



Community Redevelopment Authority (CRA)

Wednesday, November 9, 2016
Regular Meeting

Item X1

Discussion on Grand Island Christian School

Staff Contact: Chad Nabity

November 1, 2016

From: Chad Nabity, AICP Director

To: CRA Board

Re: Deed of Trust on Grand Island Christian School Property

The Grand Island Christian School is proposing to sell their building located at 1804 W. State Street at the northwest corner of the Five Points intersection.

On September 8, 2010, the CRA made two grants to the Grand Island Christian School. The CRA awarded both a Façade Improvement Grant for \$80,000 and a \$129,000 grant under our Other Projects category for the demolition of the old gym. The CRA invested \$209,000 into this building at a prominent corner of the city.

The façade was a grant and complete upon payment. To protect that investment, the CRA requested a note and deed of trust for the \$129,000 demolition portion of the project. The CRA did agree to forgive the demolition note after a period of 10 years. A copy of the deed of trust is attached. The note was issued on November 1, 2011 and can be forgiven after October 31, 2021.

The CRA can, at its discretion and upon request, change the terms of this note and deed of trust, including allowing the creation of a new note and deed of trust upon the sale of the property to an acceptable buyer.

A contract to purchase the property has been agreed upon by the Seller (Grand Island Christian School) and the Buyer (True North Church). Under the proposed agreement the Buyer would, upon loan approval, pay the Seller \$200,000. The proceeds of this will be used to repay the holder of the first lien on the property, Home Federal. The Buyer has agreed to provide space to the Grand Island Christian School without rent or utilities charges for a period of five years from the sale of the property. This offer is contingent on the CRA reissuing the \$129,000 note for the remainder of the period ending October 31, 2021 to the Buyer of the building.

The Seller has requested that the CRA consider a request to reissue the note and deed of trust to the Buyer as part of the sale. The sale is contingent on this accommodation. By taking this action, the CRA would be encouraging the use of this property in a manner consistent with the plans brought forward by the Grand Island Christian School in 2010 that were supported by the CRA. This property will be maintained and occupied and the use will be expanded to include church services and similar community uses.

If the CRA agrees to approve a new note and deed of trust with the Buyer, a motion would be in order to: approve the request contingent on receipt of the title assurances confirming the outstanding balance on the property and contingent upon the Buyer/Seller paying the necessary attorney and filing fees for the creation of the note and deed of trust. The deed of trust and expenses could be included in the final closing on the property.



Grand Island Christian School

1804 W. State St • Grand Island, NE 68803 • 308.384.2755 • www.giChristian.org

November 1, 2016

To Whom it May Concern,

As the administrator of Grand Island Christian School I am writing to ask for a transfer of the note and deed of trust granted from the city of Grand Island to Grand Island Christian School. We are requesting the transfer to True North Church who desires to purchase the property. With our decline in enrollment we cannot continue beyond this year so this necessitates selling the building to finish our commitments.

The school will then use the building after the purchase of the property and the improvements to the building will not be wasted. It is our desire to see the building used for the betterment of the community instead of being sold to a developer who would possibly tear it down, as it is a land mark on the corner of Five Points. Many people have memories of attending school in this building when it was West Lawn Public School, and now as Grand Island Christian School.

I feel confident after talking to the leadership of True North that they will be able to use the building long term and even add improvements to it that will be long lasting. The building will remain a land mark at the Five Points corner. For this reason I am asking for the CRA to allow the transfer of the note and the deed of trust from Grand Island Christian School to True North Church. Thank you for consideration of this request.

For the Education of our young people,


Richard Musgrave
Administrator

Academic Excellence Distinctively Christian

Grand Island Christian School admits students of any race, color, and national or ethnic origin.

0201107499

STATE OF NEBRASKA)
COUNTY OF HALL) SS

2011 OCT 7 PM 2 28

Mitchell Clark
HALL CO. REGISTER OF DEEDS

CASH
CHECK 25.50

REFUNDS:
CASH
CHECK

201107499

Return to: Duane A. Burns, P.O. Box 2300, Grand Island NE 68802-2300

DEED OF TRUST

25.50

THIS DEED OF TRUST is made as of the 7th day of October, 2011, by and among GRAND ISLAND CHRISTIAN SCHOOLS, Inc., a Nebraska Non-Profit Corporation, ("TRUSTOR"), whose mailing address is: 1804 West State Street, Grand Island, Nebraska 68801 and DUANE A. BURNS, Attorney at Law, ("TRUSTEE"), whose mailing address is: P. O. Box 2300, Grand Island, Nebraska 68802 and the COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND NEBRASKA, ("BENEFICIARY"), whose mailing address is: P. O. Box 1968, Grand Island, Nebraska 68802.

FOR VALUABLE CONSIDERATION, Trustor irrevocably transfers, conveys, and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions of this Deed of Trust, the real property located in the County of Hall, State of Nebraska, and legally described as follows: (the "Property"):

Lots One (1), Three (3), Five (5), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13) and Fourteen (14) of Block Twenty Nine (29) of Gilbert's Third Addition to the City of Grand Island, Hall County, Nebraska.

TOGETHER WITH all rents, easements, appurtenances, hereditaments, interests in adjoining roads, streets and alleys, improvements and buildings of any kind situated thereon and all personal property that may be or hereafter become an integral part of such buildings and improvements.

The property and the entire estate and interest conveyed to the Trustee are referred to collectively as the "Trust Estate".

FOR THE PURPOSE OF SECURING:

a. Payment of indebtedness in the total principal amount of \$129,000.00 with no interest thereon, as evidenced by that certain Promissory Note of even date (the "Note") with a maturity date of November 1, 2021 executed by Trustor which has been delivered and is payable to the order of Beneficiary, and which by this reference is hereby made a part hereof, and any and all modifications, extensions and renewals thereof, and,

b. Payment of all sums advanced by Beneficiary to protect the Trust Estate, with no interest thereon.

This Deed of Trust, the Note, and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby are referred to collectively as the "Grant Instruments".

TO PROTECT THE SECURITY OF THIS DEED OF TRUST:

1. PAYMENT OF INDEBTEDNESS. Trustor shall pay when due the indebtedness evidenced by the Note, charges, fees and all other sums as provided in the Grant Instruments.

2. TAXES. Trustor shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against the Trust Estate or any part hereof, before delinquency, without notice or demand, and shall provide Beneficiary with evidence of the payment of same. Trustor shall pay all taxes and assessments which may be levied upon Beneficiary's interest herein or upon this Deed of Trust or the debt secured hereby, without regard to any law that may be enacted imposing payment of the whole or any part thereof upon the Beneficiary.

3. INSURANCE AND REPAIRS. Trustor shall maintain fire and extended coverage insurance insuring the improvements and buildings constituting part of the Trust Estate for an amount no less than the amount of the unpaid principal balance of the Note (co-insurance not exceeding 80% permitted). Such insurance policy shall contain a standard mortgage clause in favor of Beneficiary and shall not be cancelable, terminable, or modifiable without ten (10) days prior written notice to Beneficiary. Trustor shall promptly repair, maintain and replace the Trust Estate or any part thereof so that, except for ordinary wear and tear, the Trust Estate shall not deteriorate. In no event shall the Trustor commit waste on or to the Trust Estate.

4. ACTIONS AFFECTING TRUST ESTATE. Trustor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and shall pay all costs and expenses, including cost of evidence of title and attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear. Should Trustor fail to make any payment or to do any act as and in the manner provided in any of the Grant Instruments, Beneficiary and/or Trustee, each in its own discretion, without obligation, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Trustor shall, immediately upon demand therefore by Beneficiary, pay all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing rights, including, without limitation, costs of evidence of title, court costs, appraisals, surveys and attorney's fees. Any such costs and expenses not paid within ten (10) days of written demand be added to the Principal.

5. EMINENT DOMAIN. Should the Trust Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner including deed in lieu of Condemnation ("Condemnation"), or should Trustor receive any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to Beneficiary. Beneficiary shall be entitled to all compensation awards and other payments or relief therefore, and shall be entitled to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds awarded to Trustor (the "Proceeds") are hereby assigned to Beneficiary; and Trustor agrees to execute such further assignments of the Proceeds as Beneficiary or Trustee may require.

6. APPOINTMENT OF SUCCESSOR TRUSTEE. Beneficiary may, from time to time, by a written instrument and by otherwise complying with the provisions of the applicable law of the State of Nebraska substitute a successor or successors to the Trustee named herein or acting hereunder.

7. SUCCESSORS AND ASSIGNS. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their successors and assigns. The term "Beneficiary" shall mean the owner and holder of the Note, whether or not named as Beneficiary herein.

8. INSPECTIONS. Beneficiary, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Trust Estate for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of any Instruments.

9. EVENTS OF DEFAULT. Any of the following events shall be deemed an event of default hereunder:

(a) Trustor shall have failed to own, occupy and use the "Property" as the Grand Island Christian School for ten (10) consecutive years from date hereof; or,

(b) There has occurred a breach of default under any term, covenant, agreement, condition, provision, representation, or warranty contained in the Note of this Deed of Trust.

10. ACCELERATION UPON DEFAULT, ADDITIONAL REMEDIES. Should an event of default occur, Beneficiary may declare all indebtedness secured hereby to be due and payable, and the same shall thereupon become due and payable without any presentment, demand, protest, or notice of any kind. Thereafter the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a Court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof, and with or without taking possession of the Trust Estate, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or

pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Estate or the collection, receipt and application of rents, issues or profits, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Grant Instruments or by law upon occurrence of any event of default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Trust Estate to be sold, which notice Trustee shall cause to be duly filed for record in the appropriate Official Records of the County in which the Trust Estate is located.

11. FORECLOSURE BY POWER OF SALE. Should Beneficiary elect to foreclose by exercise of the Power of Sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Notice of Sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in such Notice of Sale, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof, its good and sufficient deed or deeds, conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee, and Beneficiary, may purchase at such sale, and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(b) As may be permitted by law, after deducting all costs, fees, expenses of Trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of (i) all sums expended under the terms hereof, not then repaid, (ii) all other sums then secured hereby, and (iii) the remainder, if any, to the person or persons legally entitled thereto.

(c) Trustee may, in the manner provided by law, postpone sale of all or any portion of the Trustee Estate.

12. REMEDIES NOT EXCLUSIVE. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or under any Loan Instrument or other agreement or any laws now or hereafter in force, notwithstanding some or all of the such indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee, in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by Statute. Every power or remedy given by any of the Grant Instruments to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time, and as often as may be deemed expedient by Trustee or Beneficiary; and either of them may pursue inconsistent remedies. Nothing herein shall be construed as prohibiting Beneficiary from seeking a deficiency judgment against the Trustor to the extent such action is permitted by law.

13. REQUEST FOR NOTICE. Trustor hereby requests a copy of any notice of default, and that any notice of sale hereunder be mailed to it at the address set forth in the first paragraph of this Deed of Trust.

14. GOVERNING LAW. This Deed of Trust shall be governed by the laws of the State of Nebraska. In the event that any provision or clause of any of the Grant Instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such Grant Instruments which can be given effect without the conflicting provisions; and to this end, the provisions of the Grant Instruments are declared to be severable. This instrument cannot be waived, changed, discharged, or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

15. RECONVEYANCE BY TRUSTEE. Upon written request of Beneficiary stating that all sums

secured hereby have been satisfied, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto".

16. NOTICES. Whenever Beneficiary, Trustor, or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by certified mail, postage prepaid, return receipt requested, addressed to the address set forth at the beginning of this Deed of Trust. Any party may at this time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

17. ACCEPTANCE BY TRUSTEE. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

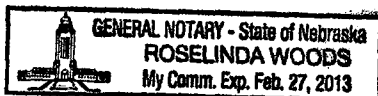
IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

GRAND ISLAND CHRISTIAN SCHOOLS, INC.,
A NEBRASKA NON-PROFIT CORPORATION,

By Travis W. Burdett
Travis W. Burdett, President
TRUSTOR

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

On this 7th day of October, 2011, before me a Notary Public in and for said county and state, personally appeared Travis W. Burdett, President of Grand Island Christian Schools, Inc, a Nebraska Non-Profit Corporation, and acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of the Corporation.



Roselinda Woods
Notary Public