

RESOLUTION NO. 05-10

RESOLUTION OF THE CITY OF CENTRAL CITY, NEBRASKA, APPROVING AN AMENDMENT TO A REDEVELOPMENT PLAN FOR THE CITY AND AGREEING TO THE PLEDGE OF TAXES IN A REDEVELOPMENT AREA FOR THE BENEFIT OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF CENTRAL CITY (MERRICK COUNTY ECONOMIC DEVELOPMENT CORPORATION PROJECT).

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

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 1997, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

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

WHEREAS, the Authority published notice inviting proposals for redevelopment of the Redevelopment Area and received proposals from the Merrick County Economic Development Corporation ("Redeveloper"); and

WHEREAS, following completion of a cost benefit analysis, the Community Redevelopment Authority of the City of Central City, Nebraska (the "Authority"), has prepared a Redevelopment Plan ("Redevelopment Plan") pursuant to Section 18-2111 of the Act, including specific Projects to be completed by Redeveloper as described in the Redevelopment Contract ("Redevelopment Contract") attached hereto as Exhibit B (the "Project") and recommended the Redevelopment Plan to the Planning Commission of the City; and

WHEREAS, the Planning Commission of the City reviewed the Redevelopment Plan on April 4, 2005 pursuant to the Act and submitted its recommendations, if any, to the City, pursuant to Section 18-2114 of the Act; and

WHEREAS, there has been presented to the City by the Authority for approval the Redevelopment Plan, including the Project and the Redevelopment Contract, together with the cost benefit analysis completed by the Authority and the findings of the Authority; and

WHEREAS, the City published notices of a public hearing and mailed notices as required pursuant to Section 18-2115 of the Act and has, on the date of this Resolution held a public hearing on the proposal to amend the Redevelopment Plan to include the Project described on the attached Exhibit B;

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

1. The Redevelopment Plan of the City for the area described on the attached Exhibit A, including the Projects legally described on the attached Exhibit B, are hereby determined to be feasible and in conformity with the general plan for the development of the City of Central City as a whole and the Redevelopment Plan, including the Redevelopment Projects identified on the attached Exhibit B, are 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 Authority, that (a) the redevelopment projects in the plan would not be economically feasible without the use of tax-increment financing, (b) the redevelopment projects would not occur in the community redevelopment area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment projects, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the 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 in accordance with Section 18-2119 of the Act and of the recommendations of the Authority and the Planning Commission with respect to the Redevelopment Contract;

2. The Redevelopment Plan, including the Projects and the Redevelopment Contracts, are hereby approved, and the Authority is hereby directed to implement the Redevelopment Plan in accordance with the Act; provided, however, and notwithstanding any provision herein to the contrary, the Redevelopment Plan shall not be implemented until the real property in the Redevelopment Area, including the Projects, are within the corporate boundaries of the City.

3. Pursuant to Section 18-2147 of the Act, and subject to Section 2 of this Resolution, ad valorem taxes levied upon real property in the Projects included or authorized in the Plan which are legally described in the attached Exhibit B shall be divided, for a period not to exceed 15 years after the effective date of this provision, which effective date shall be July 1, 2005 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 in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Projects. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Project shall be paid into the funds of the respective public bodies.

c. The Mayor and City Clerk are authorized and directed to execute and file with the Treasurer and Assessor of Merrick County, Nebraska, an Allocation Agreement and Notice of Pledge of Taxes with respect to the Projects.

4. The City hereby finds and determines that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purposes of accomplishing, in accordance with the general plan for development of the City, a coordinated, adjusted and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity; and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of a healthful and convenient distribution of population, the provision of

adequate transportation, water, sewerage, and other public utilities, schools, parks, recreation 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.

5. The Mayor and City Clerk are hereby authorized and directed to execute such documents and take such actions as are necessary to carry out the purposes of this Resolution.

Passed and approved this 9th day of May, 2005.

CITY OF CENTRAL CITY, NEBRASKA

Clayton Erickson, Mayor

Attest:

David Rish, City Clerk

EXHIBIT A

Redevelopment Area

A tract of land beginning at the centerpoint of the intersection of 14th Avenue and 17th Street in the City of Central City, Nebraska, thence eastward along the centerline of 17th Street to a point 160 feet east of the east right-of-way line of 10th Avenue, thence southward along said corporate limit line a distance of 650 feet, thence westward a distance of 160 feet to the east right-of-way line of 10th Avenue, thence southward to a point that is 450 feet south of the south right-of-way line of 20th Street, thence westward a distance of 1,240 feet, thence northward a distance of 570 feet, thence westward a distance of 260 feet to a point which is an extension of 14th Avenue, thence northward along the centerline of 14th Avenue to the point of beginning.

A tract of land beginning at the northeastern corner of the corporate limits and following such limits southward along the eastern limits of town; continuing west at the point where the corporate limits turn south approximately on the alley between 16th and 17th Streets; continuing west along said alley to the west line of 14th Avenue; thence north along said line and street to the alley between 16th and 15th Streets; continuing west along said alley to the west line of 17th Avenue (Highway 14); continuing north along the west line of 17th Avenue to the intersection with the south line of 10th Street; thence west to the junction with the west line of 18th Avenue; continuing north along said line and street (which eventually becomes the corporate city limit) to the point at which the corporate city limit line turns 90 degrees to the east; continuing along the corporate city limit boundary to the point of the beginning.

EXHIBIT B

Redevelopment Contracts

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the ___ day of ___, 2005, by and between the Community Redevelopment Authority of the City of Central City, Nebraska (“Authority”), and the Merrick County Economic Development Corporation (“Redeveloper”) for MCEDC Project #1.

WITNESSETH:

WHEREAS, Authority is a duly organized and existing community redevelopment authority, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Redevelopment Contract, acting by and through its Chair or Vice Chair and Members; and

WHEREAS, the City of Central City, Nebraska (“City”), in furtherance of the purposes and pursuant to the provisions of Section 2 of Article VIII of the Nebraska Constitution and Section 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 1997, as amended (collectively the “Act”), and pursuant to City Resolution, has designated an area in the City as blighted and substandard; and

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

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract for acquisition and redevelopment of a parcel in the blighted and substandard area.

NOW, THEREFORE, in consideration of the Redevelopment Area and the mutual covenants and agreements herein set forth, Authority and Redeveloper do hereby covenant, agree and bind themselves as follows:

Section 1) Representations of Authority

a) Authority is a duly organized and validly existing community redevelopment authority under the Act.

b) The Redevelopment Plan has been duly approved and adopted by the City pursuant to Section 18-2109 through 18-2117 of the Act, and is hereby approved by the Authority.

c) The Authority has requested proposals for redevelopment of the Redevelopment Area pursuant to Section 18-2119 of the Act, and deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

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

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

f) The Project would not be economically feasible without the use of Tax Increment Financing.

g) The Project would not occur in the Redevelopment Area without the use of Tax Increment Financing.

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

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

Section 2) Representations of Redeveloper

a) The Redeveloper is a Nebraska Corporation, having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract.

b) The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance or any nature upon any of the property or assets of the Redeveloper contrary to the terms of any instrument or agreement.

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

d) Any financial statements of the Redeveloper or its Members delivered to the Authority prior to the date hereof are true and correct in all respects and fairly present the financial condition of the Redeveloper and the Project as of the dates thereof; no materially adverse change has occurred in the financial condition reflected therein since the respective dates thereof; and no additional borrowings have been made by the Redeveloper since the date thereof except in the ordinary course of business, other than the borrowing contemplated hereby or borrowings disclosed to or approved by the Authority.

Section 3) Division of Taxes

In Accordance with Section 18-2147 of the Act, the Authority hereby provides that any ad valorem tax on real property in the Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in this section. The effective date of this provision shall be June 1, 2005.

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 by 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

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

Section 4) Issuance of TIF Indebtedness

Authority shall incur TIF indebtedness in the form and principal amount and bearing interest and being subject to such terms and conditions as are specified in this Redevelopment Contract. The TIF Indebtedness shall be issued as described in the resolution authorizing the issuance thereof and as described in the Contract. The Authority shall, from time to time and subject to the provisions of the Act, issue additional debt according to the terms of this Contract for the purpose of funding additional Project Costs, if projected TIF revenues are projected to be sufficient to pay principal and interest on such additional TIF indebtedness.

Section 5) Pledge of TIF Revenues

The Authority hereby pledges the TIF Revenues as security for the TIF indebtedness. All TIF Indebtedness issued pursuant to this Redevelopment Contract shall be secured on a parity basis.

Section 6) Grant of Proceeds of Loans

Authority will grant Redeveloper up to \$700,000 of the proceeds of the TIF Indebtedness incurred as described in this Contract. Funds will be made available according to the following schedule:

The Loan shall be issued in increments of \$50,000, as necessary to carry out the Contract. The initial Loan (Series 'A') shall be in the amount of \$250,000, shall bear an interest rate of 6%, and shall have an amortization schedule as follows:

July 1, 2006	\$26,896
Each July thereafter until July 1, 2019	\$26,896

Additional Loan shall be granted at a rate equal to the Federal Funds Rate, plus 3.25%, at the time of loan issuance. The term of the loan shall be equal payments

maturing on July 1, 2019. Each loan shall have consecutive series letters ('B', 'C', etc.) and shall be approved by a majority vote of the membership of the Authority.

A sum of \$100,000 shall be due and payable to the owner of the Series 'A' Loan, if available and on deposit with Authority from excess proceeds of the ad valorem pledge of taxes, as deferred interest, at the mutual consent and agreement of the Authority and owner of the Series 'A' Loan, at the final maturity of the Loan on July 1, 2019.

Section 7) Use of Proceeds of Loan

Redeveloper agrees to use the proceeds of the Loan for the purposes of infrastructure improvements, lot acquisition and the acquisition of dilapidated or substandard structures for the purpose of demolition. Redeveloper agrees to keep separate accounting of Loan proceeds, to not draw on Loan proceeds for any other purpose not listed above, and to provide an accounting of Loan proceeds at the request of Authority.

Section 8) Binding Effect: Amendment

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

Description of Redevelopment Area

A tract of land beginning at the centerpoint of the intersection of 14th Avenue and 17th Street in the City of Central City, Nebraska, thence eastward along the centerline of 17th Street to a point 160 feet east of the east right-of-way line of 10th Avenue, thence southward along said corporate limit line a distance of 650 feet, thence westward a distance of 160 feet to the east right-of-way line of 10th Avenue, thence southward to a point that is 450 feet south of the south right-of-way line of 20th Street, thence westward a distance of 1,240 feet, thence northward a distance of 570 feet, thence westward a distance of 260 feet to a point which is an extension of 14th Avenue, thence northward along the centerline of 14th Avenue to the point of beginning.

A tract of land beginning at the northeastern corner of the corporate limits and following such limits southward along the eastern limits of town; continuing west at the point where the corporate limits turn south approximately on the alley between 16th and 17th Streets; continuing west along said alley to the west line of 14th Avenue; thence north along said line and street to the alley between 16th and 15th Streets; continuing west along said alley to the west line of 17th Avenue

(Highway 14); continuing north along the west line of 17th Avenue to the intersection with the south line of 10th Street; thence west to the junction with the west line of 18th Avenue; continuing north along said line and street (which eventually becomes the corporate city limit) to the point at which the corporate city limit line turns 90 degrees to the east; continuing along the corporate city limit boundary to the point of the beginning.

Description of Project

Authority will provide up to \$700,000 to Redeveloper for the purposes of:

- 1) Acquiring vacant lots or land.
- 2) Compensating Redeveloper for the market value of East View Addition lots that will in turn be made available at no-cost to home developers or home purchasers.
- 3) Contributions to street paving projects, drainage improvements, utility improvements, or any other public infrastructure projects necessary to carry out the intent of the Redevelopment Contract.
- 4) Acquiring Dilapidated or Substandard housing with the intent of demolishing the structures and making the lots available for redevelopment.

Signed and Approved this __ day of __, 2005.

ATTEST:

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
CENTRAL CITY, NEBRASKA

Secretary

Chair

MERRICK COUNTY ECONOMIC
DEVELOPMENT CORPORATION
Redeveloper

By: _____
It's Vice-Chair and Acting Chair

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the ___ day of ___, 2005, by and between the Community Redevelopment Authority of the City of Central City, Nebraska (“Authority”), and the Merrick County Economic Development Corporation (“Redeveloper”) for MCEDC Project #2.

WITNESSETH:

WHEREAS, Authority is a duly organized and existing community redevelopment authority, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Redevelopment Contract, acting by and through its Chair or Vice Chair and Members; and

WHEREAS, the City of Central City, Nebraska (“City”), in furtherance of the purposes and pursuant to the provisions of Section 2 of Article VIII of the Nebraska Constitution and Section 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 1997, as amended (collectively the “Act”), and pursuant to City Resolution, has designated an area in the City as blighted and substandard; and

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

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract for acquisition and redevelopment of a parcel in the blighted and substandard area.

NOW, THEREFORE, in consideration of the Redevelopment Area and the mutual covenants and agreements herein set forth, Authority and Redeveloper do hereby covenant, agree and bind themselves as follows:

Section 1) Representations of Authority

a) Authority is a duly organized and validly existing community redevelopment authority under the Act.

b) The Redevelopment Plan has been duly approved and adopted by the City pursuant to Section 18-2109 through 18-2117 of the Act, and is hereby approved by the Authority.

c) The Authority has requested proposals for redevelopment of the Redevelopment Area pursuant to Section 18-2119 of the Act, and deems it to be in

the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

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

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

f) The Project would not be economically feasible without the use of Tax Increment Financing.

g) The Project would not occur in the Redevelopment Area without the use of Tax Increment Financing.

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

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

Section 2) Representations of Redeveloper

a) The Redeveloper is a Nebraska Corporation, having the power to enter into this Redevelopment Contract and perform all obligations contained herein and

by proper action has been duly authorized to execute and deliver this Redevelopment Contract.

b) The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance or any nature upon any of the property or assets of the Redeveloper contrary to the terms of any instrument or agreement.

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

d) Any financial statements of the Redeveloper or its Members delivered to the Authority prior to the date hereof are true and correct in all respects and fairly present the financial condition of the Redeveloper and the Project as of the dates thereof; no materially adverse change has occurred in the financial condition reflected therein since the respective dates thereof; and no additional borrowings have been made by the Redeveloper since the date thereof except in the ordinary course of business, other than the borrowing contemplated hereby or borrowings disclosed to or approved by the Authority.

Section 3) Division of Taxes

In Accordance with Section 18-2147 of the Act, the Authority hereby provides that any ad valorem tax on real property in the Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in this section. The effective date of this provision shall be June 1, 2005.

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 by 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

That proportion of the ad valorem tax on real property in the Redevelopment Area in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or

advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Project shall be paid into the funds of the respective public bodies.

Section 4) Issuance of TIF Indebtedness

Authority shall incur TIF indebtedness in the form and principal amount and bearing interest and being subject to such terms and conditions as are specified in this Redevelopment Contract. The TIF Indebtedness shall be issued as described in the resolution authorizing the issuance thereof and as described in the Contract. The Authority shall, from time to time and subject to the provisions of the Act, issue additional debt according to the terms of this Contract for the purpose of funding additional Project Costs, if projected TIF revenues are projected to be sufficient to pay principal and interest on such additional TIF indebtedness.

Section 5) Pledge of TIF Revenues

The Authority hereby pledges the TIF Revenues as security for the TIF indebtedness. All TIF Indebtedness issued pursuant to this Redevelopment Contract shall be secured on a parity basis.

Section 6) Grant of Proceeds of Loans

Authority will grant Redeveloper up to \$90,000 of the proceeds of the TIF Indebtedness incurred as described in this Contract. Funds will be made available according to the following schedule:

The initial Loan (Series 'A') shall be in the amount of \$21,000, shall bear an interest rate of 6%, and shall have an amortization schedule as follows:

July 1, 2006	\$2,259
Each July thereafter until July 1, 2019	\$2,259

A second Loan, in an amount up to \$69,000 shall be granted at a rate equal to the Federal Funds Rate, plus 3.25%, at the time of loan issuance. The term of the loan shall be equal annual payments maturing on July 1, 2019. The second Loan shall be authorized by a majority vote of Authority, at such time that they feel TIF revenues can be anticipated in an amount necessary to service the Loan.

Section 7) Use of Proceeds of Loan

Redeveloper agrees to use the proceeds of the Loan for the purposes of infrastructure improvements and lot acquisition. Redeveloper agrees to keep separate accounting of Loan proceeds, to not draw on Loan proceeds for any other purpose not listed above, and to provide an accounting of Loan proceeds at the request of Authority.

Section 8) Binding Effect: Amendment

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

Description of Redevelopment Area

Blocks 1 and 2, LPC III Subdivision

Description of Project

Authority will provide up to \$90,000 to Redeveloper for the purposes of:

- 1) Acquiring vacant lots or land.
- 2) Contributions to street paving projects, drainage improvements, utility improvements, or any other public infrastructure projects necessary to carry out the intent of the Redevelopment Contract.

Signed and Approved this ___ day of ___, 2005.

ATTEST:

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
CENTRAL CITY, NEBRASKA

Secretary

Chair

MERRICK COUNTY ECONOMIC
DEVELOPMENT CORPORATION
Redeveloper

By: _____
It's Vice-Chair and Acting Chair