

**ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING
OF THE MAYOR AND CITY COUNCIL OF
THE CITY OF DAVID CITY, NEBRASKA**

The undersigned members of the governing body of the City of David City, Nebraska, hereby acknowledge receipt of advance notice of a special meeting of said body and the agenda for such meeting to be held at 6:30 o'clock p.m. on the 26th day of **January, 2015**, in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska.

This agenda is available for public inspection in the office of the City Clerk and may be modified up to twenty-four hours prior to the opening of the meeting.

Dated this 12th day of January, 2015.

AGENDA AS FOLLOWS:

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| 1. Roll Call; | Mayor Alan Zavodny |
| 2. Pledge of Allegiance; | |
| 3. Inform the Public about the location of the Open Meetings Act and the Citizens Participation Rules; | Council President Gary L. Kroesing |
| 4. Consideration of recessing the City Council meeting and reconvening as the Community Development Agency of the City of David City, Nebraska; | |
| a. Roll Call for the Community Development Agency; | Council member Michael E. Rogers |
| b. Consider recommendation regarding the Dana Point Development Corporation Redevelopment Plan for the real estate described: A tract of land located in the N 1/2 of the NW 1/4 of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, more particularly described as follows: Commencing at the northwest corner, N 1/2, NW 1/4 of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, and assuming the north line of said N 1/2, NW 1/4 to have a bearing of N 90°00'00" E; thence N 90°00'00" E, and on said north line, 152.97 feet, to the point of beginning; thence N 90°00'00" E, on said north line, 600.08 feet; thence S 00°57'20" E parallel with the east lines of Larry J. Sabata, 1st and 2nd Additions, 1149.66 feet, to a point on the south line of L Street as extended east; thence S 89°57'16" W on said south line of L Street, 600.05 feet, to the east line of Larry J. Sabata, 1st Addition to the City of David City, Butler County, Nebraska; thence N 00°57'20" W on said east line, 599.09 feet, to the northeast corner of said Addition; thence N 00°57'20" W on the east line of Larry J. Sabata, 2nd Addition to the City of David City, Butler County, Nebraska, 551.05 feet, to the point of beginning, said tract containing 15.84 acres, more or less; | Council member Thomas J. Kobus |
| | Council member Kevin N. Hotovy |
| | Council member Gary D. Smith |
| | Council member John P. Vandenberg |
| | City Clerk Joan E. Kovar |

- c. Consider cost benefit analysis of Dana Point Development Corporation Redevelopment Plan;
- d. Consider adoption of Resolution No. 1 – 2015 CDA, recommending redevelopment plan and adoption of cost benefit analysis for Dana Point Development Corporation redevelopment plan;
- e. Recess;
5. Mayor Zavodny to declare the recessed City Council meeting back in session;
6. Public Hearing to consider the Dana Point Development Corporation redevelopment plan for the real estate described above;
7. Consideration of Resolution No. 2 – 2015 approving the Dana Point Development Corporation Redevelopment Plan on the property described above;
8. Consideration of recessing the City Council meeting and reconvening as the Community Development Agency of the City of David City, Nebraska:
 - f. The Community Development Agency reconvenes to consider the Redevelopment Contract;
 - g. Consideration of Resolution No. 2 – 2015 CDA, providing for the issuance of a Tax Increment Revenue Bond for the Dana Point Development Corporation project; authorize execution of a Redevelopment Contract and other matters;
 - h. Adjourn as the Community Development Agency;
9. Mayor Zavodny to declare the recessed City Council meeting back in session;
10. Adjourn;

CITY COUNCIL PROCEEDINGS

January 26, 2015

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on January, and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Alan Zavodny, Council members Gary Smith, Tom Kobus, Kevin Hotovy, Gary Kroesing, and John Vandenberg. Council member Mike Rogers was absent. Deputy City Clerk Tami Comte was also present.

Also present for the meeting were: Attorney Michael L. Bacon of Bacon & Vinton LLC, Rex Rehmer, Don Moravec, Larry McPhillips, Becky Junck, Jim Vandenberg and a representative from the Columbus News Team.

The meeting opened with the Pledge of Allegiance.

Mayor Zavodny informed the public of the "Open Meetings Act" and the Citizen Participation rules posted on the east wall of the meeting room.

Council member Kroesing made a motion to recess the City Council meeting and reconvene as the Community Development Agency of the City of David City, Nebraska. Council member Smith seconded the motion. Voting AYE: Council members Hotovy, Kobus, Vandenberg, Smith, and Kroesing. Voting NAY: None. Council member Rogers was absent. The motion carried.

Present for the Community Development Agency of the City of David City were: Alan Zavodny, Community Development Agency members Gary Smith, Tom Kobus, Kevin Hotovy, Gary Kroesing, and John Vandenberg. Community Development Agency member Mike Rogers was absent. Deputy City Clerk Tami Comte was also present.

Deputy Clerk Comte stated that the Planning Commission met on Saturday, January 24, 2015 and recommended the Dana Point Development Corporation Redevelopment Plan to the City Council.

Michael L. Bacon, with Bacon & Vinton, L.L.C. was present representing Dana Point Development Corporation. Mike stated that the project won't go forward if we don't do the TIF so you'd have zero income anyway. If you do the project, you'll have at least those houses plus a total of 48 lots and hopefully, more houses built and more residences come in. Having done this a couple hundred times, the thing that I think that you focus on is if we built all 48 houses in one year would we bring in a bunch of kids and have to build a new school and hire new teachers and so on. This plan is intended first to build the senior duplexes and we hope they don't bring in a lot of kids and then over a period of about seven years they would hopefully build out the rest. So it's not that you're going to bring 2.3 kids per household. So, it comes in gradually. We don't think there's any tax shift there. Are there any public infrastructure or public service needs? Yes, there are. There's street, sewer and water, but the developer's going to put those in at his cost and then give them to you so you're not laying out tax dollars to do that. Are there impacts on employers or employees, either inside this area or inside the City? If you're like the town where I come from, if you can fog a mirror, you can get a job, if you're not currently high on drugs, so, hopefully, these residences will provide a place where you can get an employee to move into town. There will be, obviously, trades here building the houses. There will be a slight increase in demand for labor. You should have any material that's used here in town should be subject to your sales tax, if you have a sales tax, so that should help your coffers and then we're supposed to take a look at what other impacts there may be, positive or negative. This thing is structured so that he hopes to build five or six houses per year. It's hopeful if there's enough demand in your community to do that. That's what the plan provides for and the TIF would be captured to help reimburse the cost of the land and the

cost of the infrastructure. That's currently estimated at \$1,500,000 that this man is bringing in from outside and putting in your community and hoping that he can build houses fast enough to neutralize that cost. That's the way that works.

Mayor Zavodny stated that he knew that Matt Thomas has done this in several other communities. Are those communities at a point in their progression that he will be able to be here and build five or six? How does that work?

Mike Bacon said, "He has worked in a lot of communities and he has a project to do in my community but, my history with him, this will be his second time in town, in Gothenburg. He does what he says he's going to do. He's busy but it's not like he's got a construction crew. He uses subcontractors to build these and have someone inspect to make sure that they are well done. They are really nice houses."

Mayor Zavodny said, "So, he can do multiple communities at the same time?"

Mike Bacon said, "Oh yes. He's good at that."

Community Development Agency member Kroesing made a motion to accept the recommendation of the Planning Commission regarding the Dana Point Development Corporation Redevelopment Plan for the real estate described as follows: Community Development Agency member Kobus seconded the motion. Voting AYE: Community Development Agency members Kroesing, Kobus, Vandenberg, Hotovy and Smith. Voting NAY: None. Community Development Agency member Rogers was absent. The motion carried.

Community Development Agency member Vandenberg introduced Resolution No. 1-2015 CDA, recommending a redevelopment plan and adoption of the cost benefit analysis for Dana Point Development Corporation redevelopment plan and moved for its passage and adoption. Community Development Agency member Smith seconded the motion. Voting AYE: Community Development Agency members Kobus, Hotovy, Smith, Kroesing and Vandenberg. Community Development Agency member Rogers was absent. The motion carried and Resolution No. 1-2015 CDA was passed and adopted as follows:

**COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF DAVID CITY, NEBRASKA**

RESOLUTION NO. 1 – 2015 CDA

**A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT
PLAN OF THE CITY OF DAVID CITY, NEBRASKA; RECOMMENDING
APPROVAL OF A REDEVELOPMENT PROJECT OF THE CITY OF DAVID
CITY, NEBRASKA; APPROVING A COST BENEFIT ANALYSIS FOR SUCH
PROJECT; AND APPROVAL OF RELATED ACTIONS**

WHEREAS, the Mayor and Council of the City of David City, Nebraska (the "**City**"), upon the recommendation of the Planning Commission of the City of David City, Nebraska (the "**Planning Commission**"), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as

amended (the “**Act**”), duly declared the redevelopment area legally described on **Exhibit 1** attached hereto (the “**Redevelopment Area**”) to be blighted and substandard and in need of redevelopment; and

WHEREAS, pursuant to and in furtherance of the Act, a Redevelopment Plan (the “**Redevelopment Plan**”), has been prepared and submitted by the Agency, in the form attached hereto as **Exhibit 2**, for the purpose of redeveloping Redevelopment Area legally described on **Exhibit 1**, referred to herein as the Project Area (the “**Project Area**”); and

WHEREAS, pursuant to the Redevelopment Plan, the Agency would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Plan (the “**Project**”), in accordance with and as permitted by the Act; and

WHEREAS, the Agency has conducted a cost benefit analysis of the Project (the “**Cost Benefit Analysis**”) pursuant to Section 18-2113 of the Act, which is incorporated into the Redevelopment Plan; and

WHEREAS, the Agency has made certain findings and pursuant thereto has determined that it is in the best interests of the Agency and the City to approve the Redevelopment Plan and approve the Redevelopment Project and to approve the transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF DAVID CITY, NEBRASKA AS FOLLOWS:

Section 1. The Agency has determined that the proposed land uses and building requirements in the Redevelopment Plan for the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan 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 in 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 provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

Section 2. The Agency has conducted a Cost Benefit Analysis for the Project, in the form incorporated into the Redevelopment Plan, in accordance with the Act, and has found and hereby finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not occur in the Project Area without the use of tax increment financing and 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 and have been found to be in the long term best interests of the community impacted by the Project.

Section 3. In compliance with section 18-2114 of the Act, the Agency finds and determines as follows: (a) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Agency and the Agency shall receive no proceeds from disposal to the Redeveloper; (b) the Redeveloper will acquire the Redevelopment Area at the cost of \$440,000;

(c) the estimated cost of preparing the project site and infrastructure related costs are \$1,060,000 (d) the method of acquisition of the real estate shall be by private contract by the Redeveloper and not by condemnation; (e) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued an amount not to exceed \$1,500,000.00, the proceeds of which shall be granted to the Redeveloper and from additional funds provided by the Redeveloper and its lender; and (f) no families or businesses will be displaced as a result of the project.

Section 4. The Agency hereby recommends to the City approval of the Redevelopment Plan and the Redevelopment Project described in the Redevelopment Plan.

Section 5. All prior resolutions of the Agency in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 6. This resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED this 26th day of January, 2015.

**COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF DAVID CITY
NEBRASKA**

ATTEST:

By: _____
Mayor Alan Zavodny

By: _____
Deputy City Clerk Tami Comte

EXHIBIT 1

LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

A tract of land located in the N 1/2 of the NW 1/4 of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, more particularly described as follows:
Commencing at the northwest corner, N 1/2, NW 1/4 of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, and assuming the north line of said N 1/2, NW 1/4 to have a bearing of N 90°00'00" E; thence N 90°00'00" E, and on said north line, 152.97 feet, to the point of beginning; thence N 90°00'00" E, on said north line, 600.08 feet; thence S 00°57'20" E parallel with the east lines of Larry J. Sabata, 1st and 2nd Additions, 1149.66 feet, to a point on the south line of L Street as extended east; thence S 89°57'16" W on said south line of L Street, 600.05 feet, to the east line of Larry J. Sabata, 1st Addition to the City of David City, Butler County, Nebraska; thence N 00°57'20" W on said east line, 599.09 feet, to the northeast corner of said Addition; thence N 00°57'20" W on the east line of Larry J. Sabata, 2nd Addition to the City of David City, Butler County, Nebraska, 551.05 feet, to the point of beginning, said tract containing 15.84 acres, more or less.

EXHIBIT 2

FORM OF REDEVELOPMENT PLAN

Redevelopment Plan Dana Point Development Corporation Housing Project 2015

Dana Point Development Corporation, (the “Redeveloper”) intends to redevelop and improve the area, described in this Plan, pursuant to the Nebraska Community Development Law (Sections 18-2101 to 18-2144 and 18-2147 to 18-2153, R.S.S. Neb. 2012, as amended, the “Act”) by the development in phases of a residential subdivision.

A. General Project Description:

THE REDEVELOPMENT IN PHASES OF UNDEVELOPED GROUND;

PHASE ONE WILL CONSIST OF REPLATTING AND INSTALLING INFRASTRUCTURE FOR BADLY NEEDED RESIDENTIAL LOTS AND THE CONSTRUCTION OF SIX DUPLEX (12 UNITS) RESIDENTIAL RENTAL UNITS FOR LOW INCOME ELDERLY. THIS PHASE WILL CREATE UP TO 48 HOUSING LOTS INTENDED FOR SINGLE FAMILY AND DUPLEX STRUCTURES. THE SECOND AND SUBSEQUENT PHASES WILL RESULT IN THE CONSTRUCTION OF AFFORDABLE SINGLE FAMILY HOMES. THE PROJECT WILL BE IMPLEMENTED OVER AN ESTIMATED SEVEN YEAR PERIOD.

Described on Exhibit “1” attached to this Plan is the real estate (the “Project Area”) which the Redeveloper intends to redevelop. Exhibit “2” shows the boundary of the Project Area. The final platting is underway.

The redevelopment of the Project Area is not economically feasible to implement without assistance from tax increment financing because of high site acquisition, site preparation and infrastructure costs. This project is intended to provide high quality, low cost multi and single family housing. The Redeveloper believes that the redevelopment of the Project Area will provide the City and its surrounding area with significant new housing.

B. Boundaries of Project Area and Existing Conditions and Uses

As indicated above, Exhibit “2” shows the outer boundaries of the Project Area. The condition and existing use of the property within the Project Area is unimproved vacant land but zoned for single and two family residential.

The Project Area will require water, sewer and paving.

No water or sanitary or storm sewer facilities are currently located within the Project Area. No street improvements have been installed. It will be necessary for the Redeveloper to provide for installation of all infrastructure required by the City.

C. Land Use Plan Showing Proposed Uses

Exhibit "3" shows the ultimate use for the Project Area as well as the proposed configuration for the development of the lots.

D. Information Concerning Population Densities, Land Coverage and Building Intensities

The Project Area currently has no residents. Under this Plan, all of the Project Area is intended at full development to provide a minimum of 42 single family and six multifamily residential lots and with the resultant increase in residential population for the Project Area. No families will be displaced in connection with redevelopment of the Project Area. Building densities will not exceed such densities as are permitted under David City zoning and subdivision regulations.

E. Statement as to Proposed Changes in Zoning, Street Layout, Street Levels or Grades

The Project Area is currently zoned as R-2 allowing for single and two family the residential lots. No change in zoning is required. All construction will be subject to applicable building codes and ordinances. The street layout and street levels will depend upon the finalized construction development plans. Streets interior to the project are intended to be public streets.

F. Site Plan for the Project Area

Exhibit "3" shows the proposed site plan for the area. This site plan is subject to final revision as set forth on the approved final plat.

G. Statement as to Kind and Number of Additional Public Facilities

Paving, water, sanitary and storm sewer main extensions throughout the Project Area will be provided in accordance with specifications and requirements of the City. The Redeveloper will be responsible for all on site utility infrastructure installation, with the exception of natural gas.

Implementation of Plan

No project redevelopment contract or agreement between the Agency and the Redeveloper will be entered into until the Redeveloper has provided evidence of a financing commitment from a recognized financial institution acceptable to the Agency for financing of the Redeveloper's costs.

The redeveloper will acquire the Project Site and install the infrastructure, only upon receipt of a grant from the David City Community Development Agency in the maximum amount determined to be amortized by the pledge of an annual increment of ad valorem taxes for the years 2015, 2016, 2017, 2018, 2019, 2020 and 2021 and continuing for each such year for 15 years and assuming the construction of six duplexes in 2015 and single family residences pursuant to the redevelopers estimated construction schedule and pricing.

Description of Redevelopment Project

The Redeveloper intends to develop a residential subdivision and construct six duplex (12 living units) and an estimated 42 single family homes in phases over a period of up to 6 years. Phase

one will result in the subdivision of Project site into single and two family residential lots and the construction of the six low income elderly residential rental duplexes. Phase two and subsequent phases will result in the actual construction of single family residences annually. The complete project is expected to take 7 years to fill with structures.

Site preparation for the initial phase(s) would begin upon redevelopment contract approval. Construction of infrastructure is expected to begin in the spring of 2015.

Duplex construction and additional residential development may begin in 2015 depending on market conditions.

The Redeveloper seeks assistance from the Community Development Agency of the City of David City (the "Agency") to overcome the site acquisition, site development, infrastructure and other expense. The level of assistance requested is a grant in the total amount of \$1,405,500.00 from the sale of a Tax Increment Revenue Bond (the "Tax Increment Revenue Bond") to be purchased by the Redeveloper in accordance with a redevelopment contract to be entered into between the Redeveloper and the Agency.

Plan of Finance

The Redeveloper is expected to request grant assistance from the Agency in the estimated amount of \$1,405,500.00 with such grant to be provided for from the issuance of the Tax Increment Revenue Bond to be issued by the Agency in the estimated amount of \$1,405,500.00. This amount may increase, depending on the cost of infrastructure installation. The incremental ad valorem tax revenue (the increase in real property taxes based upon the resulting increase in taxable valuation) for a period of up to fifteen years after a designated effective date of each phase would be pledged to pay debt service on the Tax Increment Revenue Bond. Such grant funding and application of incremental ad valorem tax revenues is expected to occur in phases as provided in the redevelopment contract. The Redeveloper is to have full responsibility for the purchasing of the Tax Increment Revenue Bond from the Agency. Any issuance of the Tax Increment Revenue Bond is to be upon the basis of a private placement with the purchaser signing and delivering an investment letter satisfactory in form to the Agency. The grant will be equal to the costs incurred by the Redeveloper for site acquisition and preparation and public infrastructure installation.

Description of Project Area

The Project Area is described on attached Exhibit "1".

The property shall be re subdivided into separate lots, and each development phase will occur on one or more lots, the incremental tax revenues from which will be dedicated to payment of the Tax Increment Revenue Bond. The tax increment revenues are to be allocated under the terms of Section 18-2147(1)(b) of the Act for those tax years for which the payments become delinquent within fifteen (15) years from the effective date as set forth in the redevelopment contract and annual amendments thereto. The effective date shall be, as to each phase the January 1, of the year following the issuance of a building permit as to an individual lot and, if taxes are received by the Butler County Treasurer on or before December 31, of the 14th year after such effective date those such taxes as falling due on said December 31, shall also be allocated to the Agency and applied to payment of principal and interest on the Tax Increment Revenue Bond. The effective date for such allocations for each phase shall be set forth in or determined pursuant to the project redevelopment contract and annual amendments thereto and/or the bond resolution authorizing the issuance of the Tax Increment Revenue Bond and noticed to the County Assessor of Butler County in accordance with the terms of Section 18-2147 of the Act as amended. Each phase may include not contiguous lots.

The real property ad valorem taxes on the current taxable valuation of the lot or lots associated with each phase of the Project for the year prior to redevelopment of such phase in accordance with this Plan and the Act will continue to be paid to the applicable taxing bodies in accordance with the terms of Section 18-2147 of the Act.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the lots within the Project Area for each phase shall be divided, for the period not to exceed 15 years after the effective date of the provision for each such phase as determined pursuant to the redevelopment contract. ***Such effective date under this Plan shall be the January 1 of the year following the issuance of a building permit on a lot or lots designated for such phase. Such effective date may be confirmed and restated in the resolution authorizing the Tax Increment Revenue Bond and/or in the project redevelopment contract amendment to be entered into between the Agency and the Redeveloper.***

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is to be pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed or otherwise, by the Agency to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances or indebtedness.

The Tax Increment Revenue Bond shall be payable solely from the tax increment revenues available under Section 18-2147 and shall not otherwise constitute indebtedness of the Agency or the City.

Redevelopment Plan Complies with the Act:

The Community Development Law requires that a redevelopment plan and project consider and comply with a number of requirements. This Plan meets the statutory qualifications as set forth below.

1. The project must be in an area declared blighted and substandard. [Section 18-2109]

The Project Area has been declared blighted and substandard by action of the Mayor and Council of the City prior to the adoption and approval of this Plan. [Section 18-2109] Such declaration is required to be made after a public hearing with full compliance with the public notice requirements of Section 18-2115 of the Act. Approval occurred at a meeting of the Mayor and City Council of the City held on December 29, 2014.

2. Conformance to the general plan for the municipality as a whole. [Section 18-2103(13)(a) and Section 18-2110]

The City of David City has adopted a Comprehensive Plan Amendment on December 29, 2014, (the "Comprehensive Plan"). This Plan and the project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended or required.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [Section 18-2103(13)(b) and Section 18-2111]

a. Land Acquisition: The Project Area will be acquired by the Redeveloper, by private purchase.

b. Demolition and Removal of Structures: The project to be implemented under this Plan does not require removal of any structures. Elevations and street, water main and sewer plans will be provided to the City Planning Department for approval prior to commencement of construction.

c. Future Land Use Plan: See attached Exhibit "3" for the proposed development land use. [Section 18-2103(b) and Section 18-2111 of the Act] The attached Exhibit "3" also shows an accurate site plan of the area after redevelopment, showing the proposed uses projected for the Redevelopment Project. [Section 18-2111(3) and (5) of the Act].

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes. The area is zoned R-2. The proposed street layouts are shown on Exhibit "3". Streets within the project boundaries will be dedicated to the City. No changes are anticipated in building codes or ordinances. Re-platting is contemplated. [Section 18-2103(b) and Section 18-2111 of the Act].

e. Site Coverage and Intensity of Use. The project as fully developed will provide a 48 residential lot subdivision. [Section 18-2103(b) and §18-2111 of the Act]. Each single family residence is planned to exceed 1,000 square feet, with the six duplex structures averaging approximately 2600 square feet each.

f. Additional Public Facilities or Utilities. Water, storm and sanitary sewer connections to the city mains will be required. The Redeveloper intends to use the grant from the sale of the Tax Increment Revenue Bond to pay for such infrastructure [Section 18-2103(b) and Section 18-2111 of the Act].

4. The Act requires that a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. There are no residents or operating businesses currently located in the Project Area and no relocation requirements apply or are contemplated. [Section 18-2103.02 of the Act].

5. Conflicts of interest by an Agency member must be disclosed. No member of the governing body of the Agency nor any employee of the City or the Agency holds any interest in any property located in the Project Area. [Section 18-2106 of the Act].

6. The Act requires that the Agency consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers. The Redeveloper will acquire the property located in the Project Area using grant funds from the Tax Increment Revenue Bond. The Agency may enter into a project redevelopment contract with the Redeveloper having such undertakings as the Agency determines appropriate [Section 18-2119(2) of the Act]. Because all of the real property within the Project Area will be privately owned the requirements of Section 18-2118 of the Act relating to transfers of property by the Agency do not apply. The Redeveloper intends, but is not contractually bound, to redevelop the Project Area with an investment of up to \$11,000,000 of funds from grant proceeds and private resources as described in this Plan including bank or other financing.

b. Statement of proposed method of financing the redevelopment project.

This plan contemplates that the Agency may issue its Tax Increment Revenue Bond in the amount of \$1,405,500 to provide a grant from the Agency to the Redeveloper to bear interest at a rate to be determined by the Redeveloper. The Tax Increment Revenue Bond shall be privately placed with the Redeveloper or its assignee, to obtain the proceeds needed to make the grant. Application of the proceeds of the Tax Increment Revenue Bond will be supervised by or on behalf of the Agency. The Tax Increment Revenue Bond shall be repaid from the tax increment revenues generated from the Project Area from and after January 1, 2016 through that December 31 which represents the day immediately preceding the fifteenth anniversary of the effective date as to each phase of development as set forth in the project redevelopment contract and amendments thereto.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan [Section 18-2114 of the Act].

7. Statutory considerations prior to recommending a redevelopment plan. Section 18-2113 of the Act requires that the governing body of an Agency observe certain considerations prior to recommending a Plan: In connection with the adoption of this Plan and prior to recommending it to the Mayor and City Council, the governing body of the Agency shall consider

whether the proposed land uses and building requirements in the redevelopment project area (as to this Plan, the Project Area) are designed with the general purpose of accomplishing, in conformance with the general plan (the City's Comprehensive Plan), a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight. The Agency shall undertake to make such considerations and findings prior to its recommending of this Plan by a resolution separate from this Plan.

8. Cost Benefit Analysis. This Plan when presented for recommendation and approval shall be accompanied by a cost benefit analysis. Such analysis is as follows:

a. Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147:

Possible increase student load for the school system could result from the project development. However, implementation of the full project will take a number of years. Phase 1 of the project will not result in an influx of students. Any increase will be spread over the entire class range provided by the David City School District.

b. Public infrastructure and public service needs:

The plan requires the redeveloper to pay for and install all infrastructure related to the project.

c. Impacts on employers and employees within the project area:

None exist. Therefor no impact is expected.

d. Impacts on employers and employees in the city, but not in the project area:

The construction of the facility will increase temporarily employment through the construction process. The additional housing resulting from the project may have the effect of providing an additional employee pool for employers.

e. Other impacts:

No significant negative additional impacts are anticipated. However the project will invite population growth with its attendant spending and investment in the community.

[Section 18-2113 (2) of the Act].

9. Time Frame for Development. Development of the Project Area is anticipated begin during the spring of 2015 with initial occupancy of the earliest properties developed in the first quarter of 2016. The base tax year for Phase one is expected to be calculated on the value of the property as of January 1, 2015.

Exhibit "1"

A tract of land located in the N 1/2 of the NW 1/4 of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, more particularly described as follows:
Commencing at the northwest corner, N 1/2, NW 1/4 of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, and assuming the north line of said N 1/2, NW 1/4 to have a bearing of N 90°00'00" E; thence N 90°00'00" E, and on said north line, 152.97 feet, to the point of beginning; thence N 90°00'00" E, on said north line, 600.08 feet; thence S 00°57'20" E parallel with the east lines of Larry J. Sabata, 1st and 2nd Additions, 1149.66 feet, to a point on the south line of L Street as extended east; thence S 89°57'16" W on said south line of L Street, 600.05 feet, to the east line of Larry J. Sabata, 1st Addition to the City of David City, Butler County, Nebraska; thence N 00°57'20" W on said east line, 599.09 feet, to the northeast corner of said Addition; thence N 00°57'20" W on the east line of Larry J. Sabata, 2nd Addition to the City of David City, Butler County, Nebraska, 551.05 feet, to the point of beginning, said tract containing 15.84 acres, more or less.

Exhibit 2 – Site Survey

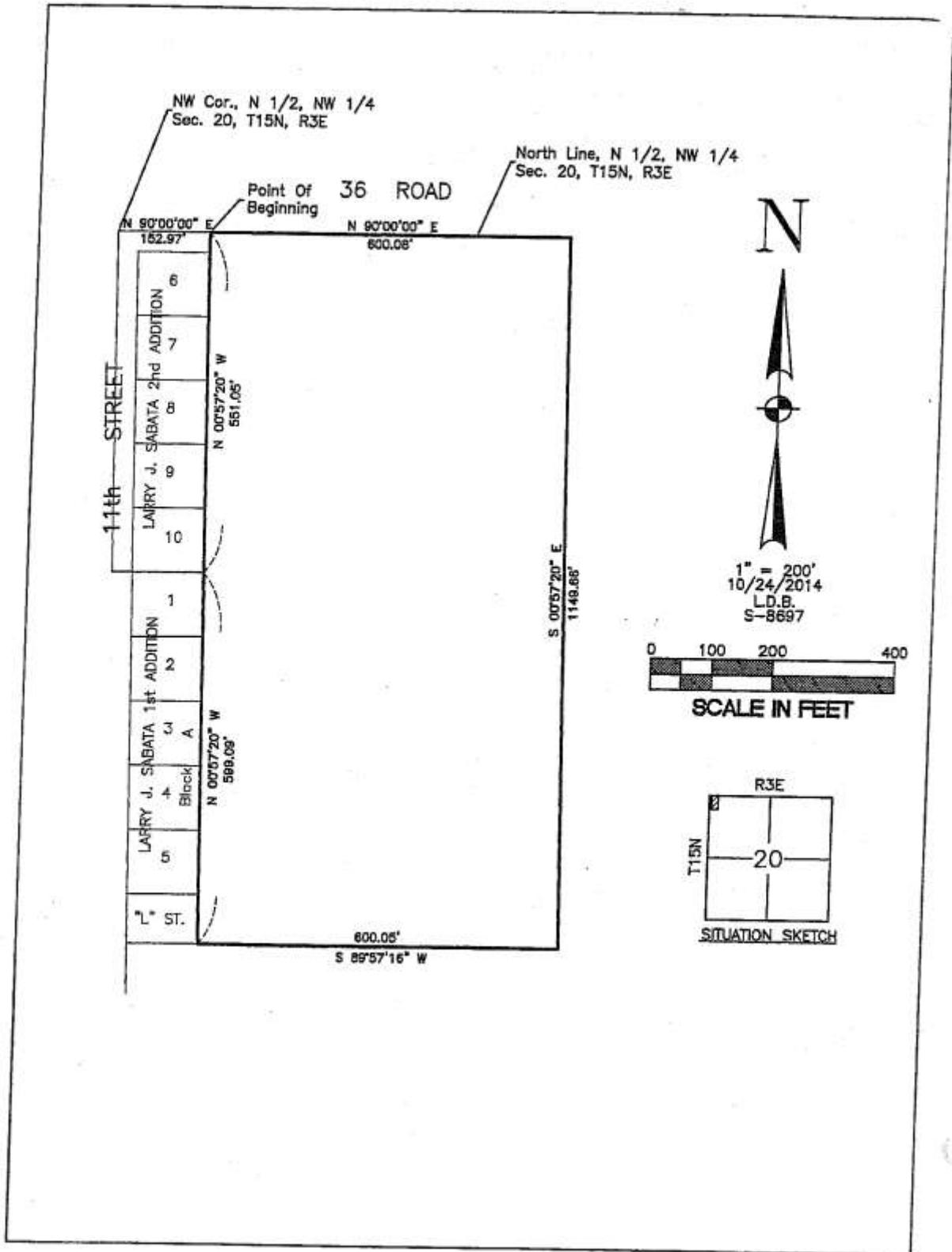
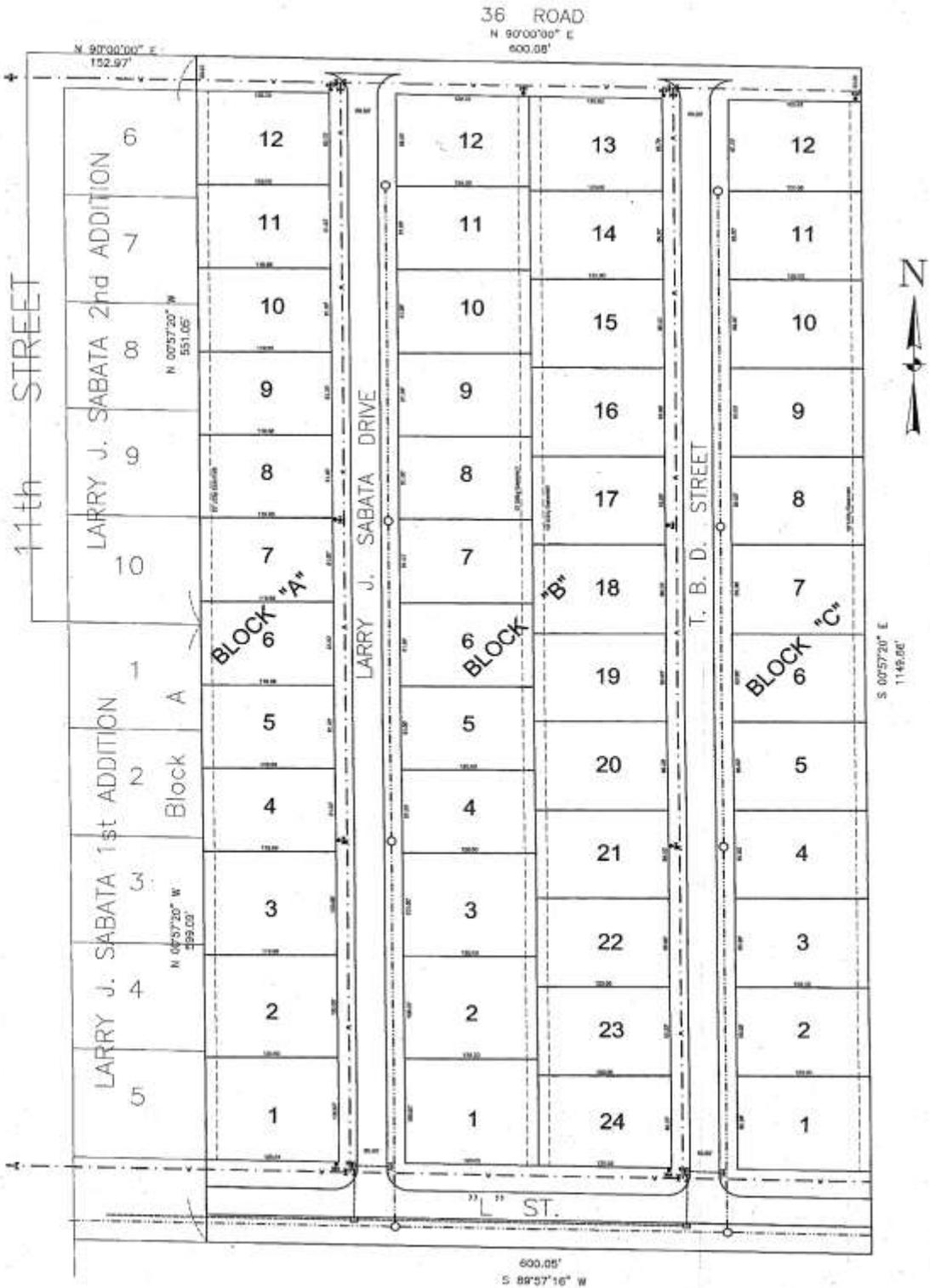


Exhibit "3"



Mayor Zavodny declared the recessed City Council meeting back in session.

Mayor Zavodny declared the public hearing open at 6:42 p.m. to consider Dana Point Development Corporation Redevelopment Plan for the real estate described as follows: A tract of land located in the N 1/2 of the NW 1/4 of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, more particularly described as follows: Commencing at the northwest corner, N 1/2, NW 1/4 of Section 20, T15N, R3E of the 6th P.M., Butler County, Nebraska, and assuming the north line of said N 1/2, NW 1/4 to have a bearing of N 90°00'00" E; thence N 90°00'00" E, and on said north line, 152.97 feet, to the point of beginning; thence N 90°00'00" E, on said north line, 600.08 feet; thence S 00°57'20" E parallel with the east lines of Larry J. Sabata, 1st and 2nd Additions, 1149.66 feet, to a point on the south line of L Street as extended east; thence S 89°57'16" W on said south line of L Street, 600.05 feet, to the east line of Larry J. Sabata, 1st Addition to the City of David City, Butler County, Nebraska; thence N 00°57'20" W on said east line, 599.09 feet, to the northeast corner of said Addition; thence N 00°57'20" W on the east line of Larry J. Sabata, 2nd Addition to the City of David City, Butler County, Nebraska, 551.05 feet, to the point of beginning, said tract containing 15.84 acres, more or less.

Mayor Zavodny declared the public hearing closed at 6:42 p.m.

Council member Kroesing introduced Resolution No. 2-2015 and moved for its passage and adoption. Council member Hotovy seconded the motion. Voting AYE: Council members Kroesing, Kobus, Vandenberg, Hotovy and Smith. Voting NAY: None. Council member Rogers was absent. The motion carried and Resolution No. 2-2015 was passed and adopted as follows:

RESOLUTION NO. 2 - 2015

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA APPROVING A REDEVELOPMENT PLAN; AND RELATED MATTERS

WHEREAS, the City of David City, Nebraska, a municipal corporation and city of the second class (the "**City**"), has determined it to be desirable to undertake and carry out urban redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment; and

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

WHEREAS, the City has previously declared the area legally described in **Exhibit 1** attached hereto (the "**Redevelopment Area**") to be blighted and substandard and in need of redevelopment pursuant to the Act; and

WHEREAS, the Community Development Agency of the City of David City, Nebraska (the "**Agency**") has prepared or caused to be prepared a Redevelopment Plan, (the "**Redevelopment Plan**"), in the form attached hereto as **Exhibit 1**, for the redevelopment of the Redevelopment Area legally described on **Exhibit 1** (the "**Project Area**"); and

WHEREAS, the Agency and the Planning Commission of the City (the "**Planning Commission**") have both reviewed the Redevelopment Plan and recommended its approval by the Mayor and Council of the City; and

WHEREAS, the City published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan pursuant to Section 18-2115 of the Act, and has on the date of this Resolution held a public hearing on the proposal to approve the Redevelopment Plan; and

WHEREAS, the City has reviewed the Redevelopment Plan and determined that the proposed land uses and building requirements described therein are designed with the general purpose of accomplishing 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 in 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 provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. The Redevelopment Plan is hereby determined to be feasible and in conformity with the general plan for the development of the City as a whole, and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act; and it is hereby found and determined, based on the analysis conducted by the Agency, that (a) the redevelopment project described in the Redevelopment Plan would not be economically feasible without the Project Area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the City, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project. The City acknowledges receipt of notice of intent to enter into the redevelopment contract included within the Redevelopment Plan in accordance with Section 18-2119 of the Act, and the recommendations of the Agency and the Planning Commission with respect to the Redevelopment Plan.

Section 2. The Redevelopment Plan is hereby approved in substantially the form attached hereto, with such immaterial changes, additions, or deletions thereto as may be determined to be necessary by the Mayor in his sole and absolute discretion. The Agency is hereby authorized and directed to implement the Redevelopment Plan.

Section 3. In accordance with Section 18-2147 of the Act, the City hereby provides that any ad valorem tax on real property in the Project Area for the benefit of any public body be divided for a period of 15 years after the effective date of the provision set forth in Section 18-2147 of the Act, which effective date(s) shall be established in the bond resolution authorizing the issuance of a bond as described in the Redevelopment Plan or as provided in a project redevelopment contract and annual amendments thereto. Said taxes shall be divided as follows:

- (a) That proportion 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 (as defined in the Act) 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 proportion of the ad valorem tax on real property in the Project Area in excess of such amount (the Redevelopment Project Valuation), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Agency to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, the Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in the Project Area shall be paid into the funds of the respective public bodies.

Section 4. The Mayor and Clerk are hereby authorized and directed to execute such documents and take such further actions as are necessary to carry out the purposes and intent of this Resolution and the Redevelopment Plan.

PASSED AND APPROVED this 26th Day of January, 2015.

CITY OF DAVID CITY, NEBRASKA

ATTEST:

By: _____
Mayor Alan Zavodny

By: _____
Deputy City Clerk Tami L. Comte

[S E A L]

Mayor Zavodny declared the City Council meeting recessed and reconvened the meeting as the Community Development Agency of the City of David City.

Community Development Agency member Hotovy introduced Resolution No. 2-2015CDA providing for the issuance of a tax increment revenue bond for the Dana Point Development Corporation project and to authorize the execution of a redevelopment contract. Community Development Agency member John Vandenberg seconded the motion. Voting AYE: Community Development Agency members Kroesing, Kobus, Vandenberg, Hotovy and Smith. Voting NAY: None. Community Development Agency member Rogers was absent. The motion carried and Resolution No. 2-2015CDA was passed and adopted as follows:

RESOLUTION NO. 2 – 2015 CDA

A RESOLUTION OF THE CITY OF DAVID CITY, NEBRASKA, ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, ACTING AS THE GOVERNING BODY OF THE COMMUNITY DEVELOPMENT AGENCY OF SAID CITY; AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A TAX INCREMENT REVENUE BOND, NOTE OR OTHER OBLIGATION; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BOND, NOTE OR OTHER OBLIGATION; PLEDGING CERTAIN REVENUES OF THE AGENCY PURSUANT TO THE COMMUNITY DEVELOPMENT LAW; AUTHORIZING THE SALE OF SAID BOND, NOTE OR OTHER OBLIGATION; PROVIDING FOR A GRANT OF THE PROCEEDS OF SAID BOND, NOTE OR OTHER OBLIGATION; PROVIDING FOR THE TERMS AND THE SALE OF THE BOND, NOTE OR OTHER OBLIGATION; PROVIDING FOR PREPAYMENT OF SAID BOND, NOTE OR OTHER OBLIGATION; PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE BOND, NOTE OR OTHER OBLIGATION; PLEDGING CERTAIN TAX REVENUE AND OTHER REVENUE TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND, NOTE OR OTHER OBLIGATION AS THE SAME BECOME DUE; LIMITING PAYMENT OF THE BOND, NOTE OR OTHER OBLIGATION TO SUCH TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; DELEGATING, AUTHORIZING AND DIRECTING THE TREASURER OF THE AGENCY TO EXERCISE HER 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 Mayor and Council of the City of David City, Nebraska, acting as the governing body of the Community Development Agency of the City of David City, Nebraska, as follows:

Section 1. The Mayor and Council of the City of David City, Nebraska (the "City") hereby find and determine (a) that The Community Development Agency of the City of David City, 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 "REDEVELOPMENT PLAN DANA POINT DEVELOPMENT CORPORATION HOUSING PROJECT" (the "Plan") for the redevelopment of the real estate described in the Plan as the "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; (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 the 26th day of January, 2015, 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 Banner Press* on January 8, 2015, and January 13, 2015, and, after such hearing, the Mayor and Council gave their approval to the Plan; (f) that the Plan, among other things, calls for the redevelopment of the Redevelopment Project Area by the acquisition and subdivision of undeveloped and vacant land and construction of related improvements including site preparation

and infill and related street, storm and sanitary sewers, water lines and other utility extensions and parking facilities (all as described in the Plan, the "Project"); (g) that Dana Point Development Corporation, a Nebraska corporation (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 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 an agreement entitled "Redevelopment Contract" (as approved in Section 13 of this Resolution and incorporated by reference herein) and under the terms of the Redevelopment Contract, the Agency agrees to assist the Redeveloper with grant assistance to pay part of the cost of the Project and for such purpose it is necessary for the Agency to authorize the issuance and sale of its tax increment revenue bond, with principal purchase price to be paid by the Redeveloper 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 bond 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 Redevelopment 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 Bond, the Agency shall issue the Bond in a principal amount not to exceed \$1,500,000. The Bond shall be designated as "Tax Increment Development Revenue Bond of the City of David City, Nebraska (Dana Point Redevelopment)," shall have an appropriate series designation as determined by the Treasurer of the Agency (the "Agent"), shall be dated the date the Bond 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, 2036, and shall bear interest (computed on the basis of a 360-day year consisting of twelve, 30-day months) at an annual rate of six and one half percent (6.5%). The Bond shall be issued as a single Bond as further described below. 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 Bond, together with the interest thereon, is 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 of or interest on the Bond be payable from any source other than the Revenue and other money pledged under this Resolution. The Bond does 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 Bond by reason of its issuance. The validity of the Bond is 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 Bond, and shall be used for no other purpose than to pay the principal of or interest on the Bond, except as may be otherwise expressly authorized in this Resolution. The Bond 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 Bond 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 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 her capacity as registrar and paying agent for the Bond). The Bond shall be issued as a single Bond.

Proceeds of the Bond may be advanced and disbursed in the manner set forth below:

(a) There shall be submitted to the Agency a grant disbursement request (the "Disbursement Request"), executed by the City's Clerk and an authorized representative of the Redeveloper, (i) certifying that a portion of the Project has been substantially completed and (ii) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

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

(c) Upon notification from the Agency as described in Section 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 Bond (if other than the Redeveloper) in the amounts necessary to pay amounts requested in properly completed, signed and approved written Disbursement Requests as described herein. Such amounts shall be proceeds of the Bond and the 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 Bond, the Agency shall make a grant to Redeveloper in the amount of the approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Bond. The Registrar shall keep and maintain a record of the amounts deposited into the Project Fund from Bond proceeds pursuant to the terms of this Resolution as "Principal Amount Advanced" and shall enter the aggregate principal amount then Outstanding as the "Cumulative Outstanding Principal Amount" on its records maintained for the Bond. The aggregate amount deposited into the Project Fund from proceeds of the Bond shall not exceed \$1,500,000.

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

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

Interest on the Cumulative Outstanding Principal Amount of the Bond from the Date of Original Issue or the most recent Interest Payment Date to which interest has been paid or duly provided for on each respective series, is payable on each Interest Payment Date until the principal of the Bond has been paid, whether at maturity or upon earlier redemption; provided, however, if any interest on the Bond is in default, such Bond shall bear interest from the date to which interest has been paid.

Both the principal of and interest on the Bond 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. Payments of interest on the Bond due prior to maturity or earlier redemption and payment of any principal upon redemption price to maturity shall be made by check mailed by the Registrar on each Interest Payment Date to the owners, at the owners' address as it appears on the books of registry maintained by the Registrar on the Record Date. The principal of the Bond and the interest thereon due at maturity or upon earlier redemption shall be payable upon presentation and surrender of the Bond to the Registrar. When any portion of the Bond shall have been duly called for redemption and payment thereof duly made or provided for, interest thereon shall cease on the principal amount of such Bond so redeemed from and after the date of redemption thereof.

In the event that payments of interest due on the Bond on an Interest Payment Date are not timely made, such interest shall cease to be payable to the owner thereof as of the Record Date for such Interest Payment Date and shall be payable to the owner as of a special record date for payment of defaulted interest to be designated by the Registrar whenever money for the purpose of paying such defaulted interest becomes available.

The Bond shall be executed by the manual signatures of the Mayor 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 Bond shall cease to be such officer before the delivery of such Bond, 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 Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond 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 Bond, which shall be not later than December 31, 2036, (3) the initial Interest Payment Date and (4) any other term of the Bond 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 Bond shall be issued 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 Bond shall be issued in fully registered form. The Agent is hereby designated as paying agent and registrar for the Bond (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 interest due on each interest 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 interest payment date occurs (the "Record Date"), subject to the provisions of Section 4 hereof. Payments of interest due on the Bond, 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 due for interest on the Bond to the registered owner of the Bond, as of the Record Date for such interest 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 David City, Nebraska. The Agency and the Agent may treat the registered owner of the Bond as the absolute owner of the Bond 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 Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of the Bond 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 Bond or claims for interest 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 Bond at the Agency's offices at City Hall in David City, Nebraska. The name and registered address of the registered owner of the Bond (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 Bond may be registered only upon the books kept for the registration and registration of transfer of the Bond 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 Bond 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 Bond 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 Bond 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 Bond during any period from any Record Date until its immediately following interest payment date or to transfer the Bond 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. In the event that payments of interest due on the Bond on any interest payment date are not timely made, such interest shall cease to be payable to the registered owner as of the Record Date for such interest payment date and shall be payable to the registered owner of the Bond as of a special date of record for payment of such defaulted interest as shall be designated by the Agency whenever monies for the purpose of paying such defaulted interest become available.

Section 5. At any time, the Agency shall have the option of prepaying in whole or in part principal of the Bond. Any such optional prepayment of principal shall be accompanied by an amount equal to all accrued but unpaid interest on the principal amount being prepaid. Notice of any optional redemption for the Bond 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 Bond 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 Bond shall be cancelled. The determination of the amount and timing of any optional redemption of the Bond 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 Bond 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 Bond.

Section 6. The 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 THE CITY OF DAVID
CITY, NEBRASKA.

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF BUTLER

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF DAVID CITY, NEBRASKA

TAX INCREMENT DEVELOPMENT REVENUE BOND
(DANA POINT REDEVELOPMENT PROJECT), SERIES 2015

No. R-1

Up to \$1,500,000.00
(subject to reduction as described herein)

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2036*	6.5%

REGISTERED OWNER:

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

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

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

COMMUNITY DEVELOPMENT AGENCY OF
THE CITY OF DAVID CITY, NEBRASKA

[S E A L]

By: _____ (manual signature)
Mayor

By: _____ (manual signature)
Clerk

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

The **COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF DAVID CITY, 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 David City, Nebraska (the “**Registrar**”), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in **Schedule 1** at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve, 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on June 1 and December 1 of each year until payment in full of such Principal Amount, beginning June 1, 2017, by check or draft mailed to the Registered Owner hereof as shown on the bond registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable interest payment date occurs, at such Owner’s address as it appears on such bond registration books. The principal of this Bond and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Bond is issued by the Agency under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. 2-2015CDA duly passed and adopted by the Agency on January 26, 2015, 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 \$1,500,000.

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

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

The principal of and interest hereon shall not be payable from the general funds of the City nor the Agency nor shall this Bond constitute a legal or equitable pledge, charge, lien, security

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

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

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

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

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

date fixed for redemption shall be held for the purpose of such payment by the Registrar, interest shall cease to accrue and become payable hereon from and after the redemption date.

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

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

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

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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: _____

[The remainder of this page intentionally left blank]

Section 7. Pursuant to the provisions of Section 18-2147, R.R.S. Neb. 2012, and the terms of the Redevelopment Contract, effective dates for each Phase of the Project are to be determined by amendment to the Redevelopment Contract, and such effective date(s) are hereby confirmed (as determined pursuant to and set forth in the Redevelopment Contract, as amended) as the effective date(s) after which 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 date(s) 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 16. below) to be held by the Agent. The Agency hereby pledges for the payment of the Bond both principal and interest 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 Bond 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 and interest on the Bond 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. As effective date(s) are determined pursuant to the terms of the Redevelopment Contract (and amendments), the Agency's Secretary (the City Clerk) is hereby authorized and directed to give notice to the County Assessor and Treasurer of the provision of the Redevelopment Contract (and amendments) for dividing ad valorem taxes in accordance with the requirements of subdivision (3) of Section 18-2147, R.R.S. 2012.

Section 8. The Bond shall be executed on behalf of the Agency by the Mayor and City Clerk. Upon execution of the Bond and compliance with all other provisions of this Resolution and the Redevelopment Contract, the Bond shall be registered by the Agent in the name of the Redeveloper 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 Bond 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 9. If the date for payment of the interest or principal on the Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of David City, 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 10. 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 Bond one of which copies shall be delivered to the City and held in its records pertaining to the Agency.

Section 11. The Mayor 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 12. The authorization for the Bond 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 Bond is being issued with the understanding that the Redeveloper is the initial purchaser of the Bond and any pledgee of the Redeveloper accepts and understands the risks related thereto.

Section 13. 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 David City and such contract proposal shall be executed and delivered by the Agency. The Mayor (or in his absence, the President of the Council), acting as the Agency's chairperson (or Vice-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 14. 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 15. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Agency hereby (a) authorizes and directs the Mayor, 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 Bond. 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 16. 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 "Dana Point 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 Interest Payment Date (i) to make any payments to the City or the Agency as may be required under the Redevelopment Contract and (ii) to pay principal of or interest on the Bond to the extent of any money then remaining the Bond Fund on such Interest Payment Date. Money in the Bond Fund shall be used solely for the purposes described in this Section 16. All Revenues received through and including December 31, 2036 shall be used solely for the payments required by this Section 16; and

(b) a special trust fund called the "Dana Point Redevelopment Project Fund" (the "Project Fund") The Agency shall disburse any money on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for the Project Costs in each case within 5 Business Days after completion of the steps set forth 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 , or any interest thereon, 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 17. 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 18. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bond is intended or should be construed to confer upon or give to any person other than the Agency and the owner of the Bond 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 Bond as herein and therein provided.

Section 19. No officer or employee of the Agency shall be individually or personally liable for the payment of the principal of or interest on the Bond. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 20. 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 21. 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 22. This Resolution shall take effect and be in full force from and after its passage by the Council and approval by the Mayor, acting as the Community Development Agency of the City.

Section 23. This Resolution shall be in force and take effect from and after its adoption as provided by law.

Passed and approved this 26th day of January, 2015.

(SEAL)

Mayor Alan Zavodny

ATTEST:

Deputy City Clerk Tami L. Comte

Community Development Agency member John Vandenberg made a motion to adjourn the Community Development Agency meeting. Community Development Agency member Kevin Hotovy seconded the motion. Voting AYE: Community Development Agency members Vandenberg, Hotovy, Smith, Kroesing and Kobus. Voting NAY: None. Community Development Agency member Rogers was absent. The Community Development Agency adjourned at 6:49 p.m.

Mayor Zavondy declared the recessed City Council meeting back in session.

Council member Vandenberg made a motion to adjourn. Council member Kobus seconded the motion. Voting AYE: Council members Hotovy, Kobus, Kroesing, Vandenberg and Smith. Voting NAY: None. Council member Rogers was absent. The motion carried and Mayor Zavodny declared the meeting adjourned at 6:50 p.m.



CERTIFICATION OF MINUTES
January 26, 2015

I, Tami L. Comte, duly qualified and acting Deputy City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of January 26th, 2015; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Tami L. Comte, Deputy City Clerk