bond (the "Agent"). The Series 2017 B Bond shall be dated the date it is initially issued and delivered, which shall be the date of the first deposit of proceeds of that series in the Project Fund (defined below) as further described below "Date of Original Issue," shall mature, subject to right of prior redemption, not later than December 31, 2042, and shall bear zero percent interest (0.00%). Any Bond issued pursuant to this Resolution shall only be due and payable to the extent moneys are available therefor in accordance with the terms of this Resolution.

The Series 2017 A Bond and the Series 2017 B Bond shall be referred to sometimes hereafter as the "Bonds".

The Bonds, are a special, limited obligation of the Agency payable solely from the Revenue (defined as (a) those tax revenues referred to (1) in the last sentence of the first paragraph of Article VIII, Section 12 of the Constitution of the State of Nebraska, and (2) in Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, and (b) all payments made in lieu thereof) and the amounts on deposit in the funds and accounts established by this Resolution. The Bond shall not in any event be a debt of the Agency (except to the extent of the Revenue and other money pledged under this Resolution), the State, nor any of its political subdivisions, and neither the Agency (except to the extent of the Revenue and other money pledged under this Resolution), the City, the State nor any of its political subdivisions is liable in respect thereof, nor in any event shall the principal and interest on the Bond be payable from any source other than the Revenue and other money pledged under this Resolution. The Bonds do not constitute a debt within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Agency and does not impose any general liability upon the Agency. Neither any official of the Agency nor any person executing the Bond shall be liable personally on the Bonds by reason of its issuance. The validity of the Bonds are not and shall not be dependent upon the completion of the Project or upon the performance of any obligation relative to the Project.

The Revenue and the amounts on deposit in the funds and accounts established by this Resolution are hereby pledged and assigned for the payment of the Bonds, ratably based upon the outstanding principal balance of the respective Bonds, and shall be used for no other purpose than to pay the principal of and interest on the Bonds, except as may be otherwise expressly authorized in this Resolution. The Bonds shall not constitute a debt of the Agency or the City within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Agency, and neither the Agency nor the City shall be liable for the payment thereof out of any money of the Agency or the City other than the Revenue and the other funds referred to herein.

Nothing in this Resolution shall preclude the payment of the Bonds from (a) the proceeds of future bonds issued pursuant to law or (b) any other legally available funds. Nothing in this

Resolution shall prevent the City or the Agency from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution.

The Series 2017 B Bond shall be dated the Date of Original Issue and shall be issued in installments to the purchaser thereof, as the person(s) identified as the owner(s) of the Bond from time to time, as indicated on the books of registry maintained by the “Registrar” (the Treasurer of the Agency, in their capacity as registrar and paying agent for the Bond).

Proceeds of the Series 2017 B 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 Manager 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 the Redevelopment Contract, the Redevelopment Plan and the Community Development Law, the Agency shall evidence such allocation in writing and inform the owner of the Series 2017 B Bond of any amounts allocated to the Series 2017 B Bond.

(c) Upon notification from the Agency as described in Section 2(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 Series 2017 B 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 Series 2017 B Bond and the Agency shall inform the Registrar in writing of the date and amount of such deposits. At the option of the Redeveloper, if the Redeveloper is the owner of the Series 2017 B 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 Series 2017 B 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 \$3,557,681.

The records maintained by the Registrar as to principal amount advanced and principal amounts paid on the Series 2017 B Bond shall be the official records of the Cumulative Outstanding Principal Amount for all purposes.

The Series 2017 B Bond shall be dated the Date of Original Issue, which shall be the initial date of a deposit of the proceeds of the Series 2017 B Bond in the Project Fund.

The principal and interest on the Bonds shall be payable 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. The principal and of the Bonds due at maturity or upon earlier redemption shall be payable upon presentation and surrender of the Bond to the Registrar.

The Bonds shall be executed by the manual signatures of the Chair and Clerk and the original, official seal of the City shall be impressed or printed thereon. In case any officer whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if s/he had remained in office until such delivery, and the Bonds may be signed by such persons as at the actual time of the execution of such Bonds shall be the proper officers to sign such Bonds although at the date of such Bonds such persons may not have been such officers.

The Agent is hereby authorized to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Resolution, (1) the Date of Original Issue, the principal amount of the Bond as set forth above, (2) the maturity date of the Bonds, which shall be not later than December 31, 2042, (3) the initial Payment Date and (4) any other term of the Bonds not otherwise specifically fixed by the provisions of this Resolution.

Any Bond issued upon transfer or exchange of any other Bond shall be dated as of the Date of Original Issue.

The Series 2017 A Bond shall be issued and delivered to the City of Lexington, Nebraska. The Series 2017 B Bond shall be issued and delivered to such owner as shall be mutually agreed between the Redeveloper and the Agency for a price equal to 100% of the principal amount thereof. No Bond shall be delivered to any owner unless the City and the Agency shall have received from the owner thereof such documents as may be required by the Agency to demonstrate compliance with all applicable laws. The Agency may impose such restrictions on the transfer of any Bond as may be required to ensure compliance with all requirements relating to any such transfer.

The Bonds shall be issued in registered form. The Agent is hereby designated as paying agent and registrar for the Bonds (the "Agent" or "Registrar"). The Registrar shall have only such duties and obligations as are expressly stated in this Resolution and no other duties or obligations shall be required of the Registrar. The principal and interest due on the initial payment date and each subsequent payment date prior to maturity shall be payable to the registered owner of record as of the fifteenth day of the calendar month immediately preceding the calendar month in which such payment date occurs (the "Record Date"). Payments on the Bonds, except for payments due on final maturity date, or other final payment, shall be made by the Agency by mailing or delivering a check or draft in the amount then available for payment on the Bonds to the registered owner of the Bonds, as of the Record Date for such payment date, to such owner's registered addresses as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal and interest due at final maturity or other final payment shall be made by the Agency to the registered owner upon presentation and surrender of the Bond to the Agency at the Agency's offices at City Hall in the City of Lexington, Nebraska. The Agency and the Agent may treat the registered owner of the Bonds as the absolute owner of the Bonds for the purpose of making payments thereon and for all other purposes and neither the Agency nor the Agent shall be affected by any notice or knowledge to the contrary, whether the Bonds or any installment due thereon shall be overdue or not. All payments

on account of principal and interest made to the registered owner of the Bonds in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the Agency and the Agent, in respect of the liability upon the Bonds to the extent of the sum or sums so paid.

Section 3. The Agent shall keep and maintain for the Agency books for the registration and transfer of the Bonds at the Agency's offices at City Hall in Lexington, Nebraska. The name and registered address of the registered owner of the Bonds (including notation of any pledgee as may be requested by the Redeveloper) shall at all times be recorded in such books.

The transfer of the Bonds may be registered only upon the books kept for the registration and registration of transfer of the Bonds upon (a) surrender thereof to the Registrar, together with an assignment duly executed by the Owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar and (b) evidence acceptable to the Agency that the assignee is a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission. Prior to any transfer and assignment, the Owner will obtain and provide to the Agency, an investor's letter in form and substance satisfactory to the Agency evidencing compliance with the provisions of all federal and state securities laws, and will deposit with the Agency an amount to cover all reasonable costs incurred by the Agency, including legal fees, of accomplishing such transfer. A transfer of any Bond may be prohibited by the Agency if (1) a default then exists under the Redevelopment Contract, or (2) a protest of the valuation of the Redevelopment Project Area is ongoing. Upon any such registration of transfer the Agency shall execute and deliver in exchange for such Bond a new Bond registered in the name of the transferee, in a principal amount equal to the principal amount of the Bond surrendered or exchanged, of the same series and maturity and bearing interest at the same rate.

In all cases in which any Bond shall be exchanged or a transfer of a Bond shall be registered hereunder, the Agency shall execute at the earliest practicable time execute and deliver a Bond in accordance with the provisions of this Resolution. The Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Registrar. Neither the Agency nor the Registrar shall make a charge for the first such exchange or registration of transfer of any Bonds by any owner. The Agency or the Registrar, or both, may make a charge for shipping, printing and out-of-pocket costs for every subsequent exchange or registration of transfer of such Bonds sufficient to reimburse it or them for any and all costs required to be paid with respect to such exchange or registration of transfer. The Agency and the Agent shall not be required to transfer the Bonds during any period from any Record Date until its immediately following payment date or to transfer the Bonds when called for redemption, in whole or in part, for a period of 15 days next preceding any date fixed for redemption or partial redemption.

Section 4. At any time, the Agency shall have the option of prepaying in whole or in part principal of the Bonds. Notice of any optional redemption for the Bonds shall be given at the direction of the Agency by the Agent by mail not less than 15 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of the Bonds at said owner's registered address. Notice of call for redemption may be waived in writing by any registered owner. In the event of prepayment in whole the Bonds shall be cancelled. The determination of the amount and timing of any optional redemption of the Bonds shall be in the absolute discretion of the Agency. The records of the Agency shall govern as to any determination of the principal amount of the Bonds outstanding

at any time and the registered owner shall have the right to request information in writing from the Agency at any time as to the principal amount outstanding upon the Bonds.

Section 5. (a) The Series 2017 A Bond shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and with such additional changes as the Agent may deem necessary or appropriate:

(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

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2042	0.00%

REGISTERED OWNER: City of Lexington, Nebraska

PRINCIPAL AMOUNT: \$4,610,000.00

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 Chair of the Agency, 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)
Chair

By: _____ (manual signature)
Clerk

The **COMMUNITY DEVELOPMENT AGENCY 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**”). The principal of this Bond is 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 March __, 2017, as from time to time amended and supplemented (the “**Resolution**”).

THE PRINCIPAL AMOUNT OF THIS BOND IS SET FORTH ON THE FACE HEREOF.

This Bond is a special limited obligation of the Agency payable as to principal 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 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 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 and interest on this Bond in accordance with the provisions of this Resolution.

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 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. 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 to the date fixed for redemption shall be held for the purpose of such payment by the Registrar.

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 due hereon and for all other purposes.

This bond is being issued as 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 and interest on this Bond as provided in this Resolution.

(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: _____

(b) (a) The Series 2017 b Bond shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and with such additional changes as the Agent may deem necessary or appropriate:

(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

(Not to exceed \$3,557,681)
Subject to Reduction as provided below

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2042	0.00%

REGISTERED OWNER: HNB Properties, LLC

PRINCIPAL AMOUNT: \$3,557,681.00

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 Chair of the Agency, 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)
Chair

By: _____ (manual signature)
Clerk

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**”). The principal of this Bond is 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 March __, 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 \$3,557,681.

This Bond is a special limited obligation of the Agency payable as to principal 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 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 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 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 Agent 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 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. 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 to the date fixed for redemption shall be held for the purpose of such payment by the Registrar.

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 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 and interest on this Bond as provided in this Resolution.

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(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: _____

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

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

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

Section 6. Pursuant to the provisions of Section 18-2147, R.R.S. Neb. 2012, and the terms of the Redevelopment Contract the effective dates shall be provided by Redevelopment Contract Amendments, from time to time. After such effective dates ad valorem taxes on real property located within each Phase of the Project Area may be apportioned pursuant to said Section 18-2147. From and after said effective dates that portion of the ad valorem taxes on all real estate located within each Phase of the Project Area which is described in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2012, as amended (the "Project Area Tax Receipts"), shall be paid into the Bond Fund (as defined in Section 15. below) to be held by the Agent. The Agency hereby pledges for the payment of the Bonds principal as the same fall due, equally and ratably, all Project Area Tax Receipts as so paid into the Bond Fund as a prior and first lien upon said receipts for the security and payment of the Bond. Monies held in the Bond Fund shall be invested to the extent practicable and investment earnings on such monies shall be applied in the same manner as all other funds held in the Bond Fund. The Agency hereby agrees that so long as any principal of the Bonds, or either of them, remains outstanding it will not issue any additional bonds payable from the Project Area Tax Receipts without the written consent of the registered owner (including any pledgee) of the Bond as then outstanding. The Agency further reserves the right to provide for payment of principal on the Bonds from the proceeds of a refunding bond or refunding bonds. Monies held in the Bond Fund shall be invested to the extent practicable and investment earnings on such monies shall be applied in the same manner as all other funds held in the Bond Fund. Pursuant to the terms of the Redevelopment Contract, the Agency's Secretary is hereby authorized and directed to give notice to the County Assessor and Treasurer of the provision of the Redevelopment Contract for dividing ad valorem taxes in accordance with the requirements of subdivision (3) of Section 18-2147, R.R.S. 2012.

Section 7. The Bonds shall be executed on behalf of the Agency by the Chair and City Clerk. Upon execution of the Bonds and compliance with all other provisions of this Resolution and the Redevelopment Contract, the Bonds shall be registered by the Agent in the name of the owner or its designee as the initial registered owner and shall be delivered in consideration of payment of the principal amount thereof to the Agency's Treasurer in current bankable funds. The Redeveloper may request notation of a pledge interest in the Bonds on the records of the Agent. The initial purchaser (and any pledgee) shall be required to deliver an investment representation letter to the Agent. Such letter shall be satisfactory in form to the officers of the Agency, or any one or more of them, as advised by the Agency's attorneys. Subject to Section 2 above, from such purchase price, the Agency is to make a grant to the Redeveloper in accordance with the terms of the Redevelopment Contract.

Section 8. If the date for payment of principal on the Bonds 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 day shall have the same force and effect as if made on the nominal date of payment.

Section 9. The City Clerk shall make and certify one or more copies of the transcript of the proceedings of the Agency precedent to the issuance of the Bonds one of which copies shall be delivered to the City and held in its records pertaining to the Agency.

Section 10. The Chair and City Clerk or any one of them are hereby authorized to take any and all actions, and to execute any and all documents deemed by them necessary to effect the transactions authorized by this Resolution.

Section 11. The authorization for the Bonds provided for in this Resolution is based upon expectations as to completion of construction, valuation and proposed tax rates suggested by the Redeveloper. The Agency has given and hereby gives no assurances that such expectations will in fact be fulfilled and the Bonds are being issued with the understanding that the Redeveloper is the initial purchaser of the Series 2017 B Bond and any pledgee of the Redeveloper accepts and understands the risks related thereto.

Section 12. The Redevelopment Contract between the Agency and the Redeveloper in the form presented is hereby approved. Notice of such contract shall be given immediately by the Agency's Secretary to the Mayor and Council of the City of Lexington and such contract proposal shall be executed and delivered by the Agency. The Chair (or in his absence, the Vice Chair of the Agency), acting as the Agency's chairperson, is hereby authorized to execute and deliver the Redevelopment Contract, in substantially the form presented but with any such changes as such executing officer shall determine appropriate, on behalf of the Agency.

Section 13. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 14. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Agency hereby (a) authorizes and directs the Chair, Agent, Clerk, City Attorney and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the City and the Agency and such other actions as they, or any of them, in consultation with their counsel, the owner and its counsel shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, including without limitation the execution and delivery of all related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Agent the right, power and authority to exercise her independent judgment and absolute discretion in (1) determining and finalizing all terms and provisions to be carried by the Bond not specifically set forth in this Resolution and (2) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Bonds. The execution and delivery by the Agent or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Agency's and their approval of the terms, provisions and contents thereof and of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Agency and the authorization, approval and ratification by the Agency of the documents, instruments, certifications and opinions so executed and the actions so taken.

All actions heretofore taken by the Agent and all other officers, officials, employees and agents of the City, including without limitation the expenditure of funds and the selection, appointment and

employment of counsel and financial advisors and agents, in connection with issuance and sale of the Bond, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 15. There is hereby created and established by the Agency 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 Redevelopment Project Bond Fund” (the “Bond Fund”). All of the Revenue shall be deposited into the Bond Fund. The Revenue accumulated in the Bond Fund shall be used and applied on the Business Day prior to each 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 on the Bonds equally and ratably, to the extent of any money then remaining the Bond Fund on such Payment Date. Money in the Bond Fund shall be used solely for the purposes described in this Section 15. All Revenues received through and including December 31, 2042, shall be used solely for the payments required by this Section 15; and

(b) a special trust fund called the “HNB Properties Redevelopment Project Series 2017 B 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 in Section 2. If a sufficient amount to pay a properly completed Disbursement Request 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 Section 2., 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.

So long as the Bond remains unpaid, the money in the foregoing funds and accounts shall be used for no purpose other than those required or permitted by this Resolution, any Resolution supplemental to or amendatory of this Resolution and the Redevelopment Law.

Section 16. The provisions of this Resolution shall constitute a contract between the Agency and the owner and the provisions thereof shall be enforceable by the owner by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is presently or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. Such contract is made under and is to be construed in accordance with the laws of the State.

After the issuance and delivery of any Bond, this Resolution and any supplemental Resolution shall not be repealable, but shall be subject to modification or amendment to the extent and in the manner provided in this Resolution, but to no greater extent and in no other manner.

Section 17. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or should be construed to confer upon or give to any person other than the Agency and the owner of the Bonds

any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Agency and the owner from time to time of the Bonds as herein and therein provided.

Section 18. No officer or employee of the Agency shall be individually or personally liable for the payment of the principal on the Bonds. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 19. The Resolution shall be construed and interpreted in accordance with the laws of the State of Nebraska. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State except to the extent necessary for enforcement, by any trustee or receiver appointed by or pursuant to the provisions of this Resolution, or remedies under this Resolution.

Section 20. Any Resolution of the City, or the Agency and any part of any resolution, inconsistent with this Resolution is hereby repealed to the extent of such inconsistency.

Section 21. This Resolution shall take effect and be in full force from and after its passage by the Agency and approval by the Chair, acting as the Community Development Agency of the City.

Section 22. This Resolution shall be in force and take effect from and after its adoption as provided by law.

Passed and Approved this 27th day of March, 2017.

(SEAL)

ATTEST:

Chair

City Clerk