

RESOLUTION NO. 07-36

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LEXINGTON;
APPROVING A REDEVELOPMENT PLAN AS CONTAINED IN A REDEVELOPMENT
CONTRACT; MAKING FINDINGS WITH REGARD TO SUCH PLAN AND APPROVING
OTHER ACTION THEREON.

WHEREAS, the City of Lexington, Nebraska a municipal corporation has determined it to be desirable to undertake and carry out urban redevelopment projects in areas of the City which are determined to be substandard and blighted and in need of redevelopment; and

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 1943, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, The City has previously declared an areas of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, The Community Redevelopment Authority of the City of Lexington, Nebraska (the Authority) has prepared a Redevelopment Plan as contained in a Redevelopment Contract (CED Project) pursuant to Section 18-2111 of the Act: and

WHEREAS, the Planning Commission reviewed the Redevelopment Plan pursuant to the Act and, pursuant to Section 18-2114 of the Act, recommended approval of the Redevelopment plan to the City; and

WHEREAS, following consideration of the recommendations of the Planning Commission to the City, the Mayor and City Council held a public hearing, pursuant to notice as required by law; and

WHEREAS, there has been presented for approval a specific Redevelopment Project within the Redevelopment Plan and as authorized in the Redevelopment Plan.

NOW, THEREFORE, be it resolved by the Mayor and City Council of the City of Lexington, Nebraska:

1. The Redevelopment Plan as contained in the Redevelopment Contract in the form attached to this Resolution as Exhibit A is hereby determined to be feasible and in conformity with the general plan for the development of the City of Lexington as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act;

2. The Mayor and City Council specifically find, as follows:

(a) The project described in the redevelopment contract and plan attached thereto, would not be economically feasible without the use of tax-increment financing;

(b) The project would not occur in the Redevelopment Area without the use of tax-increment financing; and

(c) 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 governing body and have been found to be in the long term best interests of the community impacted by the project.

3. Approval of the Redevelopment Plan is hereby ratified and reaffirmed and the Authority is hereby directed to execute the Redevelopment contract and implement the Redevelopment Plan in accordance with the Act.

4. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the redevelopment project specified in the plan shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2008.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation 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 the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

5. The Community Redevelopment Authority is directed to execute the Redevelopment Contract with such corrections additions and deletions as may be deemed necessary by such Authority, and the Mayor and City Clerk are directed to execute and deliver to the County Treasurer and Assessor the proper Notice of Allocation of Taxes.

6. The Redevelopment Plan shall be amended from time to time to add additional real estate to the list of property for which ad valorem taxes are divided pursuant to paragraph 4 hereof, and providing for a different effective date, upon application of the Authority, and without requirement of a public hearing. Such amendment shall not be deemed a substantial or major amendment of the Plan.

Passed and approved this 27th day of November, 2007.

CITY OF LEXINGTON, DAWSON
COUNTY, NEBRASKA



ATTEST:

BY *John S. Foyt*
Mayor

[Signature]
City Clerk

Exhibit A

(Attach a copy of Redevelopment Contract here)

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into on _____, 2007, by and between the Community Redevelopment Authority of the City of Lexington, Nebraska (Authority) the Lexington Council for Economic Development, (Developer).

WITNESSETH:

WHEREAS, the Authority is a duly organized and existing Community Redevelopment Authority, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Redevelopment Contract;

WHEREAS, the City of Lexington, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 1943, as amended (collectively the Act), has designated an area described on the attached Exhibit A as a blighted and substandard area; and

WHEREAS, the Authority has completed all procedures necessary for adoption of a Redevelopment Plan and approval of a Redevelopment Contract; and

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

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

NOW, THEREFORE, in consideration of the premises and the covenants and agreements herein set forth, Authority and Developer 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, 1943, as amended, and acts amendatory thereof and supplemental thereto.

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

"Bonds" or "Series 2007 A Bonds" and "Series 2007 Bonds" means the Authority's Community Redevelopment Revenue Bonds (CED Project), Series 2007 A Bonds and Series 2007 Bonds issued pursuant to Section 3.03 hereof.

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

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

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

"Project Costs" means only costs or expenses incurred by the City to acquire, construct and install public infrastructure for the Project pursuant to the Act, including, but not limited to costs for: land survey and engineering, soil tests, excavation, grading, including paving, water, sanitary and storm sewer mains, manholes, pumping stations, force mains, pavement (including street, intersections, curb, gutter, and sidewalks), storm water runoff retention ponds, electric power substations and lines,

including underground, street and area signage and related development fees, to include legal, consulting and engineering fees, construction costs, including construction interest, and related off site infrastructure costs for the benefit of the project.

"Redevelopment Contract" means this redevelopment contract between Authority and Developer dated _____, 2007, with respect to the Project.

"Redevelopment Plan" means Exhibit C attached hereto as supplemented by this Redevelopment Contract and the attachments hereto, adopted by the Authority and the City pursuant to the Act, as amended from time to time.

"Resolution" means the Resolution of the Authority dated _____, 2007, as supplemented from time to time, approving this Redevelopment Contract and providing for the issuance of the Bonds.

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

"City" means the City of Lexington, Nebraska.

Section 1.02 Construction and Interpretation.

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

(a) This Redevelopment Contract shall be interpreted in accordance with and governed by the laws of the State of Nebraska, including the Act.

(b) Wherever in this Redevelopment Contract it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.

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

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

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

(f) The words "herein, " "hereof, " "hereunder, " "hereinafter" and words of similar import shall refer to the Redevelopment Contract as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.

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

(h) The captions to the sections of this Redevelopment Contract are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary by implication or otherwise any of the provisions hereof.

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations by Authority.

Authority makes the following representations and findings:

(a) Authority is a duly organized and validly existing Community Redevelopment Authority under the Act;

(b) The proposed land uses and building requirements in the Project are designed with the general purpose of accomplishing, in conformance with the general plan of development of the City, 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 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 unsanitary or unsafe dwelling accommodations, or conditions of blight;

(c) The Redevelopment Contract is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Act;

(d) Based on the representations of Developer and other information provided to the Authority,

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

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

(iii) 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 governing body and the Authority and have been found to be in the long-term best interest of the community impacted by the Project;

(e) Attachment C to this Redevelopment Contract (and other attachments hereto) constitute a redevelopment plan and has been duly approved and adopted by the Community Redevelopment Authority of the City pursuant to Section 18-2116 and 18-2117 of the Act;

(f) The Authority has requested proposals for redevelopment of the Redevelopment Area pursuant to section 18-2119 of the Act, and deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Developer as specified herein; and

(g) The Redevelopment Project will achieve the public purposes of the Act by, among other things, increasing the tax base, and lessening blight and substandard conditions in the Redevelopment Area.

Section 2.02 Representations of Developer.

The Developer makes the following representations:

(a) The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Developer 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 Developer contrary to the terms of any instrument or agreement.

(b) There is no litigation pending or to the best of its knowledge, threatened against Developer affecting its ability to carry out the acquisition; construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Contract or, except as disclosed in writing to the Authority, as to any other matter materially affecting the ability of Developer to perform its obligations hereunder.

(c) Developer has made a fiscal analysis of the project and specifically represents to the City and Authority that:

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

(ii) the Project would not occur in the Redevelopment Area and Developer will not construct the Project without the use of tax-increment financing;

ARTICLE III
OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Authority hereby includes in the Redevelopment Plan of the Authority a provision that any ad valorem tax on real property in the that portion of the Project, described on Exhibit A, for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in Section 18-2147 of the Act. The effective date of this provision shall be January 1, 2007, as to the real estate selected by the Developer, on or before August 1, 2007, to be not less than ten residential lots.

The City and Authority will timely file all appropriate notice with the Dawson County Treasurer and Assessor regarding the division of ad valorem taxes, as provided in Section 18-2147 of the Act.

Section 3.02 Future Division of Taxes on Plan Amendment.

The Authority shall, from time to time, upon a duly approved plan amendment, divide the ad valorem tax on real property in the that portion of the Project described in such Plan Amendment(s).

Section 3.03 Issuance of Bonds.

(a) 2007 A Bonds: Authority on or about _____, 2007, will issue Series 2007 A Bonds in the aggregate principal amount of approximately \$500,000.00, and bearing interest from and after the date of issue, which shall be payable in accordance with the amortization schedule attached hereto as Exhibit B, bearing interest at a rate to be determined upon issuance of the Bonds. The Series 2007 A Bonds shall be limited obligations of the Authority, and shall be solely payable from and secured by TIF Revenues and other security specifically pledged therefore.

(b) Authority shall execute and deliver, from time to time, additional Bonds designated by the year issued, to the City, when there shall be filed with the Secretary of the Authority the following:

(i.) A request executed by the City for the issuance of Bonds, specifying principal amount to be issued, maturities (with no maturity later than 15 years from the effective date pledged pursuant to Section 3.02) and interest rates; and

(ii) A certificate of city treasurer:

a. The current assessed value of the Premises as certified by the Dawson County Assessor;

b. The current total mill levy of ad valorem taxes levied against the Premises;

c. A computation showing that the current levy, projected over the term of the Bonds to be issued, levied against the current assessed value, projected to remain constant over the term of the Bonds to be issued, and taking into account debt service on previously issued Bonds, would produce sufficient excess TIF Revenues to debt service the Bonds issued; and

d. A contract for the purchase of such Bonds.

Section 3.04 Pledge of TIF Revenues.

Pursuant to the Resolution, the Authority will pledge the TIF Revenues as Security for the Bonds.

Section 3.05 Grant of Proceeds of Bonds.

Authority will grant 100% of the proceeds from the Series 2007 A Bonds and other Bonds issued pursuant to this agreement, secured by a pledge of the TIF Revenues as contemplated in Sections 3.01 and 3.02 above, to City for the purpose of paying Project Costs. The grant of proceeds may be offset against the sale of the bonds if the City is the purchaser of the Bonds.

Section 3.06 Creation of Fund.

Authority will create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay Bonds issued pursuant to Sections 3.03 above.

Section 3.07 Perform Obligations of Redevelopment Plan.

Authority will perform, or provide for the performance, in a timely manner, of all obligations to set forth in the Redevelopment Plan required to be performed by the Authority or City, as provided in this Redevelopment Contract, and attached Exhibit C.

Specifically, Authority shall cause the City to install paving, sanitary sewer, storm sewer and water in the CED Addition, Lexington, Dawson County, Nebraska, and adjoining property to be owned by Developer consisting of approximately 21 acres.

Authority will deliver the proceeds of the Bonds issued pursuant to Section 3.03 (b) for public improvements to Redevelopment Area # 5 of the City of Lexington, as provided in the redevelopment plan for such area.

ARTICLE IV

OBLIGATIONS OF DEVELOPER

Section 4.01 Construction of Project.

Developer will acquire land and construct 70 single and two family residential units in the Project. This Project is intended to be constructed in phases. The Developer intends to acquire the property and commence construction of residences allowing development of 22 lots as part of the first phase of the Project. Thereafter, additional development is planned to occur at the rate of at least 20 additional residences annually. Ad valorem (TIF) taxes will be pledged on all acquired real estate, as described in Exhibit A, regardless of the state of lot development, with an effective date of no later than January 1, 2010.

Section 4.02 Restricted Sale of Lots.

The parties intend that no assessment districts be created for assessing lot owners for installation of infrastructure. Because of such installation without special assessments, a developer could receive a windfall of income due to no liability for such

assessment. It is the further intention of the parties that the residential development contemplated in the Plan and this Contract be for “moderately priced” residential homes, with lot sales not to exceed \$8,000.00 per lot.

Section 4.02 Non-Discrimination .

Developer agrees and covenants for itself, its successors and assigns that as long as any Bonds are outstanding, 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. Developer, for itself and its successors and assigns, agrees that during the construction of the Project, Developer 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. Developer will comply with all applicable federal, state and local laws related to the Project.

Section 4.03 Real Estate Taxes.

Developer intends to create an increased taxable real property base attributable to the Project no later than January 1, 2008.

Section 4.04 Acknowledgement of Tax Level.

Developer, City and Authority acknowledge that the payment of the Bonds is entirely contingent on factors over which the Authority has no control, including but not limited to the assessed valuation of the project, the variation of tax levies established in the future by taxing entities, statutory, constitutional and court ruling changes.

ARTICLE V

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

Developer shall pay all Construction Costs for residential development, including, but not limited to normal utility extension and hookup fees.

ARTICLE VI

DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Developer.

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 either 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.

Section 6.02 Additional Remedies of Authority.

In the event that Developer, or its successor in interest, shall fail to commence the construction of the Project on or before June 1, 2008, such event shall be deemed a failure to perform under 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 Authority would be difficult to determine with certainty and that a reasonable estimation of the amount of damages that could be incurred is the unpaid portion of the principal of the 2007 A Bond payment schedule, which may be satisfied by delivery of the 2007 A Bond (the "Liquidated Damages Amount"). The Liquidated Damages Amount shall be paid by Developer to Authority within 30 days of demand from Authority.

Interest shall accrue on the Liquidated Damages Amount at the rate of one percent (1%) over the prime rate as published and modified in the Wall Street Journal from time to time and interest shall commence from the date that the Authority gives notice to the Developer demanding payment.

Section 6.03 Enforced Delay Beyond Party's Control.

For the purposes of this Redevelopment Contract, neither party, as the case may be, nor any successor shall be in breach of or in default in its performance of obligations within its control, when and without its fault, a default in such obligation occurs caused by acts of God, or Government, acts of terrorism, or in the event of enforced delay in the project due to unforeseeable causes beyond the control of the parties or either of them, including 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 enforced delay, the time or times for performance of the obligations of the Authority or of Developer with respect to construction of the Project, as the case may be, shall be extended for the period of the enforced 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 enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the enforced delay.

Section 6.04 Limitation of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary neither Authority, City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. Specifically, but without limitation, neither City nor Authority shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder.

ARTICLE VII
MISCELLANEOUS

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract may be recorded with the County Register of Deeds in which the Premises is located.

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. This Redevelopment Contract shall run with the Premises. The Redevelopment Contract shall not be amended except by a writing signed by the party to be bound.

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

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
LEXINGTON, NEBRASKA

LEXINGTON COUNCIL FOR
ECONOMIC DEVELOPMENT

Chairman

Dave Fairbanks, President

ATTEST:

Secretary

Secretary

EXHIBIT A

DESCRIPTION OF PREMISES
(REDEVELOPMENT AREA)

Property to be pledged with an effective date of January 1, 2008:

Lots 1-22 of CED Addition to the City of Lexington, Dawson County, Nebraska.

Property to be pledged with a future effective date:

All lots created in adjoining 21 acres to be owned by Developer.

EXHIBIT B
AMORTIZATION SCHEDULE

EXHIBIT C

DESCRIPTION OF PROJECT AND DEVELOPERS REDEVELOPMENT PLAN FOR GREATER LEXINGTON RESIDENTIAL PROJECT

OVERVIEW:

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

The Developer intends to acquire, develop and rehabilitate the real estate shown on Exhibit A to the Redevelopment Contract by constructing an approximate 70 lot housing development, phased in over 3 phases, including infrastructure on the real estate and provide payment assistance to the City for certain off site infrastructure installation.

The Developer will not develop the project in the redevelopment area or elsewhere without the benefit of tax increment financing. The costs and risks of the project are simply too great to be absorbed by the Developers without the assistance of tax increment financing. All financing for the project is entirely contingent on the grant set forth in the redevelopment contract to which this exhibit is attached. The Developers propose that the Community Redevelopment Authority issue bonds, designated the 2007 A Bonds, and further bonds designated by year of issuance, to be repaid from the incremental tax revenues generated by the redevelopment project pursuant to §18-2147 of the Nebraska Revised Statutes, for a period of 15 years from an effective date of January 1, 2008, through January 1, 2010, by plan amendment, as described in the Redevelopment Contract. The Developers will use the proceeds of the bond to assist in payment of Project Costs in the construction and acquisition of the project.

THE REDEVELOPMENT PLAN:

1. Relationship of Plan to Local objectives for appropriate land use: This plan contemplates a change in current land use. The land use will be changed from crop land to a 3 phase residential development. Two-Family Residential District zoning is currently appropriate for the intended use. Reutilization of the existing real estate meets existing local objectives for appropriate land use for the area affected by this plan. The redevelopment area affected by this plan is one of few remaining lands suitable for residential development within the City. The new development is targeted to entice new residents to the community for general economic support of the community and to retain vital services in the City.

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

Streets: Streets will conform to current layout and design as set forth in the various subdivision plats affecting the project.

Storm Water Facilities: The City will pay for the installation of all storm sewer lines within the subdivision.

Potable Water Lines: The City will install all potable water lines and fire hydrants required in the subdivision.

Sanitary Sewer Lines: The City will pay for the installation sanitary sewer lines with in the subdivision.

3. Redevelopment project boundaries: Exhibit C1 to the Redevelopment Contract shows the boundaries of the project. The property is currently unimproved.

4. Proposed land use plan: Exhibit C2 shows the proposed land use plan after redevelopment as a fully developed residential development. This plat will be amended and changed as circumstances require for development.

5. Information on standards for population densities; land coverage; building intensities; and land coverage after redevelopment: Population density will change for the area. Currently there is no residential occupancy. During the phase in of the construction, up to 70 residential lots will be developed.

6. Statement regarding change in street layouts: This Plan proposes street layouts as shown in Exhibit C2.

7. Site plan after redevelopment: Exhibit C2 is an accurate proposed site plan of the redevelopment project after redevelopment.

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

9. Public cost/benefit analysis: This plan requires that the Developers acquire and construct a phased residential development. It is intended that no public funds, other than the tax increment financing benefit, will be used on the acquisition and development of the property.

Tax benefit: Currently the real estate is unimproved. The real estate taxes from the land will continue to be paid to the taxing authorities.

The project will result in at least 70 new residential units developed in the City. This will not require additional schools be built or result in an additional burden on community facilities. Many new residents will bring home paychecks to spend in City stores, thus expanding local sales tax base and property tax base. Therefore, no undue stress on the school system, police or fire protection is contemplated.

10. Pledge of Incremental Taxes. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the redevelopment project specified in the plan, shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2008, 2009, and 2010, as provided in the Redevelopment Contract [such effective dates shall be determined upon approved plan amendment from time to time]:

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation 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 the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

PROJECT AREA #1 REDEVELOPMENT AREA #5 LEXINGTON, NEBRASKA

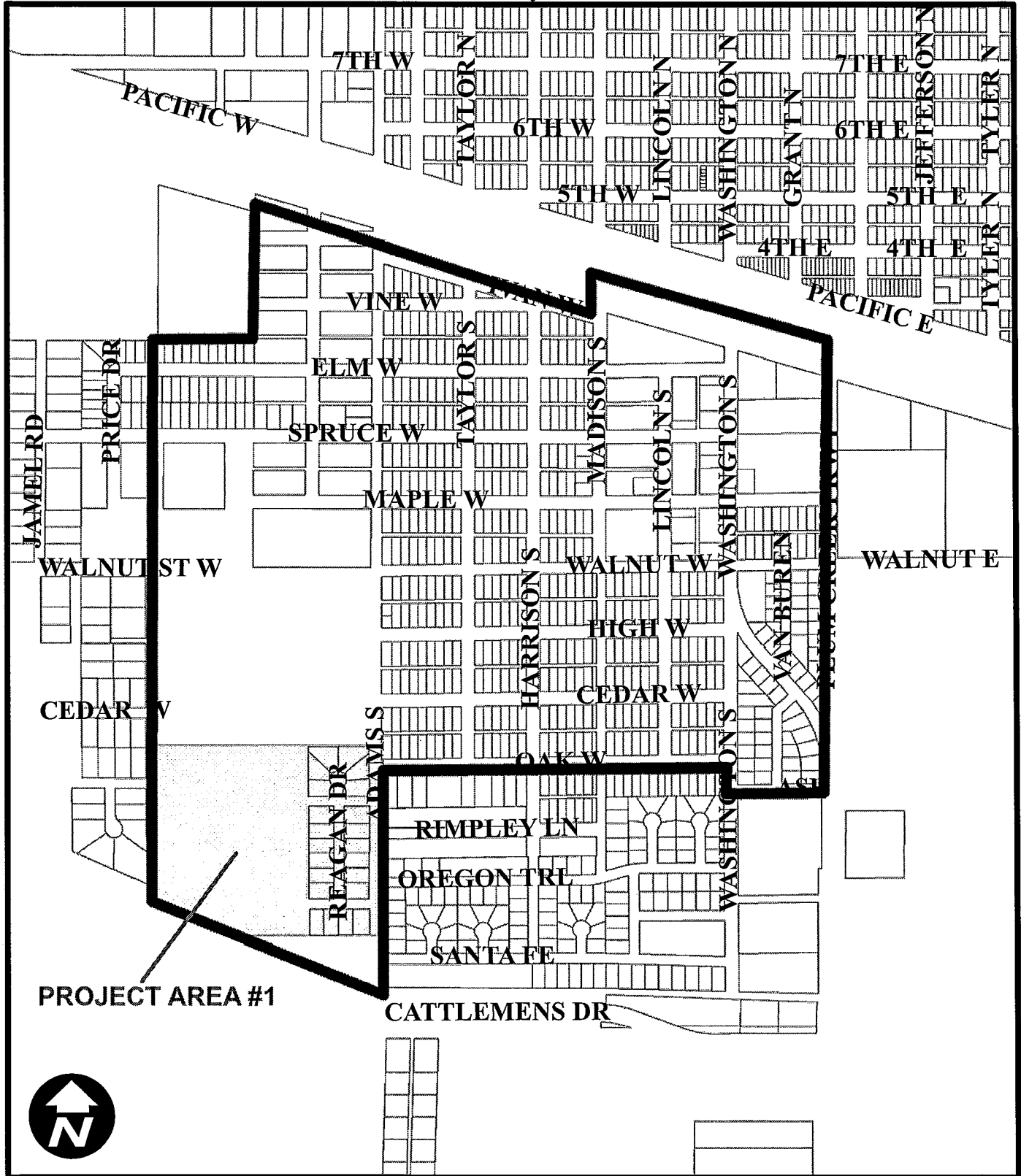


EXHIBIT C1

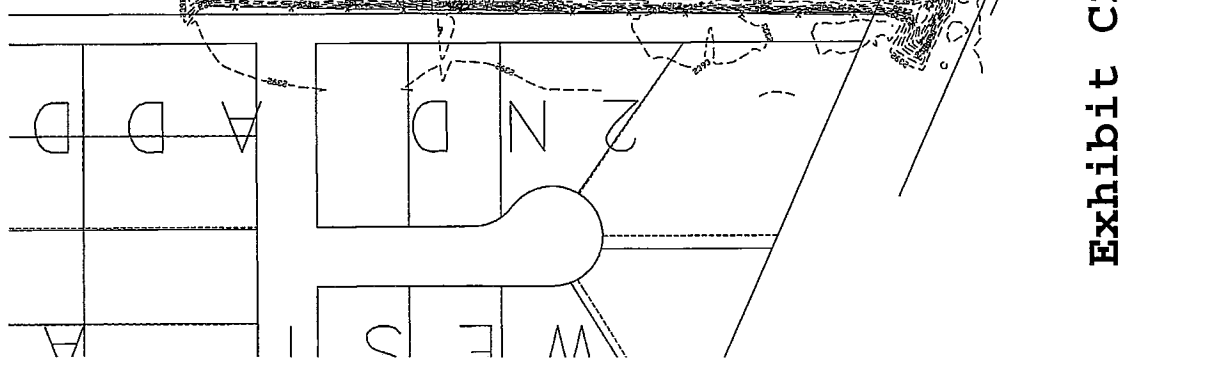
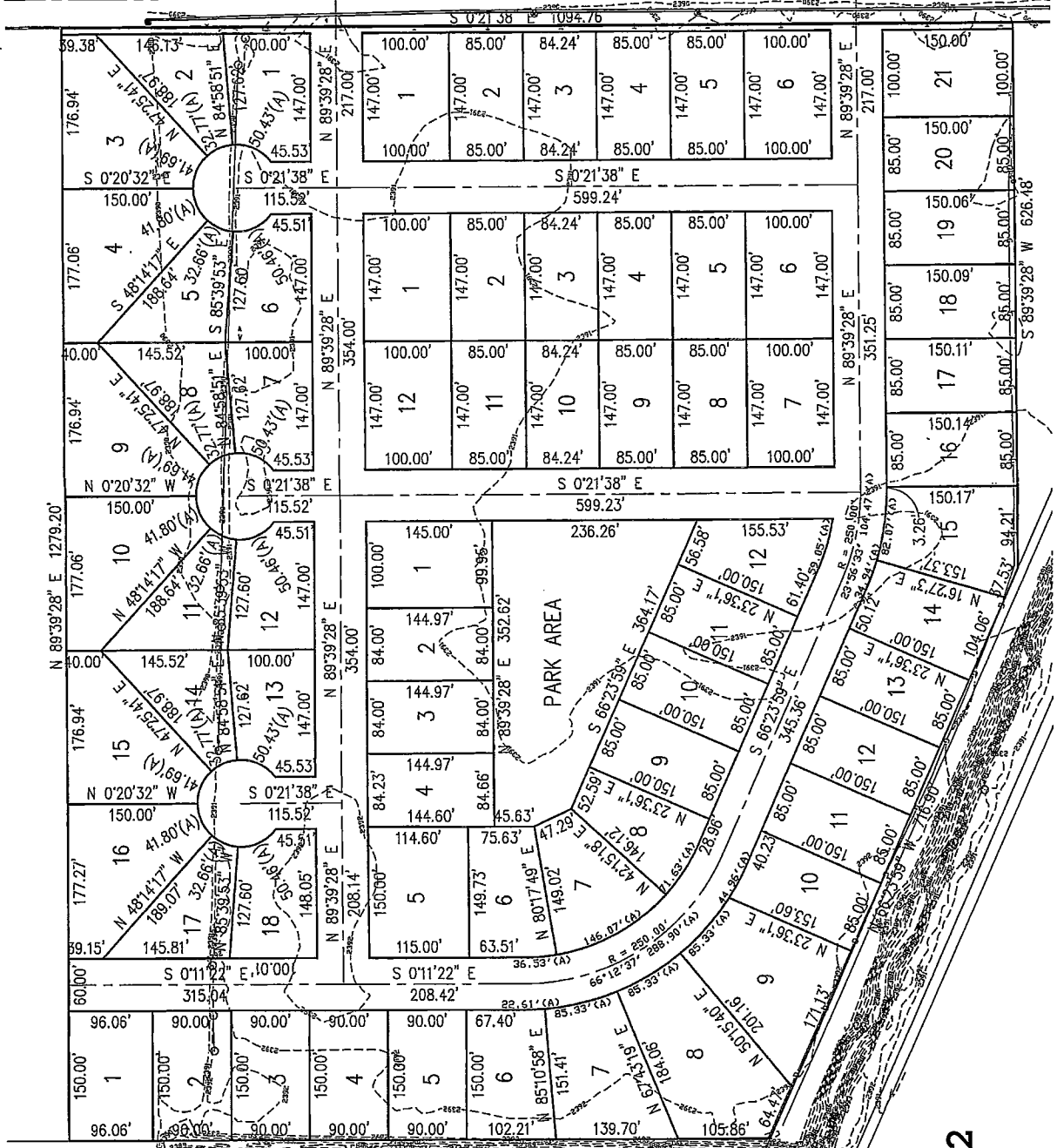
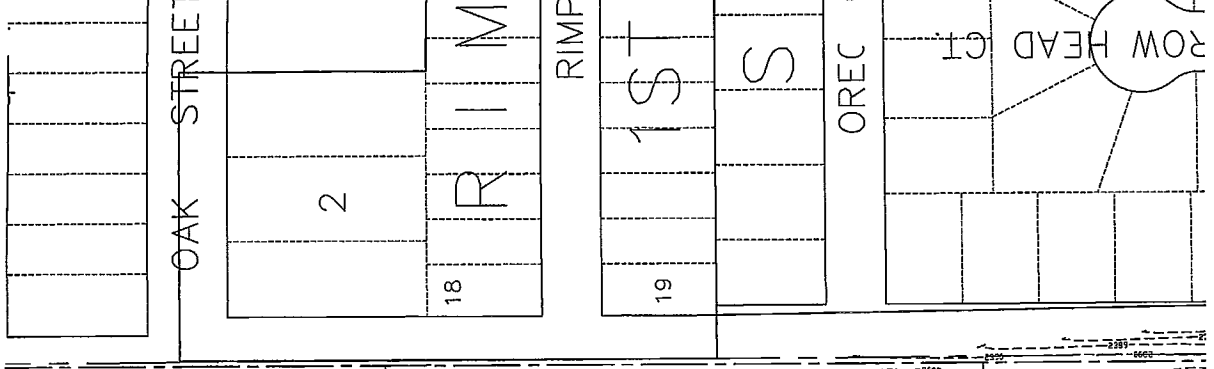


Exhibit C2