



City of Grand Island

Tuesday, December 27, 2016

Council Session

Item G-11

#2016-309 - Approving Purchase Agreement with Guarantee Group, LLC for Property for the Elevated Water Storage Tank

Staff Contact: Tim Luchsinger, Stacy Nonhof

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Stacy Nonhof, Assistant City Attorney

Meeting: December 27, 2016

Subject: Purchase Agreement with Guarantee Group, L.L.C. for
Property for the Elevated Water Storage Tank

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The Grand Island water system's usage has increased to where additional capacity is required to allow future growth in the City. An elevated storage tank is recommended by the recently completed Water System Master Plan. To fund the cost of the elevated storage tank, a bond issue is proposed.

A cost of service study was completed by the Nebraska Municipal Power Pool in order to support projected revenue requirements of the bond debt service. The results of the study and possible changes to the water system rate structure were provided to the Council for discussion at the Study Session on November 1, 2016, with the rate ordinance adopting the recommended changes approved at the November 22, 2016 Council Meeting.

Locations for siting the elevated storage tank were evaluated based on hydraulic characteristics of the water system, current and future community development, and ground elevation. A site at the southwest corner of the Copper Creek housing area on Engleman Road between Potash Highway and Stolley Park Road was selected as best meeting the requirements for the tank.

Discussion

Discussions with The Guarantee Group, developers of Copper Creek, were held regarding the acquisition of the site with an agreement for the Utilities Department to purchase approximately five (5) acres at a value determined by an independent appraiser. Approximately one and one-half acres would be used for the placement of the tank, with another three and one-half acres used initially during construction of the tank and then developed into a neighborhood type park to provide recreation opportunities for the area and serve as a space between the tank and nearby residential structures.

The appraised value of the tract was determined to be \$110,000.00 and agreed by both parties to accurately reflect the market price. Payment for the property and subsequent development and maintenance costs were included in the project budget for the Water Enterprise Fund. A Purchase Agreement was drafted by the City Attorney and is recommended for approval by the Utilities Department.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Purchase Agreement with The Guarantee Group for the Copper Creek Estates Ninth Subdivision property in the amount of \$110,000.00.

Sample Motion

Move to approve the purchase agreement with The Guarantee Group for the Copper Creek Estates Ninth Subdivision property in the amount of \$110,000.00.

***APPRAISAL REPORT
OF
VACANT LAND***

LOCATED IN

***COPPER CREEK ESTATES
GRAND ISLAND, NEBRASKA***

PREPARED FOR

***THOMAS BARNES, ENGINEERING MANAGER
CITY OF GRAND ISLAND, NEBRASKA***

PREPARED BY

**HENDRICKSEN APPRAISAL COMPANY
2514 North Webb Road
Grand Island, NE 68803**

File Number: 16-0058

HENDRICKSEN APPRAISAL COMPANY

REAL PROPERTY APPRAISAL PROFESSIONALS SPECIALIZING IN

• COMMERCIAL • INDUSTRIAL • UNIQUE & SPECIAL USE • DEVELOPMENT LAND • REAL ESTATE INVESTMENTS •

December 1, 2016

City of Grand Island
Thomas Barnes
Utilities Engineering Manager
P.O. Box 1968
Grand Island, Nebraska 68802

RE: Appraisal of vacant land located in Copper Creek Estates, Grand Island, Nebraska

Dear Mr. Barnes:

As requested we have inspected the above-referenced property and prepared the attached appraisal report. The report will set forth the valuation premise, data, and analysis utilized in the value estimate. The scope of the appraisal process is complete and the report will be presented in summary format. It is intended only for the Utilities Department, Engineering Division for the City of Grand Island, Nebraska, for use in potential condemnation matters relating to the subject property. Use by others is not intended.

The subject property is a rectangular shaped tract located on the east side of South Engleman Road, north of West Stolley Park Road and south of West Old Potash Highway. It contains approximately 5.04 acres of vacant land that has been platted for residential development. It is located in a developing residential neighborhood in western Grand Island.

The value opinions contained in this appraisal report have an effective date of November 30, 2016, the date of the inspection of the subject property. All analysis utilized in the estimates and conclusions contained in this report are based on the assumption that the various economic factors relating to the Grand Island marketplace will remain stable for the foreseeable future.

The report considers all three approaches to value and is complete in scope. It has been prepared in conformity with the *Code of Professional Ethics* and all other requirements of *Uniform Standards of Professional Appraisal Practice (USPAP)* as promulgated by the Appraisal Foundation, and the *Rules and Regulations* of the Nebraska Real Property Appraiser Board (NRPAB). We are knowledgeable of and experienced in appraising properties of this type and are qualified to appraise the property based on that knowledge and experience.

The report is subject to the General Assumptions and Limiting Conditions contained herein, along with the Extraordinary Assumptions and Special Limiting Conditions that relate specifically to characteristics and information regarding the subject property. It is imperative that any user of the report be familiar with, and have a clear understanding of the implications summarized in those sections of the report. Additional contingencies are interspersed throughout the report where appropriate.

Based on the data and analysis contained in this report, our conclusion of the market value for the Fee Simple Estate of the subject property as described herein, on November 30, 2016, is;

ONE HUNDRED TEN THOUSAND DOLLARS

(\$110,000)

Respectfully,



December 1, 2016

Robin Hendricksen

Date

Nebraska General Certification: 920625



December 1, 2016

Jonathan Haack

Date

Nebraska Trainee Certification: 2014015

• 2514 North Webb Road, Grand Island, Nebraska 68803 • Office (308) 381-4217 • Cell (308) 390-4736 • happrco@aol.com •

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EXECUTIVE SUMMARY

IDENTIFICATION:	The subject is a tract of vacant land located within the Copper Creek Estates in Grand Island, Nebraska.	
PURPOSE & SCOPE:	The purpose is to provide an opinion of the market value for the subject property on the effective date of the appraisal. The scope of the appraisal process is complete and it is reported in summary format subject to all assumptions and limiting conditions stated herein.	
INTENDED USE:	Potential condemnation matters relating to the subject property.	
INTENDED USER:	Utilities Department, Engineering Division for the City of Grand Island, Nebraska.	
PROPERTY RIGHTS:	Those rights associated with the fee simple estate.	
SITE DESCRIPTION:	The subject property is a rectangular shaped tract located on the east side of South Engleman Road, north of West Stolley Park Road and south of West Old Potash Highway. It contains approximately 5.04 acres of vacant land that has been platted for residential development. It is located in a developing residential neighborhood in western Grand Island. Public utilities are available within a reasonable distance to the site.	
IMPROVEMENTS:	None	
ZONING:	The subject property is zoned "R"-2, Low Density residential Zone. The intent of this zoning district is to provide for residential neighborhoods at a maximum density of seven dwelling units per acre with supporting community facilities.	
FLOODPLAIN:	A review of current FEMA floodplain map 31079C0166D indicates the property is located in a non-printed flood map boundary.	
HIGHEST & BEST USE:	As Vacant - Residential development homogenous with surrounding properties.	
INSPECTION DATE:	November 30, 2016	
EFFECTIVE DATE:	November 30, 2016	
VALUE INDICATIONS:	Cost Approach:	NA
	Sales Comparison Approach:	\$110,000
	Income Approach:	NA
	Total Property Value Estimate:	\$110,000

EXTRAORDINARY ASSUMPTIONS AND SPECIAL LIMITING CONDITIONS

1. We have not been provided with an environmental assessment on the property nor were any adverse conditions apparent at the time of the inspection. However, we are not a qualified expert in environmental assessment and therefore, the report and value opinions presume no adverse conditions exist.

GENERAL LIMITING CONDITIONS

This appraisal is made under the following contingencies along with those that appear in the body of the report.

1. It is assumed that title to the property is good and there are no liens or encumbrances except as noted.
2. We have not surveyed the property and no warranty is made that the improvements are located on the site as described.
3. Distribution of the total valuation between land and improvements applies only under the program of utilization and conditions as set out in this report and is invalidated under any other program of utilization.
4. Testimony or attendance in court by reason of having prepared this appraisal shall not be required unless prior arrangements have been made.
5. Sketches, diagrams and photographs included in this report are for the reader's visual aid and not based on survey.
6. Certain information, upon which opinions and conclusions are based, has been obtained from sources considered reliable, however, no warranty is made to that effect.
7. We do not warrant the mechanical, electrical, plumbing or constructional conditions of the improvements. If any of these are reported to be deficient, they will be noted in the body of the appraisal report.
8. We are not aware of any hidden or apparent conditions which would render the subject property more or less valuable than otherwise comparable property.
9. Disclosure of the contents of this report is governed by the rules and regulations of the NRPAB and the *USPAP* including those sections regarding peer review. Neither all nor any part of the contents of this report shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication, without our prior written consent and approval.
10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been stated, defined and considered in the body of the report.
11. It is assumed that there was full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the report.
12. It is assumed that all required licenses, consents or legislative and/or administrative authority from local, state or federal governmental or private entity or organization had been or could have been obtained or renewed for any use on which the value opinions contained in this report are based.
13. The consideration for the preparation of this report is the payment of all mutually agreed upon fees in connection therewith. Responsibility for any part of the report is conditioned upon full payment.
14. We were not made aware of potentially hazardous material such as urea-formaldehyde foam insulation, radon gas, asbestos, toxic waste, and/or lead paint were not apparent, nor were any apparent during inspection. However, we are not qualified to detect such substances and the existence of potentially hazardous material may have an effect on the value estimates and conclusions contained herein.
15. We have not evaluated the mechanical systems nor are we qualified to comment as to the compliance with ASHRAE Standard 62-1989. No representations are made with respect to indoor air quality.
16. We have not conducted a survey nor are we qualified to comment on existing reciprocating or centrifugal equipment to determine the amount of Chlorofluorocarbons (CFC's) that may be present in the buildings. CFC's are regulated by the Clean Air Act of 1990, and the production of CFC's is banned after 1999 by the Montreal Protocol of 1987.
17. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a survey of the subject property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines, nor are we competent to make such determination. Determination of ADA compliance matches an owner's financial ability with the cost-to-cure the physical characteristics. Such determination is beyond our experience and we cannot comment on compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be required by knowledgeable professionals for the Department of Justice to determine compliance. Therefore, the value opinions contained herein do not consider any non-compliance.
18. Unless otherwise stated in the report the opinion of value does not include any personal property, fixtures, tangible or intangible items that are not real property.
19. Unless otherwise stated in the report the Date of the Report is synonymous with the date of the Transmittal Letter and the appraiser's perspective is current.
20. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.

APPRAISER'S CERTIFICATION

The undersigned does hereby certify that, except as otherwise noted in this report:

1. Robin Hendricksen and Jonathan Haack conducted an on-site inspection of the subject property on November 30, 2016. Photographs and details of the inspection are contained in the body of the report.
2. We have no past, present or contemplated future interest in the real estate that is the subject of this appraisal report, and we have no personal bias with respect to the parties involved.
3. Compensation to us or our firm is not contingent on an action or event resulting from the analysis, opinions or conclusions in, or the use of, this report.
4. To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
5. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and, are the personal and unbiased professional analyses, opinions, and conclusions of the undersigned.
6. We have complied with the *Uniform Standards of Professional Appraisal Practice* as promulgated by the Appraisal Foundation in conducting the research and analysis, and in formulating the value conclusions contained herein to the best of our knowledge and understanding.
7. The appraisal was made and the appraisal report was prepared in conformity with and is subject to the requirements of the *Rules and Regulations* of the Nebraska Real Property Appraiser Board as promulgated by Nebraska Revised Statute.
8. We are knowledgeable of, and experienced in appraising properties of this type, and are qualified to appraise the property based upon that knowledge and experience.
9. No one other than the undersigned prepared the analyses, conclusions, and opinions concerning real estate that are set forth in this appraisal report.
10. Disclosure of the contents of this appraisal report is governed by the *Uniform Standards of Professional Appraisal Practice* and the Nebraska Real Property Appraiser Board, relating to review by its duly authorized representatives.
11. The appraisal assignment was not based upon a requested minimum or specific valuation, or the approval of a loan.
12. We have performed a prior appraisal of the entire Copper Creek Estates with a report date of February 5, 2014. We have not provided any other services for the subject property within the last three years.
13. Based on the data and analysis contained in this report, the market value of the fee simple estate of the subject property, as described herein, on November 30, 2016, is estimated to be;

ONE HUNDRED TEN THOUSAND DOLLARS

(\$110,000)

Respectfully,

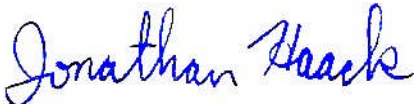


Robin Hendricksen

Nebraska General Certification: 920625

December 1, 2016

Date



Jonathan Haack

Nebraska Trainee Certification: 2014015

December 1, 2016

Date

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the Fee Simple Estate of the subject property on November 30, 2016, which is synonymous with the date of inspection.

INTENDED USE AND USER OF THE APPRAISAL

The report has been prepared for the Utilities Department, Engineering Division for the City of Grand Island, Nebraska, for use in potential condemnation matters relating to the subject property.

SCOPE OF THE APPRAISAL

The appraisal assignment is the valuation of vacant land located in the Copper Creek Estates in western Grand Island, Nebraska. Grand Island has experienced a stable economic base for several years and we estimate that stability will continue into the foreseeable future.

The process of collecting data includes the examination of the base economy of Grand Island and the analysis of the current market for any similar properties in the marketplace. It included assembling information on sale prices for properties that would compete with the subject for potential buyers and tenants.

The scope of the report is limited only by the extraordinary assumptions and special limiting conditions and general assumptions and limiting conditions set out earlier in this report. Special limiting conditions reflect conditions and assumptions unique to this appraisal assignment, and on which the appraisal is predicated. The user of this report is cautioned to review these conditions to assure concurrence with the conditions outlined. General limiting conditions, while being equally important are more traditional and usually familiar to users of appraisal reports.

The scope of the appraisal encompasses the necessary research and analysis to prepare the report in accordance with the intended use, the *USPAP* and the *NRPAB*. Specifically concerning this assignment, the following steps were taken:

1. Robin Hendricksen and Jonathan Haack inspected the subject property on November 30, 2016. Additional information and data relative to the property were obtained from City and County officials and other public and private sources.
2. The information regarding the region, city, and neighborhood is based upon personal inspection and investigation, data contained in the files of Hendricksen Appraisal Company, and information obtained from other published sources. In addition to the secondary data, primary data were derived by observations and inspections in the subject's community, neighborhood and market areas as indicated above.
3. In developing the approaches to value, we identified the competing market area as Grand Island and researched data in that area. Data were collected from the files of Hendricksen Appraisal Company, other appraisers, Realtors, property managers, property owners, publications, public records, and other sources considered knowledgeable of the subject marketplace. While reasonable efforts were made to obtain reliable data, no warranty as to the reliability is made.
4. Upon completion of data assembly and analysis as herein defined and presented, an opinion of market value was formulated and presented, which is subject to the assumptions and limiting conditions contained within the report.

DEFINITION OF MARKET VALUE

All references to market value in this document is defined as: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well-informed or well-advised, and acting in what they consider their own best interest;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in cash in United States dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source of Market Value Definition: The Uniform Standards of Professional Appraisal Practice, 2008-2009 Edition published in 2007 by the Appraisal Foundation.)

PROPERTY RIGHTS APPRAISED

The property rights appraised are those normally associated with the Fee Simple Estate defined as follows:

Fee Simple Estate: *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*

We are not aware of any easements or restrictions to the use of the property that would diminished the market value of the subject any portion of the subject property. Although there may be typical utility easements, they do affect the value of the land and no other interests are considered to encumber ownership rights.

MARKETING PERIOD AND EXPOSURE TIME

Hendricksen Appraisal Company conducts studies of sales of real estate to determine the time they are on the market on a continuing basis. The study includes all types of real estate and is completed through observation, multiple listing service data, and discussions with brokers, owners, buyers and sellers. The study is necessary because the time a property is on the market can widely vary in relationship to the asking price. For this reason, the study is necessarily general in character for commercial, industrial, warehouse and service use properties. At the current time marketing periods for properties of this type are generally ranging from three to twelve months.

The subject property is an adequately positioned site in western Grand Island, Nebraska, with adequate access and visibility. The marketability, considering all factors affecting the property, is considered to be average. Considering market conditions together with the condition and location of the subject, the most probable marketing period is estimated to be from three to twelve months.

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective opinion based upon an analysis of past events assuming a competitive and open market. The marketing time stated above is considered to reflect the exposure time by this definition.

EFFECTIVE DATE OF APPRAISAL

The effective date of the appraisal report is November 30, 2016.

OWNERSHIP

Public records indicate that ownership as of the effective date of the report rests with,

The Guarantee Group, LLC

HISTORY OF OWNERSHIP

According to the Hall County Treasurer's office there has been no change in ownership in the past three years.

UTILITIES

All public utilities are available within a reasonable distance from the subject property.

FLOODPLAIN

A review of current FEMA floodplain map 31079C0166D indicates the property is located in a "non-printed flood map boundary."

EASEMENTS AND RESTRICTIONS

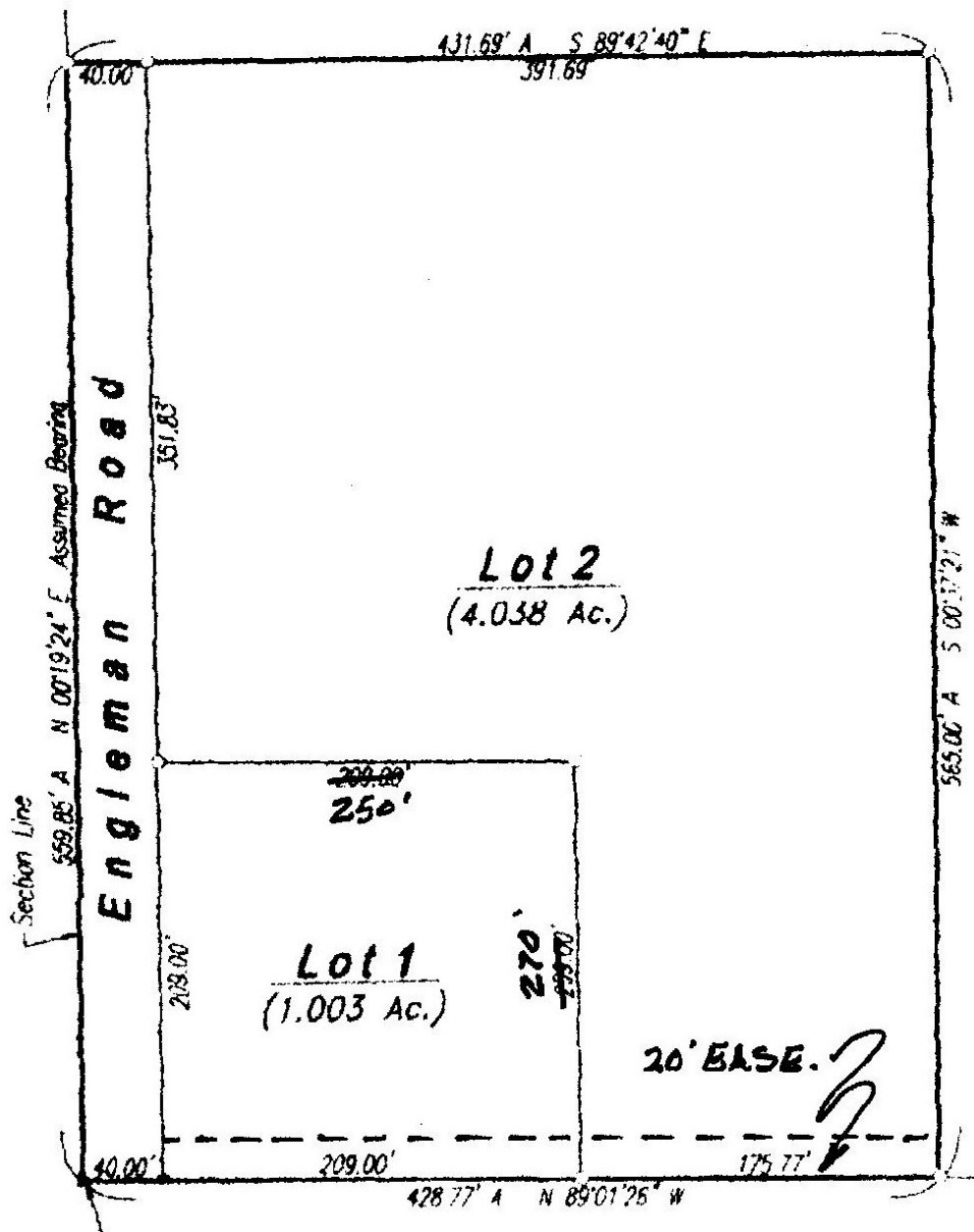
The property is appraised as if unencumbered by easements other than typical utility easements. There do not appear to be any other use restrictions placed on the property other than municipal zoning.

LEGAL DESCRIPTIONS

According to records in the Hall County Register of Deeds Office, the subject property is legally described as;

A tract of land comprising a part of the NW ¼ of Section 23, Township 11 North, Range 10 West of the 6th P.M., City of Grand Island, Hall County, Nebraska

A plat map of the subject site has been provided below.



ZONING

The subject property is zoned "R"-2, Low Density residential Zone. The intent of this zoning district is to provide for residential neighborhoods at a maximum density of seven dwelling units per acre with supporting community facilities.

ACKNOWLEDGMENT OF ASSISTANCE/COMPETENCY

No one other than those signing this report provided significant assistance in the preparation of the appraisal and/or the appraisal report. We are experienced in appraising properties of this type and no additional measures were required to comply with the provisions of the Competency Rule of the USPAP.

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CITY ANALYSIS

Grand Island is Nebraska’s largest city outside of the Omaha and Lincoln Metropolitan area; it's the third largest retail trade center in Nebraska. Local government is handled by the Mayor, City Council, and County Board of Supervisors. Grand Island is a three-time All-American City (1955, 1967 & 1981), and was named Outstanding Nebraska Community in 1997. World Trade Magazine has ranked Grand Island 9th in the Top 10 List of Smaller Communities with an excellent quality of life.

Grand Island, the county seat of Hall County, is Central Nebraska’s Platte River Oasis, offering tourist attractions, an active trade center, employment opportunities, and human service programs to the agriculturally based area population. Located in the center of the State, Grand Island is accessible to traffic from Interstate-80, U.S. Highways 281, 30, and 34, and Nebraska Highway 2, as well as the Central Nebraska Regional Airport. It is known as the retail hub of central Nebraska, offering lodging, dining, shopping, entertainment, service programs, and information to the 30-plus rural communities in a 90-mile surrounding area. Grand Island is the fourth largest city in Nebraska, with an estimated population of 50,000. The community also serves residents in much of rural Nebraska including an area of over 20,000 square miles with an estimated population of over 200,000. Incorporated in 1872, Grand Island has a rich history reflected today in the stability of the community and the outstanding quality of life for its residents. More than 90 manufacturing plants provide jobs for over 7,000 people, drawing from a rural population base of talented and diverse workers.

Municipality

City of Grand Island, Nebraska, USA

Regional District

Central Nebraska, USA

Area of Municipal Limits

28.55 square miles

Geographic Landmarks

The Platte River to the south and the Loup River to the north

Geographic Location

100 miles west of Lincoln, Nebraska’s State Capitol; 25 miles north of Hastings; 50 miles east of Kearney

Distance in miles from

Chicago:	615	Los Angeles:	1,438
Dallas:	698	Minneapolis:	525
Denver:	407	New York:	1,388
Miami:	1,772	Kansas City:	296
Atlanta:	1,146	St. Louis:	589

Population

Grand Island’s population has enjoyed steady growth over the last few decades and according to the United States Census of 2010 had a total population of 48,520. The estimated population in 2014 was 51,236. The following table summarizes the populations of Grand Island, Hall County, and Nebraska since 1980.

<u>Year</u>	<u>Grand Island</u>	<u>Hall County</u>	<u>Nebraska</u>
2014	51,236	61,492	1,881,503
2010	48,520	58,607	1,826,341
2000	42,940	53,534	1,711,263
1990	39,386	48,925	1,578,385
1980	33,180	47,690	1,569,825

2013 Population

Males: 25,170 (49.8%)

Females: 25,380 (50.2%)

Median resident age: 35.1 years

Nebraska median age: 36.3 years

Housing

Building activity in the city has remained stable over the last several years. The following table summarizes permits issued in prior years.

Single-family new house construction building permits

1997:	102 buildings, average cost: \$106,900
1998:	98 buildings, average cost: \$101,700
1999:	95 buildings, average cost: \$110,100
2000:	88 buildings, average cost: \$115,200
2001:	88 buildings, average cost: \$124,100
2002:	81 buildings, average cost: \$127,500
2003:	101 buildings, average cost: \$140,100
2004:	122 buildings, average cost: \$133,300
2005:	111 buildings, average cost: \$138,800
2008:	81 buildings, average cost: \$135,200
2009:	92 buildings, average cost: \$146,700
2010:	85 buildings, average cost: \$163,800
2011:	70 buildings, average cost: \$172,500
2012:	85 buildings, average cost: \$157,500

Estimated median house or condo value in 2013

Grand Island: \$112,069

Nebraska: \$132,700

Economy and Employment

Grand Island and Hall County are heavily dependent upon the agricultural economy. Fluctuations in this sector during the middle 1980's were echoed in local economy, as many farm suppliers and agriculture related businesses suffered from the effects of a slow national farm economy. However, the recent upturn in agriculture has positively influenced the real estate markets of Grand Island. Agriculture began an upturn in 1990. Farmland prices increased significantly from 1990 to 1992. From 1992 to 2005 the increase was more moderate. This spike was followed by a spike in the residential market which began in 1992. The residential spike included a stronger market, and increased construction of new homes. The commercial/industrial market was slower to follow. However, these commercial/industrial markets changed for the positive in 1994. In 1994, several large commercial stores and other buildings were constructed along the north U.S. Highway 281. This included Wal-Mart, Sam's Club, and K-Mart stores, Applebee's, Perkin's and various hotel/motels. The industrial market has also has since then added several other restaurants, stores, banks, hotels, and medical offices along U.S. Highway 281 which shows steady growth.

Grand Island has an active Chamber of Commerce and industrial foundation. They are attempting to encourage manufacturing firms to locate in the Grand Island area and have established a budget to attract new business. In 1987 the State of Nebraska passed LB 775 which provided incentives for corporations to locate in Nebraska. The intent of the bill was to entice larger firms into the Nebraska market and it seems to have had some impact in encouraging capital investment and the development of new jobs.

The Manufacturing and Retail Trade industries employ the largest number of workers in the Grand Island Micropolitan Statistical Area (MC), which includes Hall, Howard and Merrick Counties. Many of the existing manufacturing jobs are related to agriculture, as the principal manufacturing activities include farm machinery, other agricultural products, beef packing, and food processing. The major manufacturers are Swift Foods, Case/IH, and Chief Industries, all of which are agriculture related. Grand Island has 8 established industrial areas, which are in locations accessible to traditional modes of transportation such as water, rail, and highway. There are 80 manufacturing plants in Hall County, one which includes a union.

Grand Island Labor Market Statistics

Time Period	Labor Force	Employed	Unemployed	Unemployment Rate
1990	21,839	21,338	501	2.3%
1995	24,648	24,067	581	2.4%
2000	22,831	22,122	709	3.1%
2005	24,076	23,071	1,005	4.2%
2010	25,957	24,795	1,162	4.5%
2015	26,317	25,323	994	3.8%

Most common industries for males (%)

- Manufacturing (29%)
- Retail trade (14%)
- Construction (12%)
- Accommodation and food services (7%)
- Transportation and warehousing (5%)
- Health care and social assistance (4%)
- Wholesale trade (4%)

Most common industries for females (%)

- Health care and social assistance (22%)
- Manufacturing (16%)
- Retail trade (16%)
- Accommodation and food services (11%)
- Educational services (9%)
- Other services, except public administration (5%)
- Public administration (4%)

Most common occupations for males (%)

- Production occupations (23%)
- Construction and extraction occupations (12%)
- Sales and related occupations (10%)
- Management occupations (9%)
- Material moving occupations (7%)
- Installation, maintenance, and repair occupations (7%)
- Food preparation and serving related occupations (6%)

Most common occupations for females (%)

- Office and administrative support occupations (18%)
- Food preparation and serving related occupations (12%)
- Sales and related occupations (11%)
- Production occupations (11%)
- Personal care and service occupations (7%)
- Healthcare support occupations (6%)
- Education, training, and library occupations (6%)

Top Five Employers

- Swift & Company: 3,500 employees
- Chief Industries: 1,641 employees
- St Francis Medical Center: 1,300 employees
- Case IH (formerly Case New Holland): 750 employees
- McCain Foods, USA: 546 employees

Education

Grand Island has one of the best school systems in the state. Community support for education is strong, as evidenced by recent building projects, fundraising for additional computers and donations of special equipment for handicapped students. In addition, increasing opportunities are available for higher education. The Grand Island Public School District provides 14 elementary schools, three middle schools, and one senior high school. Grand Island is also served by Northwest High School, Central Catholic Junior-Senior High School, Heartland Lutheran High School, four private elementary schools, Central Community College, and College Park.

Central Community College, Grand Island Campus, is located at 3134 West Highway 34, and provides higher education and vocational opportunities. A master's level education is available on-site offered by the Bellevue University program.

College Park, located at 3180 W. Highway 34 in Grand Island, is a unique facility which provides bachelor and master degree programs from Doane College; associate and continuing education courses from Central Community College; research-based information in agriculture and natural resources, consumer and family economics, community and economic development and 4-H youth development from the Hall County extension office; classes from the Central Nebraska Area Health Education Center; and the "Live from the Park" performing arts series hosted by College Park. Other community educational opportunities include the Nebraska Law Enforcement Training Center, an Adult Education Facility, and Joseph's College of Beauty.

Tourism

Interstate 80 is a major traffic carrier of tourists from border to border in Nebraska. Tourism in the state has increased in every year since the oil crisis of the early 1970's. Recent studies by the State Department of Economic Development suggest that not only is the number of people visiting the state increasing, but the amount of money each visitor is spending here is also on the increase. Recreational travelers, business travelers, and heavy commercial truck drivers are all sources of potential revenue for tourist related businesses. The Grand Island Chamber has actively promoted the area as a centrally located and convenient location for conventions and meetings. The success of this promotion can be measured in the number of activities and increase in attendance at scheduled events. For example, Husker Harvest Days has shown steady growth since its first years. Almost 200,000 people attended the exposition in 1985, while approximately 400,000 visited the exhibition in 1990 and it has continued to grow more each year.

In addition, Grand Island is home to Fonner Park one of the Midwest's premier para-mutual horse racing facilities and the new Heartland Event Center that hosts numerous sporting events, concerts, home shows, and other convention type activities. The Event Center arena seats 6,000-7,500 and is equipped with a four-sided video scoreboard, as well as 12 suites, multiple concession stands and restroom facilities, six locker rooms, gift shop, ticket office, as well as offering in-house catering service for all facility events. The flexibility of this new multi-purpose center combined with the Fonner Park facility makes it possible to offer potential users a myriad of choices to customize their events to best serve their needs and satisfy the sponsors and function attendees. The Nebraska State Fair moved to Grand Island in 2010 and over 308,000 people attended the first year.

Attractions

- Stuhr Museum of the Prairie Pioneer
- Nebraska Nature Center
- Fonner Park
- Grand Island Little Theatre
- Plum Street Station
- Heartland Events Center

Events

- Art in the Park
- Central Nebraska Ethnic Festival
- Children's Groundwater Festival
- Harvest of Harmony Parade
- Community Arts & Concert Association
- Husker Harvest Days
- Hoops Mania
- Hall County Fair
- Nebraska State Fair

Shopping

Grand Island serves as a regional retail hub for a 33 county area with a population of 308,000. For area residents and visitors alike, Grand Island offers a diverse array of shopping experiences with options ranging from national brand stores to locally owned boutique shops. Together, shopping in Grand Island offers a variety, convenience, and value. There is something for everyone. Shopping districts include the following:

Downtown: Downtown Grand Island features an interesting mix of retail shops including home furnishings, art, interior décor, books, music, antiques, and more.

Locust Street: The Locust Street corridor just north of Interstate 80 Exit 314 to the downtown features an assortment of specialty shops, dining, hotels, and services. Many of these are in the immediate vicinity of Fonner Park and the Heartland Events Center.

Highway 281 Corridor: This corridor is a shopping mecca featuring hundreds of retail shops, restaurants, and services. The anchor of this corridor is the Conestoga Mall – the largest indoor mall between Lincoln and Denver, with over 545,000 square feet. The Mall has five major anchor stores – Dillards, Best Buy, Younkers, Sears, and JC Penny. Also in this area are dozens of retail strip centers. Combined, the 281 corridor is home to dozens of national brand retailers and locally owned specialty shops.

Transportation

East-west roads serving Grand Island include the transcontinental Interstate 80 and U.S. Highway 30 (the Lincoln Highway). U.S. Highway 34 is a regional highway running from north-east of Denver, Colorado to the western Chicago suburbs. U.S. Highway 281 is the main north-south road in the region, stretching from the Mexican border in Texas to the Canadian border in North Dakota.

Bus service is available through Arrow/Black Hills Stage Lines and the Navigator Airport Shuttle between Grand Island and Omaha. Amtrak rail service arrives and departs at their Hastings, Nebraska, station 25 minutes south of Grand Island.

Within the city, public transportation includes limited taxi and weekday shuttle service.

Two transcontinental railroads, Burlington Northern and Union Pacific, serve the community. Both Burlington and Union Pacific have mainlines through Grand Island. Bus and truck routes use the interstate, and air transportation is provided by from the Central Nebraska Regional Airport.

The Central Nebraska Regional Airport offers daily American Eagle flights to Dallas, twice weekly Allegiant flights to Phoenix and Las Vegas, and weekly Allegiant flights to Orlando. The number of passengers using CNRA has increased exponentially over the last decade, from 7,961 in 2008 to 56,902 in 2013. A new 35,000 square foot passenger terminal was recently completed and will serve central Nebraska residents for decades to come, welcoming visitors to the area.

U.S. Highway 30 was a major transcontinental route prior to the construction of Interstate 80, and many businesses had been established along its route. Nebraska Highway 2 is a popular and scenic route through the Nebraska Sandhills, and the county has a well maintained system of secondary farm-to-market roads. Because of its size, access, and centric location, Grand Island has been able to attract numerous meetings and conventions from the state-wide market.

Government and Services

Grand Island is governed by a mayor and city council. Its 16 city parks cover 375 acres. Communications include a daily newspaper, five radio stations, one television station, and two cable services. Both public and parochial schools are available to the community's students. Recreational and cultural facilities include the Stuhr Museum of the Prairie Pioneer. The museum was designed by an internationally known architect and is considered to be one of the outstanding facilities of its type in the nation. Fonner Park offers horse racing and para-mutual betting, drawing many patrons to the Grand Island area. The Island Oasis Water Park, the Grand Island Municipal Golf Course, and hunting and fishing in area lakes also attract visitors from across the state.

Retail Trade

As is evident from the employment data, Grand Island serves as a trade center for large areas to the west and northwest, as well as less extensive areas to the east and south. Retail trade, banking, and wholesaling are centered in Grand Island to serve these areas. Retail sales, as reported by the Nebraska State Department of Revenue, have increased over recent years. The following table illustrates the increase in taxable sales since 1990.

Net Taxable Sales

<u>Year</u>	<u>Grand Island</u>	<u>Hall County</u>
2013	\$1,009,830,580	\$1,045,082,034
2012	\$977,097,299	\$1,009,596,541
2008	\$891,470,251	\$923,125,185
2007	\$878,265,159	\$917,314,709
2006	\$827,001,188	\$860,630,760
2005	\$796,848,442	\$831,862,115
2004	\$774,432,460	\$808,032,540
2000	\$658,581,800	\$683,125,343
1990	\$410,503,487	\$425,714,997

Historic Stability

The city developed as a river town, along the heavily traveled route through the Platte River Valley. The fertile soil of the Platte Valley is the basis for an agricultural economy that traditionally enjoys exceptional yields, and the abundant underground water makes irrigation effective for much of the rich, level land. Grand Island is heavily influenced by its location in the Platte River Valley. Transportation facilities, economic growth and employment, trade, income, services, and tourism are all impacted by the central farm belt location. Each of these aspects of the Grand Island community plays an important role in the development of commercial and industrial properties in the Grand Island area.

Grand Island has experienced good commercial growth in the last five years. This includes large discount stores as well as restaurants, hotels, retail centers and other commercial use buildings. The new construction generally appears to be mostly occupied. The above grid shows a substantial increase in the retail sales for the area.

We have observed new construction as well as rehabilitation of older structures in almost all of the major commercial corridors in the area over the past several years which indicate the local market place will remain viable for the next several years. Historically, south Locust Street was the prime area for development. In the last fifteen to twenty years this has shifted northward along U.S. Highway 281 generally north of U.S. Highway 30, near Conestoga Mall. Investigation of occupancy levels in the commercial market place found that vacancy in commercial buildings has been generally low over the last several years. It is felt that the long term vacancy rate will continue to be relatively low until we see a more critical effect of the slowdown in the national economy.

Expendable Income

One factor that drives a local trade economy is the amount of expendable income of area residents. Grand Island incomes compare favorably with state and national averages for the last decade.

Estimated median household income in 2013

Grand Island: \$45,985

Nebraska: \$51,440

Estimated per capita income

2013 \$22,491

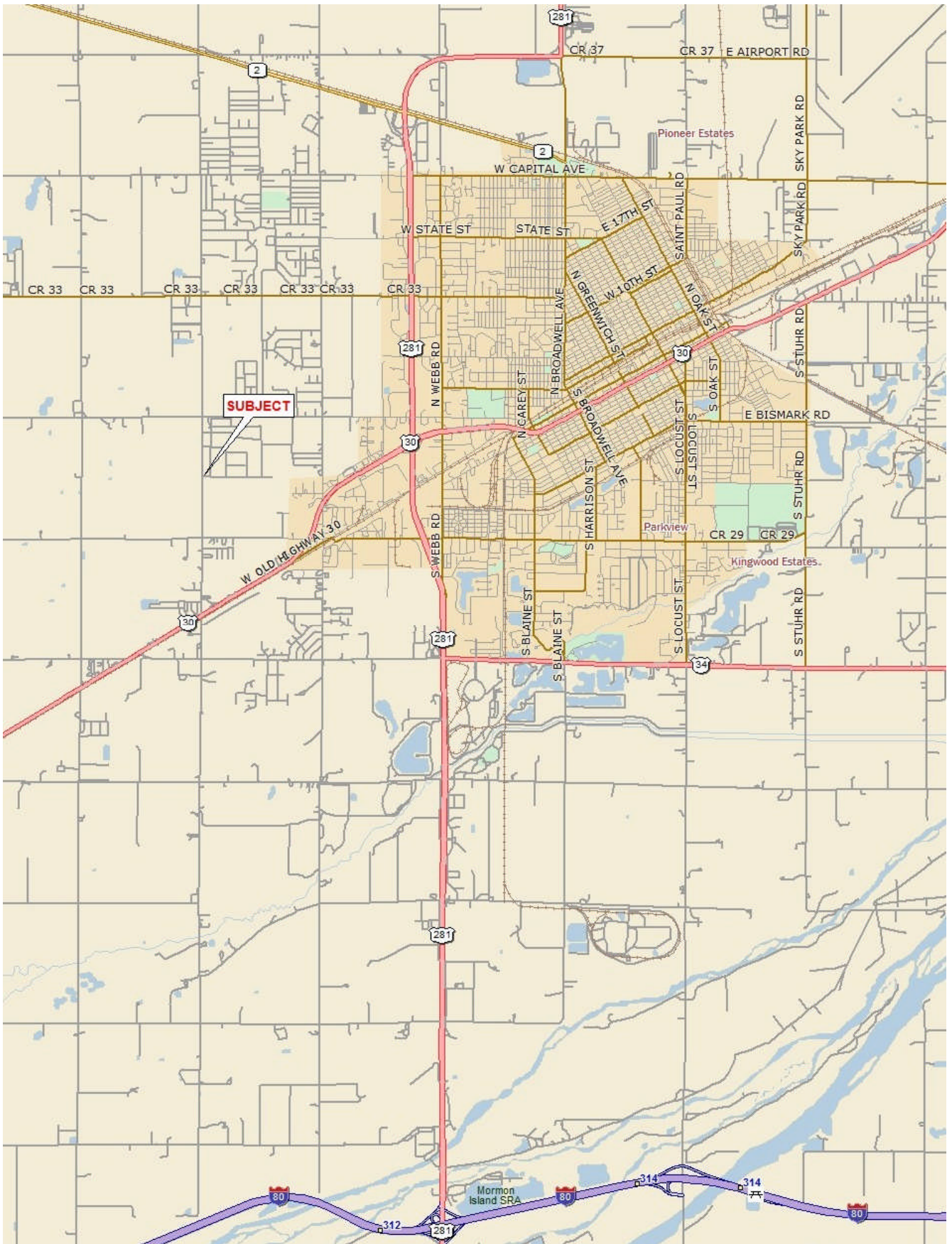
Summary

Although Grand Island experienced some difficulties in the mid 1980's that resulted from the agricultural problems in the Midwest during that period, the improvement in the agricultural economy since 1990 has contributed to additional activity in the Grand Island market. It is our opinion that Grand Island will continue its role as a viable retail trade center and growth and pent up demand should provide stability in the local housing market for the near future.

Commercial real estate has enjoyed a strong market in Grand Island for the last several years. The new development is generally located along U.S. Highway 281 in the northwest part of the City although recent investment interests have arisen along the South Locust Street corridor as well. This is fueled in part by legislative action that moved the Nebraska State Fair from Lincoln to Grand Island beginning in 2010. It is located on the Fonner Park and Event Center campus and as expected, brought in additional commercial and industrial investment to the area. The value estimates concluded in this report consider all of the positive and the negative factors in the market.

A map of the City has been included on the following page.

Area Map



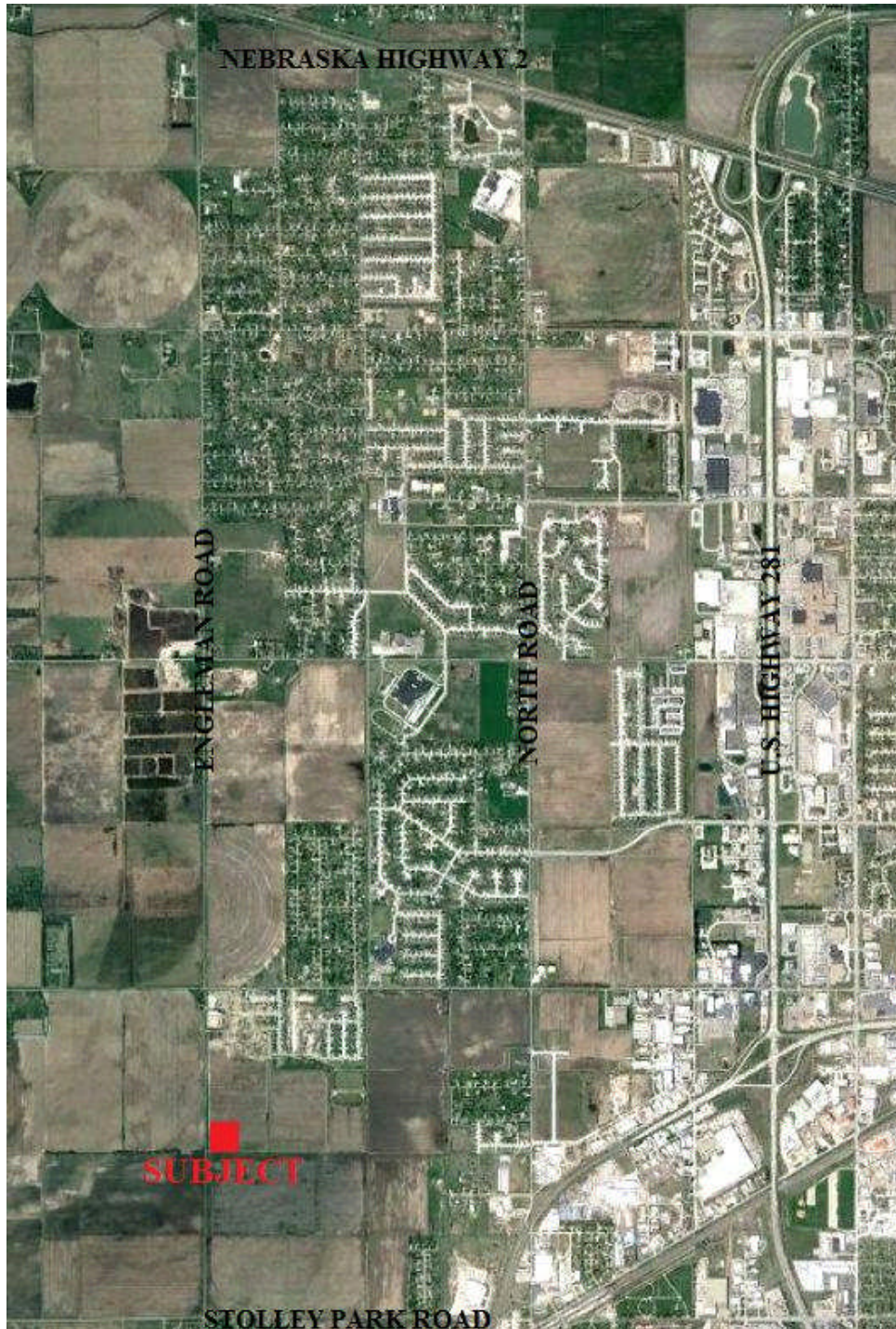
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NEIGHBORHOOD ANALYSIS

The subject is located in a developing residential neighborhood in northwest Grand Island. This area is west of the U.S. Highway 281 commercial corridor. The majority of the development is between Engleman Road and North Road from Nebraska Highway 2 to Stolley Park Road. This area has seen steady residential development over the last several years.

A map of the subject neighborhood has been included below.

Neighborhood Map



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SITE DESCRIPTION

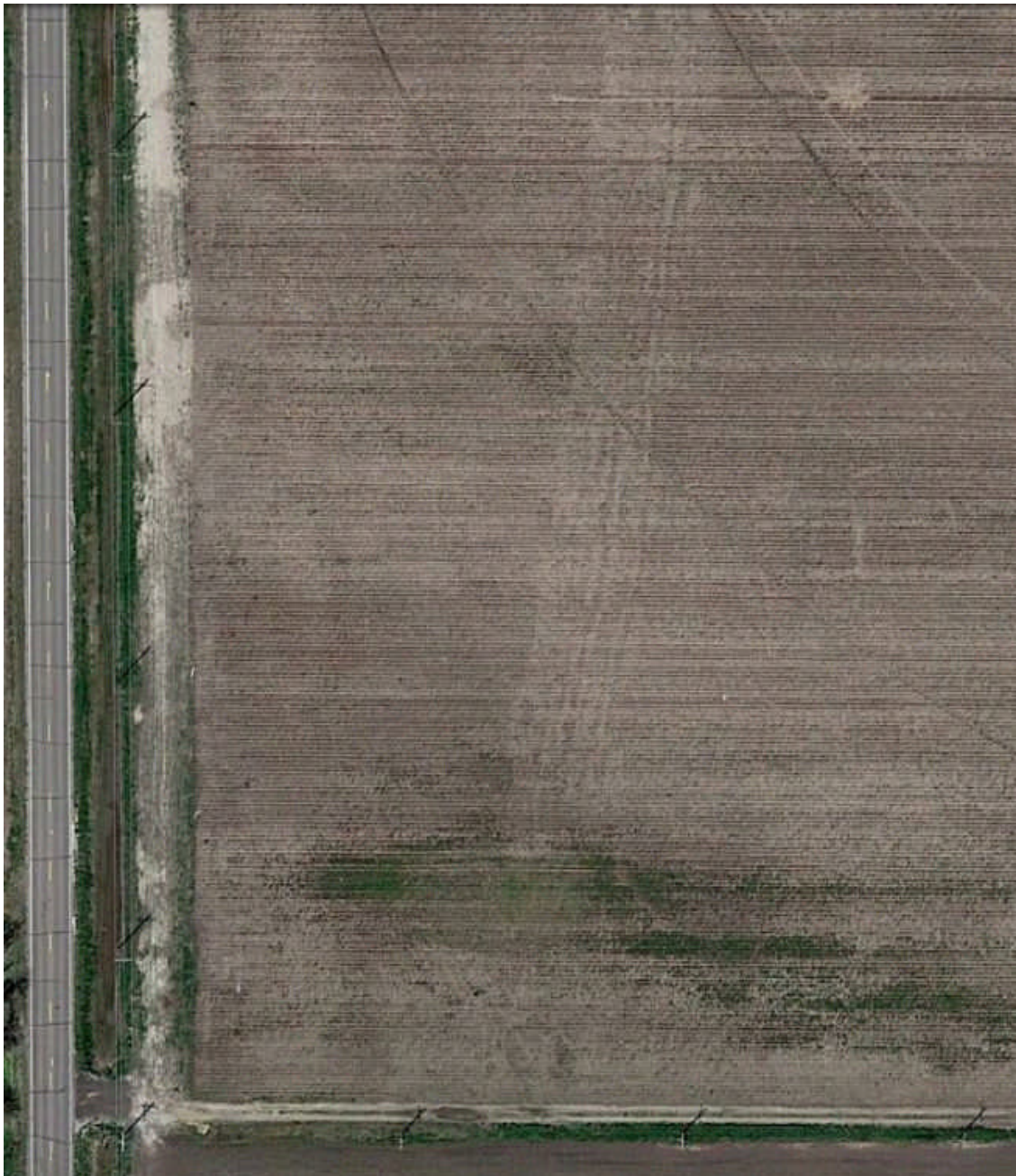
The subject property is a rectangular shaped tract located on the east side of South Engleman Road, north of West Stolley Park Road and south of West Old Potash Highway. It contains approximately 5.04 acres of vacant land that has been platted for residential development. It is located in a developing residential neighborhood in western Grand Island. Public utilities are available within a reasonable distance to the site.

It is generally at grade with surrounding roads and appears to have adequate drainage. Zoning is R-2, which is homogenous with surrounding development and all public utilities are near the site. The site is located outside of any restrictive floodplain designation.

In summary, the subject is a residential site with adequate access and visibility with adequate market potential. No adverse conditions were noted at time of inspection and we are not aware of any environmental concerns.

Below is an aerial photograph of the subject site.

Site Aerial Photograph



Subject Photographs



North Property Line Looking East



Northwest Corner Looking Southeast

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Subject Photographs



West Property Line Looking South



West Property Line Looking North

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Subject Photographs



Southwest Corner Looking Northeast



South Property Line Looking West

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HIGHEST AND BEST USE

The American Institute of Real Estate Appraisers utilizes the definition of highest and best use provided in The Dictionary of Real Estate Appraisal, 4th Edition.

A site is always valued in terms of its highest and best use, The most reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest and best use.

The rationale of highest and best use is that a property must have utility reflected through market demand to have a market function. In turn, function determines use, and use is a major determinant of value, in the context of current market forces. In estimating highest and best use an appraiser goes through essentially four stages of analysis:

1. **Legally Permissible Uses** - What uses are permitted under existing zoning and other land use regulations and controls, and under existing deed restrictions, for the subject property?
2. **Physically Possible Uses** - What uses are physically possible on the subject site or in the subject improvements, given the physical characteristics revealed by property analysis?
3. **Financially Feasible Uses** - Among legally permitted and physically possible uses for the subject property, which are appropriate given the characteristics revealed by market, neighborhood and property analysis? Which uses produce any net return to the owner, or a positive net present value?
4. **Maximally Productive Use** - Among appropriate or feasible uses for the subject property, which use will produce the highest present value?

Highest and Best Use: As If Vacant

Among all reasonable alternative uses, the highest and best use is the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The highest and best use of a property is based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Legally Permissible Uses: R-2, low density residential zoning of the subject property will allow a number of uses, including single family development.

Physically Possible Uses: The size of the site is large enough for many residential uses. The availability of sewer and other municipal services means that the subject can be developed within a relatively short time frame.

Financially Feasible Uses: The parcel is adapted for a number of residential uses, particularly those requiring large sites with good access, such as single family residential development. Any legal residential use for which there is adequate demand would be feasible on the site. The location within the City of Grand Island is considered to be adequate for residential uses.

Maximally Productive Uses: The maximally productive use of the subject site would be the optimum density development that would conform to the zoning and platting requirements.

Highest and Best Use: As If Vacant: The subject property has good potential for single family residential development. The zoning is residential and the surrounding vacant land uses will likely become residential. There is demonstrated demand for residential development land in the local and competing markets. Therefore, the highest and best use is estimated to be for a use which maximizes the residential development potential of the subject property without exceeding the demands of the market.

THE APPRAISAL PROCESS

Those processes available for a comprehensive analysis of the value being sought are broadly characterized into three basic approaches: the sales comparison approach, the income capitalization approach, and the cost approach. Under ideal circumstances, the three approaches can be employed in classic form, each giving an independent indication of value. Then the three approaches can be correlated and a final estimate of value can be concluded. The underlying principle to all three approaches is the principle of substitution. This principle holds that an informed person will not pay more for a property than what it would cost to acquire an equally functional, desirable, and valuable substitute.

Cost Approach

The cost approach consists of the estimated replacement cost new of the improvements, from which all forms of accrued depreciation are deducted to arrive at a depreciated replacement cost. To the depreciated replacement cost is added the land value by the sales comparison approach.

Physical depreciation encompasses that loss from the upper limit of value due to physical deterioration resulting from age, weather, and wear. Also in the cost approach is functional obsolescence, which, if present is a loss in value due to a lack of market acceptance resulting from poor or out-dated improvement design. The economic feasibility of repairing or updating either the functional or physical depreciation determines if either of the above described is curable or incurable.

Economic or external obsolescence is the final form of depreciation that is considered in the Cost Approach. It is seldom curable as it results from outside or external influences on the property.

The cost approach tends to indicate value by a form of history, which depicts what the improvements would cost to replace new and then deducts for the ravages of age and changing time.

Sales Comparison Approach

With the sales comparison approach, a direct comparison of the property being appraised is made to other properties which have recently sold and have similar features. Adjustments are made to reflect differences in features between various characteristics of the properties. Generally speaking, the sales comparison approach is considered to be the most reliable of the three approaches as it directly measures the motivations of buyer and seller on a current basis.

Income Capitalization Approach

Where the cost approach tends to begin at a starting point in the past and bring current, the income capitalization approach tends to look from the present position into the future by measuring the present worth of future projected income.

Critical to the income capitalization approach is an estimated economic income based upon comparable situations, and an estimated typical rate of return on and of the property. To arrive at net income, estimated expenses are deducted from the gross property income. The net income is then capitalized into an indication of value. This method is most pertinent to investment/income producing properties and considers a property's worth in relation to its ability to produce a net income.

Summary

All three approaches are considered and each of the three approaches will be implemented when sufficient data are available to give a meaningful indication of value. Variations from or a combination of these approaches may be used if deemed applicable to the circumstances of the property.

Because the subject property is vacant land we will utilize only the sales comparison approach in this assignment.

SALES COMPARISON APPROACH

The sales comparison approach is a process of comparing market data; that is, prices paid for similar properties. Market data, when carefully verified and analyzed, are good evidence of value since they represent the actions and reactions of sellers, users, and investors.

In applying the sales comparison approach, an appraiser takes five steps:

- 1. Seeks out similar properties for which pertinent sales, listings, and data are available.
- 2. Qualifies the prices as to terms, motivating forces, and bona fide nature.
- 3. Compares each comparable property's important attributes with the corresponding ones of the property being appraised, under the general division of time, location, and physical characteristics.
- 4. Considers all dissimilarities in terms of their probable effect upon the sale price.
- 5. Formulates an opinion of the relative value of the property being appraised, as compared with the price of each comparable property.

As previously noted, this approach to value provides an indication of value based upon comparison to other similar properties which have recently sold.

The sales research effort includes individual sales gathered and analyzed by us, as well as data supplied by brokers, clients, national services, and other appraisers. While the data provided is considered reliable no warranty is given to that effect and representation is made that a member of this firm has personally inspected each property.

Following is a list of sales of similar residential land that provide an adequate range of values from which to estimate a value for the subject property.

Comparable Sales

Land Sale No. 1

LOCATION:	East U.S. Highway 34 and South Locust Street, Grand Island, Nebraska
GRANTOR:	Wayne Vanosdall Sanitation, Inc.
GRANTEE:	Talon Apartments, Inc.
LEGAL:	Lot 3, Vanosdall 2nd Subdivision, City of Grand Island, Hall County, Nebraska
INSTRUMENT:	201604402
SALE DATE:	July 13, 2016
SALE PRICE:	\$300,000
LAND SIZE (AC):	6.76
SALE PRICE (PAC):	\$44,379
COMMENTS:	This vacant tract of land is located near the northeast corner of the intersection of East U.S. Highway 34 and South Locust Street in southern Grand Island. It is currently being developed into an apartment complex.

Land Sale No. 2

LOCATION: Nebraska Avenue/Jackson Drive/Sun Valley Drive, Grand Island, Nebraska

GRANTOR: Bosselman Leasing, LLC
GRANTEE: TPCR Developments, LLC

LEGAL: Lots 1 thru 11, Pleasant View 14th Subdivision and Lots 1 thru 31, Pleasant View 16th Subdivision, City of Grand Island, Hall County, Nebraska

INSTRUMENT: 201604350
SALE DATE: July 11, 2016
SALE PRICE: \$212,000

LAND SIZE (AC): 12.0
SALE PRICE (PAC): \$17,667

COMMENTS: This vacant tract of land is platted for development. It is located in southeast Grand Island, just north of Fonner Park. It consists of lots along Nebraska Avenue, Jackson Drive, and Sun Valley Drive.

Land Sale No. 3

LOCATION: 1920 – 1921 Sagewood Avenue, Grand Island, Nebraska

GRANTOR: Blender, LLC
GRANTEE: HC of Grand Island, LLC

LEGAL: Lots 1 and 2, Starlite Subdivision, City of Grand Island, Hall County, Nebraska

INSTRUMENT: 201505080
SALE DATE: July 27, 2015
SALE PRICE: \$430,183

LAND SIZE (SF): 815,879
SALE PRICE (PSF): \$0.53

COMMENTS: This is the sale of two large residential lots in northwest Grand Island. They are located along the south side of West State Street, west of U.S. Highway 281, and east of North Road. They are zoned R4-High Density Residential Zone.

Land Sale No. 4

LOCATION: 3763 West Capital Avenue, Grand Island, Nebraska

GRANTOR: Niedfelt Property Management, LLC
GRANTEE: SB Communities, LLC

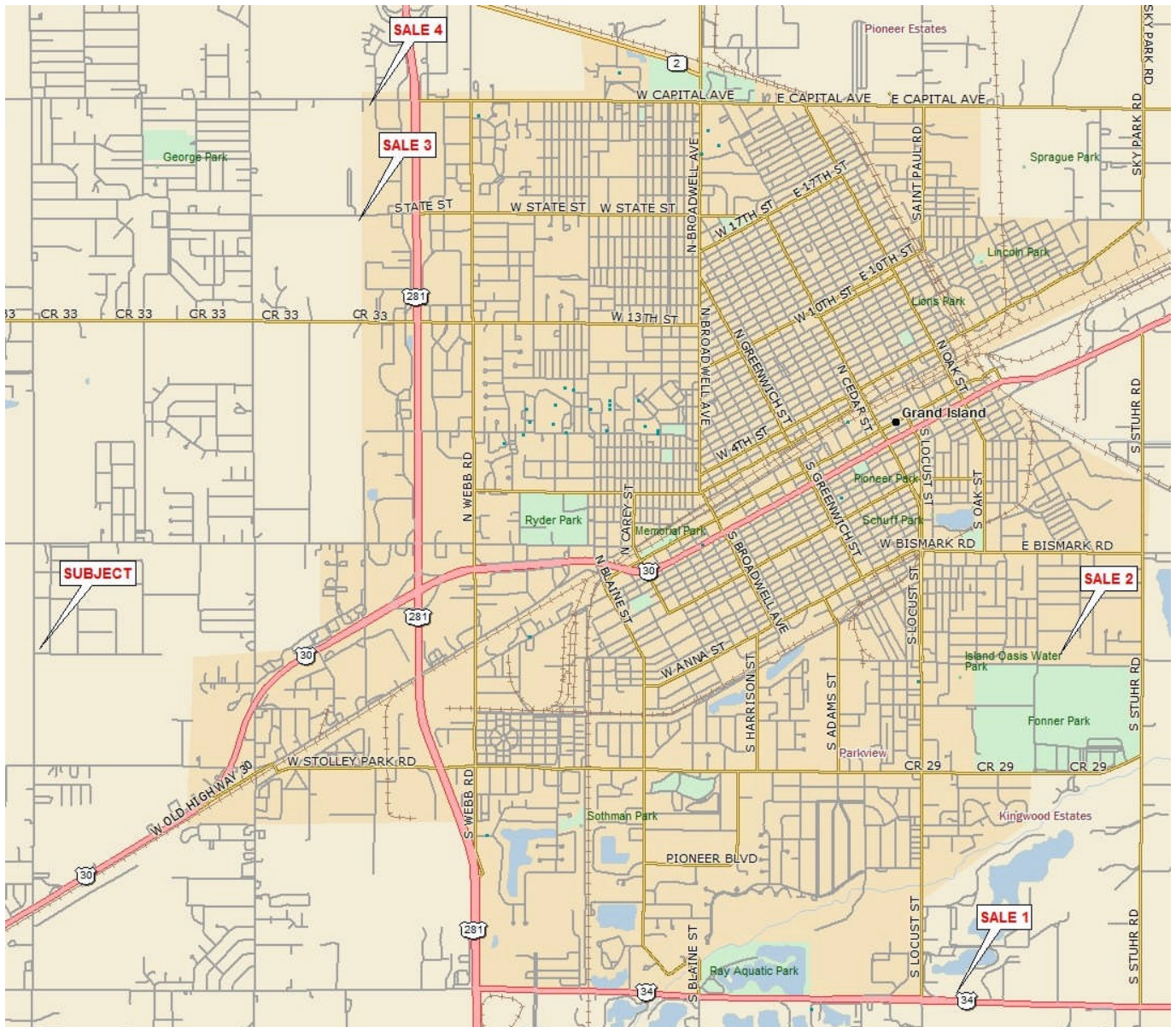
LEGAL: Lot 2, Sterling Estates 2nd Subdivision, City of Grand Island, Hall County, Nebraska

INSTRUMENT: 2013-9253
SALE DATE: November 21, 2013
SALE PRICE: \$208,043

LAND SIZE (SF): 313,632
SALE PRICE (PSF): \$0.66

COMMENTS: This is the sale of a large residential lot in northwest Grand Island. It is located along the south side of West Capital Avenue, west of U.S. Highway 281, and east of North Road. It is zoned RD-Residential Development Zone. Construction of an apartment complex is underway.

Comparable Land Sales Map



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Explanation of Data Analysis and Adjustments

The comparable sales outlined above illustrate varying characteristics. All are similar residential land in Grand Island. It is our opinion that they represent a reasonable cross-section of the marketplace from which to select a reliable estimate of value for the subject property.

All sales were analyzed for property rights conveyed, special financing and/or atypical market conditions and no adjustments were necessary for these characteristics. In addition, they were analyzed for the passage of time and physical characteristics including location, visibility/access, size, and functional utility.

Below is a description and explanation of the adjustments utilized.

Date of Sale: The sales occurred from November, 2011, through July, 2016. Analysis indicates that sales prices for similar properties in the Grand Island marketplaces have increased by 2% to 5% per year over the last several years. For the purpose of this report we have utilized an annual adjustment of 2.0% for the passage of time calculated and applied as its monthly equivalent.

Location: The location of a property has an effect on its desirability. The subject property is located in northwest Grand Island in an area of residential development. It is located in the southwest corner of this development area that has just begun to see increasing demand. Sales 1, 3, and 4 are closer to commercial corridors with more popular demand and were adjusted downward by 25% for their superior location. Sale 2 is located in an area similar to the subject and was not adjusted.

Size: The subject property has 5.04 acres of land. Smaller properties tend to sell for higher per-square-foot prices requiring a downward adjustment, while larger properties would be adjusted upward. This adjustment is sometimes referred to as the economy of scale and is occasionally attributed to the amount of capital needed to purchase larger properties and subsequently causing increased competition for smaller ones. It is typically present in all aspects of real property including vacant land and construction costs. We analyze this characteristic on a continual basis to extract patterns of change for variation in size. Analysis of these and other sales, plus utilization of a simple regression analysis, indicates that Sales 2 and 3 required adjustments and were adjusted accordingly.

Access/Visibility: This characteristic deals with the actual location within the marketplace and how that location relates to access and visibility by customers, clients, and the public. Sale 1 is located near the northeast corner of the intersection of South Locust Street and U.S. Highway 34, two major traffic roads in the city and was adjusted downward by 25% for superior access and visibility.

Functional Utility: This characteristic looks at the overall utility of each of the sold properties and compared to the subject. All sales are similar to the subject and no adjustments were made.

Net Adjustment: The adjustments have been applied in the following table to illustrate the sale price per square foot for each comparable property before and after adjustment. The individual adjustments are indicated as positive or negative percentages on the table. In those instances where the sale was inferior to the subject, a positive adjustment was utilized and has been denoted in blue. In those cases where the sale was superior to the subject, a negative adjustment was utilized and those are denoted in red. The adjustments are summed to arrive at the net adjustment.

The sales have been adjusted based upon the analysis cited above and are illustrated in the following table.

Sales Adjustment Table

	Subject	Sale 1	Sale 2	Sale 3	Sale 4
	Engleman Rd	Hwy 34	Nebraska Ave	1920-1921 Sagewood	3763 W Capital Ave
Sale Price:		\$300,000	\$212,000	\$430,183	\$208,043
Sale Price/ac:		\$44,379	\$17,667	\$22,968	\$28,895
Date of Sale:	11/30/2016	7/13/2016	7/11/2016	7/27/2015	11/21/2013
Adjustment:		0.8%	0.8%	2.7%	6.1%
Adjusted Price/psf:		\$44,724	\$17,806	\$23,595	\$30,669
<u>Physical Characteristics</u>					
Location:		Superior	Similar	Superior	Superior
Adjustment:		-25%	0%	-25%	-25%
Size (ac):	5.04	6.76	12.00	18.73	7.20
Adjustment:		0%	10%	20%	0%
Access/Visibility:		Superior	Similar	Similar	Similar
Adjustment:		-25%	0%	0%	0%
Functional Utility:		Similar	Similar	Similar	Similar
Adjustment:		0%	0%	0%	0%
Total Adjustment Factor:		-50%	10%	-5%	-25%
Indicated Value/ac:		\$22,362	\$19,587	\$22,416	\$23,002

Final Correlation of Land Value

Before adjustment the sales portrayed a range of values from \$17,667 to \$44,379 per acre. After adjustment the range became much closer, from \$19,587 to \$23,002 with an arithmetic mean of \$21,841 and median of \$22,389. The table includes both positive and negative adjustments of minimal amounts indicating an adequate and credible cross section of the marketplace. The adjustments were based in analysis and fact and are considered reliable.

After consideration of all information and analysis provided in this approach it is our opinion that the value of the subject site is \$22,000 per acre. This calculates to a market value estimate as shown below.

5.04 acres x \$22,000 = \$110,902

Called: \$110,000

ONE HUNDRED TEN THOUSAND DOLLARS

(\$110,000)

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ADDENDA

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Zoning Regulations

§36-63. (R-2) Low Density Residential Zone

Intent: To provide for residential neighborhoods at a maximum density of seven dwelling units per acre with supporting community facilities.

(A) Permitted Principal Uses: The following principal uses are permitted in the (R-2) Low Density Residential Zoning District.

- (1) Dwelling units
- (2) Truck, bush and tree farming, provided, there is no display or sale at retail of such products on the premises
- (3) Public parks and recreational areas
- (4) Country clubs as defined herein
- (5) Public, parochial and private schools having a curriculum equivalent to an elementary or higher educational level and colleges offering courses of general instruction, including convents, monasteries, dormitories, and other related living structures when located on the same site as the college
- (6) Churches, synagogues, chapels and similar places of religious worship and instruction of a quiet nature
- (7) Utility substations necessary to the functioning of the utility, but not including general business offices, maintenance facilities, and other general system facilities when located according to the yard space rules set forth in this section for dwellings and having a landscaped or masonry barrier on all sides. Buildings shall be of such exterior design as to harmonize with nearby properties.
- (8) Public and quasi-public buildings for cultural use
- (9) Railway right-of-way, but not including railway yards or facilities
- (10) All other Permitted Principal Uses indicated as permitted within the Zoning Matrix [Attachment A hereto]

(B) Conditional Uses: The following uses are subject to any conditions listed in this chapter and are subject to other conditions relating to the placement of said use on a specific tract of ground in the (R-2) Low Density Residential Zoning District as approved by City Council.

- (1) Preschools, nursery schools, day care centers, children's homes and similar facilities
- (2) Towers
- (3) Off-street parking areas for schools and places of religious worship/instruction on lands adjacent to and within three hundred (300.0) feet of the principal building associated with the aforementioned uses.
- (4) All other Conditional Uses indicated as conditional within the Zoning Matrix [Attachment A hereto]

(C) Permitted Accessory Uses:

- (1) Customary home occupations
- (2) Buildings and uses accessory to the permitted principal use

(D) Space Limitations:

Uses			Minimum Setbacks						
			A	B	C	D	E		
	Minimum Parcel Area (feet)	Minimum Lot Area per Dwelling Unit	Minimum Lot Width (feet)	Front Yard (feet)	Rear Yard (feet)	Side Yard (feet)	Street Side Yard (feet)	Maximum Ground Coverage	Maximum Building Height (feet)
Permitted Uses	6,000	6,000	50	25	20	5	12 ½	35%	35
Conditional Uses	6,000	6,000	50	25	20	5	12 ½	35%	35

(E) Miscellaneous Provisions:

- (1) Supplementary regulations shall be complied with as defined herein
- (2) Only one principal building shall be permitted on one zoning lot except as otherwise provided herein.

PROFESSIONAL QUALIFICATIONS OF ROBIN HENDRICKSEN

Mr. Robin L. Hendricksen
Nebraska General Certification: 920625

www.hendricksenappraisal.com
haprco@aol.com

EXPERIENCE SUMMARY

HENDRICKSEN APPRAISAL COMPANY

Owner, Commercial Appraiser, 2005 - Current
2514 North Webb Road
Grand Island, NE 68803

Douglas County Assessor's Office, Omaha, NE
Senior Appraiser Manager, 2004 - 2005

Great Plains Appraisal Co., Lincoln, NE
Staff Appraiser, Commercial Division, 2003 - 2004

Robin Hendricksen Appraisal and Consulting Services, 2002 - 2003
Owner, Commercial Appraiser

Lancaster County Assessor's Office, Lincoln, NE
Chief Administrative Deputy, 1991 to 2002

Gage County Board of Equalization, Beatrice, NE
Protest Referee, 1996 to 2004

Great Plains Appraisal Co., Lincoln, NE
Contract Appraiser (part time), Commercial Department, 1994 to 1996

Lancaster County Assessor's Office, Lincoln, NE
Commercial Appraisal Supervisor, 1988 - 1991

Strategis Asset and Management Company, Chicago, IL
Commercial/Industrial Appraiser, 1986 - 1988

Dodge County Assessor's Office, Fremont, NE
Chief Appraiser, 1982 - 1986

Custer County Assessor's Office, Broken Bow, NE
Deputy Assessor, 1975 - 1979

EDUCATION

Chadron State College, Chadron, NE
Industrial Arts, 1970 - 1971

Kearney State College, Kearney, NE
English/Physical Education, 1971 - 1973

Mid-Plains Community College, North Platte, NE
Real Estate Principles and Practices, 1976

The Appraisal Institute

Mark to Market: The New FIRREA?, 2002
Appraisal Consulting, 2003
Using Your HP12C Financial Calculator, 2006
Eminent Domain and Condemnation, 2006
Subdivision Analysis, 2008
Distressed Commercial Real Estate, Here We Go Again, 2009
Appraising Convenience Stores, 2012
Business Practices and Ethics, 2013

EDUCATION (continued)

International Association of Assessing Officers

Application of Residential Appraisal Modeling Concepts, 2000
Income Approach to Value, 1996
CAMA Valuation Model Building, 1993
Contemporary Capitalization Techniques, 1992
Multiple Regression Analysis for Real Property Valuation, 1989
Mass Appraisal of Income Producing Property, 1988
Development and Writing of Narrative Appraisal Reports, 1982
Appraisal of Land, 1978
Appraisal of Income Producing Properties, 1976
Introduction to the Fundamentals of Real Property Appraisal, 1975

Gateway College, Lincoln, NE

Computer Networking/Novell, 1995

Society of Real Estate Appraisers

Applied Income Property Valuation, 1990

American Institute of Real Estate Appraisers

Capitalization Theory and Techniques-Part "A", 1989
Capitalization Theory and Techniques-Part "B", 1989

Mid-West Appraiser's Association

Cost Approach Overview Seminar, 1998

McKissock Education

Appraising & Analyzing Industrial Flex Buildings, 2012

The Moore Group, Lincoln, NE

Uniform Standards of Professional Appraisal Practice (2 day course) 2001, 1989
Uniform Standards of Professional Appraisal Practice (update) 2014, 2012, 2010, 2008, 2006, 1998
Scope of Work: Understanding, Determining & Disclosing (1 day course) 2006
Foreclosures, 2008
Nebraska Residential Report Writing Update, 2010
Valuation by Comparison: Residential Analysis and Logic, 2012
Report Writing Update and Case Studies, 2014
Statistics, Modeling and Finance, 2014
Nebraska Supervisory Appraiser & Appraiser Training, 2015

Nebraska Real Property Appraiser Board, Lincoln, NE

Ed Tour – General Review, 2009
Appraisal Review Training, 2009, 2007, 2003, 2001, 1998

LICENSES, DESIGNATIONS AND ACCOMPLISHMENTS

Nebraska Certified General Real Property Appraiser, CG 920625 (1992)
Nebraska Licensed Appraiser (1981)
Review Appraiser-Nebraska Real Property Appraiser Board
Core Curriculum Committee-Nebraska Real Property Appraiser Board
Expert witness-Nebraska State Board of Equalization
Expert witness-Nebraska Tax Equalization and Review Commission
Expert witness-Various Nebraska District Courts
Expert witness-Nebraska Unicameral Revenue Committee
Expert witness-Nebraska Property Tax Administrator

AREA SERVICED

All counties west of Lancaster (Lincoln)
All counties east of Colorado and Wyoming State Lines
All counties north of the Kansas State Line
All counties south of the South Dakota State Line

Appraiser Certification

State of Nebraska
Real Property Appraiser Board



Hereby certifies that: ROBIN L HENDRICKSEN
HENDRICKSEN APPRAISAL CO
2514 NORTH WEBB ROAD
GRAND ISLAND, NE 68803

Is credentialed in the State of Nebraska as a:
Certified General Real Property Appraiser

Holding credential number: CG920625

Issued on: Jan 01, 2015 Set to expire on: Dec 31, 2016

Nebraska Real Property Appraiser Board Director: 

All address changes, business or residence must be reported to the Real Property Appraiser Board immediately.
This Pocket Card is proof that such person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, LL PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-9015 Fax: 402-471-9017 www.appraiser.ne.gov

Administrative Identification Number:	4632-2015	Registration Fee Paid:	\$575.00
Random Fingerprint Audit Program Fee Paid:	\$10.00	Federal Registry Fee Paid:	\$80.00

PROFESSIONAL QUALIFICATIONS OF JONATHAN HAACK

Mr. Jonathan F. Haack
Nebraska Trainee Certification: 2014015

www.hendricksenappraisal.com
happrco2@aol.com

EXPERIENCE

HENDRICKSEN APPRAISAL COMPANY

Appraiser Trainee, 2013 - Current
2514 North Webb Road
Grand Island, NE 68803

EDUCATION

Doane College; Grand Island, NE
Bachelors Degree in Accounting, 2013-2014

Central Community College; Grand Island, NE
Associates Degree in Accounting, 2012-2013

The Appraisal Institute

Advanced Income Capitalization, 2015
General Appraiser Report Writing and Case Studies, 2015
General Appraiser Site Valuation and Cost Approach, 2015
General Appraiser Income Approach/Part 2, 2015
General Appraiser Sales Comparison Approach, 2015
General Appraiser Market Analysis and Highest and Best Use, 2015
General Appraiser Income Approach/Part 1, 2014

The Moore Group, Lincoln, NE

2016-2017 Uniform Standards of Professional Appraisal Practice Update, 2016
Nebraska Supervisory Appraiser and Trainee Appraiser Training, 2015
Statistics, Modeling, and Finance, 2014
2014-2015 Uniform Standards of Professional Appraisal Practice, 2013
Basic Appraisal Procedures, 2013
Basic Appraisal Principles, 2013

LICENSES, DESIGNATIONS AND ACCOMPLISHMENTS

Nebraska Certified Trainee Real Property Appraiser, T2014015 (2014)

Appraiser Certification

State of Nebraska Real Property Appraiser Board



Hereby certifies that: JONATHAN HAACK
626 DEAN ST
GRAND ISLAND, NE 68801-3002

Is credentialed in the State of Nebraska as a:
Trainee Real Property Appraiser

Holding credential number: T2014015

Issued on: Feb 20, 2014

Set to expire on: Dec 31, 2017

Registration Fee Paid: \$0.00

Federal Registry Fee Paid: \$0.00

Administrative Identification Number: 4489-2014

Nebraska Real Property Appraiser Board Director: _____

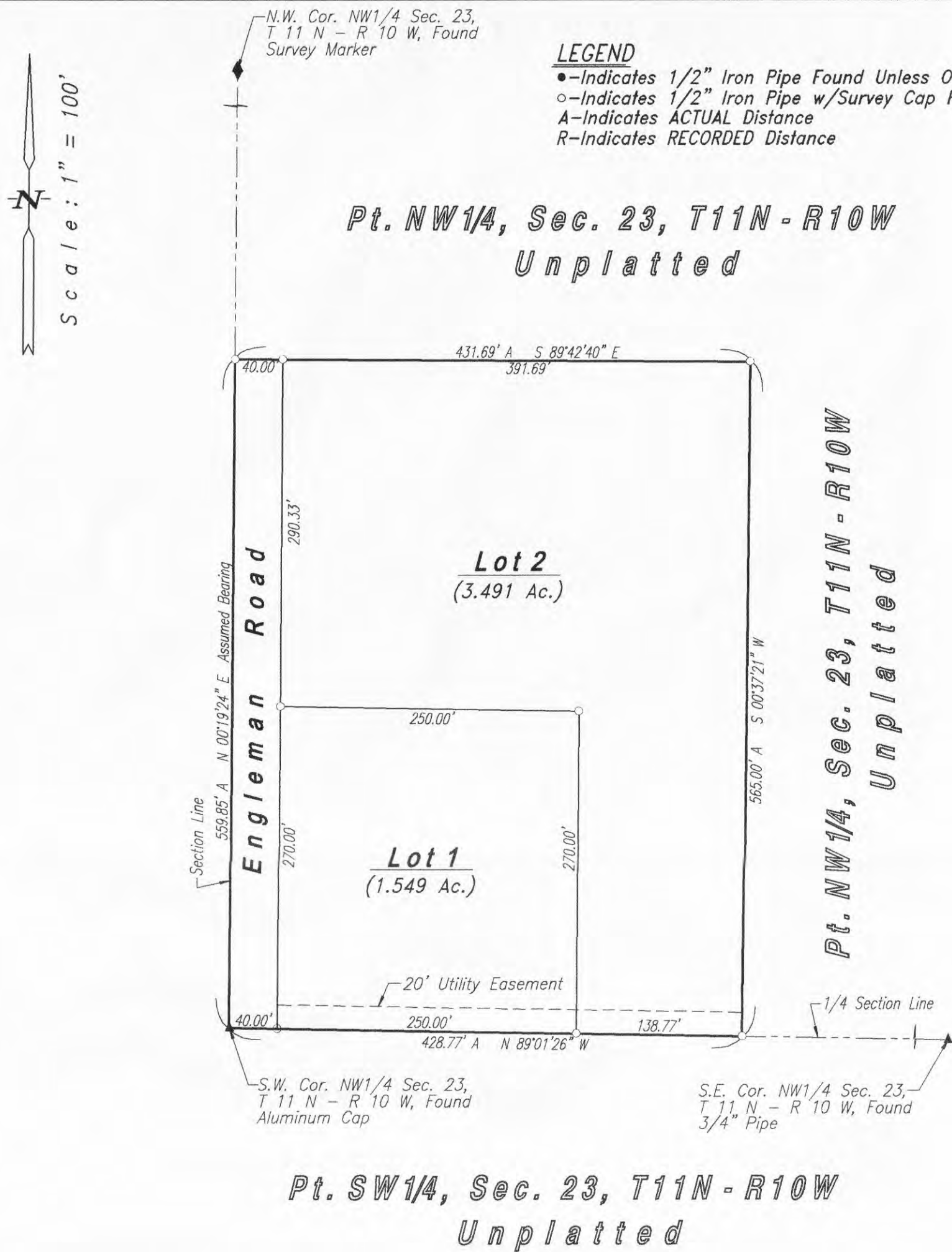
A handwritten signature in black ink, appearing to read "Tyler N. Kohn", is written over a horizontal line.

All address changes, business or residence must be reported to the Real Property Appraiser Board immediately.

This Pocket Card is proof that such person is credentialed under the Real Property Appraiser Act unless credential has been canceled, surrendered, suspended, or revoked.

Nebraska Real Property Appraiser Board
301 Centennial Mall South, L.L. PO Box 94963
Lincoln, Nebraska 68509-4963
Phone: 402-471-9015 Fax: 402-471-9017 www.appraiser.ne.gov

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Legal Description

A tract of land comprising a part of the Northwest Quarter (NW1/4), of Section Twenty Three (23), Township Eleven (11) North, Range Ten (10) West of the 6th. P.M., in the City of Grand Island, Hall County, Nebraska, more particularly described as follows:

Beginning at the southwest corner of said Northwest Quarter (NW1/4); thence running northerly on the westerly line of said Northwest Quarter (NW1/4), on an Assumed Bearing of N00°19'24"E, a distance of Five Hundred Fifty Nine and Eighty Five Hundredths (559.85) feet; thence running S89°42'40"E, a distance of Four Hundred Thirty One and Sixty Nine Hundredths (431.69) feet; thence running S00°37'21"W, a distance of Five Hundred Sixty Five (565.00) feet, to a point on the southerly line of said Northwest Quarter (NW1/4); thence running N89°01'26"W, a distance of Four Hundred Twenty Eight and Seventy Seven Hundredths (428.77) feet, to the Point of Beginning and containing 5.555 acres more or less.

Dedication

KNOW ALL MEN BY THESE PRESENTS, that THE GUARANTEE GROUP, L.L.C., a Nebraska Limited Liability Company, being the owner of the land described hereon, has caused same to be surveyed, subdivided, platted and designated as 'COPPER CREEK ESTATES NINTH SUBDIVISION' in the City of Grand Island, Nebraska, as shown on the accompanying plat thereof, and do hereby dedicate the streets as shown thereon to the public forever and the easements as shown thereon for the location, construction and maintenance of public service utilities, together with the right of ingress and egress thereto, and hereby prohibiting the planting of trees, bushes and shrubs, or placing other obstructions upon, over, along or underneath the surface of such easements; and that the foregoing subdivision as more particularly described in the description hereon as appears on this plat is made with the free consent and in accordance with the desires of the undersigned owner and proprietor.

IN WITNESS WHEREOF, I have affixed my signature hereto, at Grand Island, Nebraska, this _____ day of _____, 2016.

THE GUARANTEE GROUP, L.L.C., a Nebraska Limited Liability Company

Sean P. O'Connor, a Member

Surveyor's Certificate

I hereby certify that on October 11, 2016, I completed an accurate survey of 'COPPER CREEK ESTATES NINTH SUBDIVISION', in the City of Grand Island, Nebraska, as shown on the accompanying plat thereof; that the lots, blocks, streets, avenues, alleys, parks, commons and other grounds as contained in said subdivision as shown on the accompanying plat thereof are well and accurately staked off and marked; that iron markers were placed at all lot corners; that the dimensions of each lot are as shown on the plat; that each lot bears its own number; and that said survey was made with reference to known and recorded monuments.

Acknowledgement

State Of Nebraska
County Of Hall ss

On the _____ day of _____, 2016, before me, _____, a Notary Public within and for said County, personally appeared SEAN P. O'CONNOR, a Member of THE GUARANTEE GROUP, L.L.C., a Nebraska Limited Liability Company, and to me personally known to be the identical person whose signature is affixed hereto, and that he did acknowledge the execution thereof to be his voluntary act and deed and the voluntary act and deed of said Company and that he was empowered to make the above dedication for and in behalf of said Company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal at Grand Island, Nebraska, on the date last above written.

My commission expires _____.

Approvals

Submitted to and approved by the Regional Planning Commission of Hall County, Grand Island, Wood River and the Villages of Alda, Cairo and Doniphan, Nebraska.

Chairman

Date

Notary Public

(Seal)

Approved and accepted by the City of Grand Island, Nebraska, this _____ day of _____, 2016.

Mayor

City Clerk

COPPER CREEK ESTATES NINTH SUBDIVISION IN THE CITY OF GRAND ISLAND, NEBRASKA

PURCHASE AGREEMENT

This Purchase Agreement is entered into by and between:

Seller: THE GUARANTEE GROUP, L.L.C., a Nebraska Limited Liability Company

Seller's address: 1912 West Anna Street, Grand Island, NE 68803

Seller's taxpayer ID number:

Buyer: CITY OF GRAND ISLAND, a body politic and corporate and a political subdivision of the State of Nebraska.

Buyer's Address 100 East First Street, P.O. Box 1968, Grand Island, NE 68802

Purchase Price: \$110,000.00

Earnest Money Deposit: \$0.00 (none)

Closing date and place: January 31, 2017 at Grand Island Abstract Escrow & Title Co.

Title Insurance Commitment Due Date: January 17, 2017

Real Estate Taxes: All taxes related to the Property for 2016 and all prior years shall be paid by Seller at or prior to closing. Any tax related to the Property for 2017 shall be prorated to the date of Closing based on the most recent property valuation and the most recent mill levy.

Certified or Cashiers Check due at Closing from Buyer: \$110,000.00

"Property" Legal Description: A tract of land comprising a part of the Northwest Quarter (NW1/4) of Section Twenty Three (23), Township Eleven (11) North, Range Ten (10) West of the 6th P.M., in the City of Grand Island, Hall County, Nebraska, more particularly described as follows:

Beginning at the southwest corner of said Northwest Quarter (NW1/4); thence running northerly on the westerly line of said Northwest Quarter (NW1/4), on an Assumed Bearing of N00°19'24"E, a distance of Five Hundred Fifty Nine and Eighty Five Hundredths (559.85) feet; thence running S89°42'40"E, a distance of Four Hundred Thirty One and Sixty Nine Hundredths (431.69) feet; thence running S00°37'21"W, a distance of Five Hundred Sixty Five (565.00) feet, to a point on the southerly line of said Northwest Quarter (NW1/4); thence running N89°01'26"W, a distance of Four Hundred Twenty Eight and Seventy Seven Hundredth (428.77) feet to the Point of Beginning and containing 5.555 acres more or less.

RECITALS

Seller is the owner and developer of certain real property (the "Property") legally described above; and Seller desires to sell and Buyer desires to acquire the Property, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of, and based on, the foregoing Recitals and the mutual promises and agreements

set forth below, the parties agree as follows:

1 TRANSFER OF PROPERTY.

- 1.1 SALE AND PURCHASE. At Closing (as hereinafter defined), Seller shall sell to Buyer, and Buyer shall purchase from Seller the Property.
- 1.2 PURCHASE PRICE AND PAYMENT. Buyer shall pay to Seller the "Purchase Price" above stated of which the "Earnest Money Deposit" has been received by Seller on the date hereof with a balance payable at Closing, subject to adjustments and prorations as herein provided.
- 1.3 CLOSING. The closing of the purchase and sale of the Property shall take place upon the date and at the place designated above; provided, however, closing shall be automatically extended until the appropriate governing bodies have approved or rejected the license and permits contemplated by Section 2 hereof, or at such other time, date and place as the parties may mutually agree (the "Closing").
- 1.4 TITLE AND POSSESSION. Seller agrees to deliver at Closing a general warranty deed to the Property conveying to Buyer marketable title to the Property, free and clear of all mortgages, deeds of trusts, leases, encumbrances, liens, statutory rights, assessments, covenants, charges or adverse claims of any kind or character whatsoever, except for easements and restrictions of record that are acceptable to Buyer and its counsel. Seller shall deliver possession to the Property to Buyer at the time of Closing.
- 1.5 TITLE INSURANCE. On the Title Insurance Commitment due date designated above Seller shall furnish Buyer and its counsel with a commitment for an owner's policy of title insurance in the amount of the purchase price which insures marketable title to the Property, subject only to the easements, restrictions and other matters of record that are acceptable to the Buyer and its counsel. Written notice of any easement, restriction or other matter affecting title to the Property that is unacceptable to Buyer or its counsel shall be delivered to Seller within two (2) weeks from receipt of the commitment. Written notice of any easement, restriction or other matter affecting title to the Property contained in the updated commitment that is unacceptable to Buyer or its counsel shall be delivered to Seller within ten (10) days from receipt of such commitment. Seller shall have a reasonable period, not exceeding thirty (30) days, to cure any unacceptable easement, restriction or other matter affecting title to the Property. The premium for the title insurance policy shall be paid by the Seller.
- 1.6 ENVIRONMENTAL AFFIDAVIT. Seller represents that its members and officers have no knowledge of any adverse environmental conditions which affect the Property, the value thereof, or liability in connection therewith, except such environmental conditions as have been fully disclosed to the Buyer. Seller shall provide an affidavit at closing, affirming the statement made in the prior sentence as of the date of closing, directed to Buyer and to Buyer's lender. If Seller is unable to provide such an affidavit at closing because of facts discovered or made known to Seller after the date of this Agreement, Buyer may elect, in Buyer's sole discretion, to either (i) accept the Property based upon such affidavit as Seller can provide based upon the facts then known; or (ii) terminate this Agreement, in which event all sums paid to Seller pursuant to this Agreement shall be returned to Buyer within five business days and neither party shall have any further obligation or liability to the other.
- 1.7 TAXES, ASSESSMENTS AND OTHER COSTS. All taxes related to the Property as stated above shall be paid by Seller at or prior to closing. Any tax related to the Property as stated above shall be prorated to the date of Closing based on the most recent property valuation and the most recent mill levy. Any special assessment arising out any improvement completed or under construction prior to Closing, whether then levied or unlevied, assessed or unassessed, shall be borne by Seller. Seller shall pay any and all transfer taxes or similar fees which are payable upon the recording of the warranty deed from Seller to Buyer.
The costs of the preparation of all documents and other related expenses in connection with the sale of the Property and the closing of the sale shall be paid by the Buyer.

2 REPRESENTATIONS AND WARRANTIES.

- 2.1 REPRESENTATIONS AND WARRANTIES OF SELLER. Seller represents and warrants to Buyer as follows:

- 2.1.1.1 ORGANIZATION; POWER; GOOD STANDING. Seller is a limited liability company duly organized and validly existing in good standing under the laws of the State of Nebraska and has all requisite power and authority to own and operate its property and carry on its business as now being conducted and to enter into this Agreement and perform the obligations hereunder. The Company Secretary shall certify the sale is in the usual and regular course of business pursuant to the terms and conditions determined by its members.
- 2.1.2 AUTHORITY RELATIVE TO AGREEMENT. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies. Seller is the owner of the Property and no other persons have any interest in such real estate, except as set forth in this Agreement.
- 2.1.3 EFFECT OF AGREEMENT. The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action by Seller and will not require the consent, waiver, approval, license or authorization of any person or public authority on the part of Seller to be obtained; and will not violate, with or without the giving of notice and/or the passage of time, any provision of law applicable to Seller, and will not conflict with or result in a breach or termination of any provision of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon the Property pursuant to any mortgage, deed of trust, indenture or other agreement or instrument or any order, judgment, decree, statute, regulation or any other restriction of any kind or character whatsoever, to which Seller is a party or by which the Property may be bound.
- 2.1.4 BROKERS. Seller has not entered into any contract, arrangement or understanding with any person or firm which may result in the obligation of Buyer to pay any finder's fee, brokerage or agent's commission or other like payment in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby, and Seller is not aware of any claim or basis for any claim for payment of any finder's fee, brokerage or agent's commission or other like payment in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.
- 2.1.5 HAZARDOUS MATERIAL. No hazardous or toxic material, substance, pollutant, contaminant, waste, asbestos, or petroleum product has been released into the environment, discharged, placed or disposed of at, near, or on the Property. The Property has not been used at any time by any person as a landfill or waste disposal site. No claims, litigation, administrative proceedings, are pending or threatened, and no judgments or orders have been entered relating to any hazardous substance, hazardous waste, discharge, emission or other form of pollution relating in any way to the Property. No hazardous substance or hazardous waste, as defined by the Resource Conservation Recovery Act, as amended, 42 U.S.C. section 6901 *et seq.*, or the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. section 9601 *et seq.*, has been generated, manufactured, refined, transported, treated, stored, handled or disposed of on, at or near the Property.
- 2.1.6 SPECIAL ASSESSMENTS AND LIENS. No costs or expenses of any kind or character whatsoever associated with the construction or maintenance of any street, sidewalk, parking area or utility improvement surrounding or serving the area adjacent to the Property, including, without limitation, the costs and expenses attributable to paving, extension of water, sanitary sewer, storm sewer lines, street and parking lot lighting, street signs, engineering design and city engineering will be assessed against the Property.
- 2.1.7 FLOODPLAIN. The property is not located in a designated floodplain.

2.1.8 ENDANGERED SPECIES. Seller is unaware of the property being a home to an endangered species.

2.2 REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer represents and warrants to Seller as follows:

2.2.1 ORGANIZATION; POWER; GOOD STANDING. Buyer is a body politic and corporate and a political subdivision of the State of Nebraska and is duly organized and validly existing under the laws of the State of Nebraska and has all requisite power and authority to own properties and to enter into this Agreement and perform the obligations hereunder.

2.2.2 AUTHORITY RELATIVE TO AGREEMENT. This Agreement has been duly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies.

2.2.3 EFFECT OF AGREEMENT. The execution, delivery, and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action by Buyer and, except as contemplated hereby, will not require the consent, waiver, approval, license, or authorization of any person or public authority on the part of Buyer to be obtained; and will not violate, with or without the giving of notice and/or the passage of time, any provision of law applicable to Buyer, and will not conflict with or violate any instrument, agreement, order, judgment, decree, statute, regulation, or any other restriction of any kind or character to which Buyer is a party.

2.2.4 BROKERS. Buyer has not entered into any contract, arrangement or understanding with any person or firm which may result in the obligation of Seller to pay any finder's fee, brokerage or agent's commission, or other like payment in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby, and Buyer is not aware of any claim or basis for any claim for payment of any finder's fee, brokerage or agent's commission, or other like payment in connection with the negotiations leading to this Agreement or the consummation of the transactions contemplated hereby.

3 OTHER AGREEMENTS.

3.1 INDEMNIFICATION.

3.1.1 INDEMNIFICATION BY SELLER. Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to indemnify and hold Buyer harmless against, and will reimburse Buyer upon demand for, any payment, loss, cost or expense (including reasonable professional fees and reasonable costs of investigation incurred in defending against such payment, loss, cost or expense or claim therefore) made or incurred by or asserted against Buyer in respect of any and all damages or deficiencies resulting from:

3.1.1.1 any omission, misrepresentation, breach of warranty, or non-fulfillment of any term, provision, covenant, or agreement on the part of Seller contained in this Agreement;

3.1.1.2 any environmental matter which is related to the Property and involves an event occurring or condition existing prior to Closing; and

3.1.1.3 any deed, exhibit, certificate, instrument or other agreement furnished or to be furnished by Buyer pursuant to this Agreement or any other agreement involving the parties hereto and contemplated hereby.

3.1.2 INDEMNIFICATION BY BUYER. Upon the terms and subject to the conditions set forth in this Agreement, Buyer agrees to indemnify and hold Seller harmless against, and will reimburse Seller upon demand for, any payment, loss, cost or expense (including reasonable professional fees and reasonable costs of investigation incurred in defending against such payment, loss, cost or expense or claim therefore) made or incurred by or asserted against Seller in respect of any and all damages or deficiencies resulting from any omission, misrepresentation, breach of

warranty, or non-fulfillment of any term, provision, covenant, or agreement on the part of Buyer contained in this Agreement or any exhibit, certificate, instrument, or other agreement furnished or to be furnished to Seller pursuant to this Agreement or any other agreement involving the parties hereto and contemplated hereby.

3.1.3 CONDITIONS OF INDEMNIFICATION. With respect to any actual or potential claim, any written demand, commencement of any action, or the occurrence of any other event which involves any matter or related series of matters (a "Claim") against which a party hereto is indemnified (the "Indemnified Party") by another party (the "Indemnifying Party") under this Agreement:

3.1.3.1 Promptly after the Indemnified Party first receives written documents pertaining to the Claim, or if such Claim does not involve a third party Claim, promptly after the Indemnified Party first has actual knowledge of such Claim, the Indemnified Party shall give notice to the Indemnifying Party of such Claim in reasonable detail and stating the amount involved, if known, together with copies of any such written documents; and

3.1.3.2 If the Claim involves a third party Claim, then the Indemnifying Party shall have the right, at its sole cost, expense and ultimate liability regardless of outcome, through counsel of its choice, to litigate, defend, settle, or otherwise attempt to resolve such Claim, except that the Indemnified Party may elect, at any time and at the Indemnified Party's sole cost, expense and ultimate liability, regardless of outcome, and through counsel of its choice, to litigate, defend, settle, or otherwise attempt to resolve such Claim. If the Indemnified Party so elects (for reasons other than the Indemnifying Party's inability, failure, or refusal to provide a defense to such Claim), then the Indemnifying Party shall have no obligation to indemnify the Indemnified Party with respect to such Claim. In any event, all parties hereto shall fully cooperate with any other party and their respective counsel in connection with any such litigation, defense, settlement, or other attempt at resolution.

3.2 INSPECTION AND TESTING. At any time after the date of this Agreement, Buyer and its employees and agents shall have the right to enter upon the Property and perform such tests and inspections as it deems necessary to determine suitability of the Property for its intended use. Buyer shall restore the Property to original condition if such tests alter the grade, compaction, or vegetation.

4 CONDITIONS OF CLOSING.

4.1 BUYER'S CONDITIONS OF CLOSING. Unless waived by Buyer in writing, the obligations of Buyer under this Agreement are subject to fulfillment of the following conditions:

4.1.1 WARRANTY DEED AND TITLE INSURANCE COMMITMENT. Buyer shall receive at Closing a warranty deed for the Property and a commitment for title insurance in accordance with this Agreement.

4.1.2 CONDITION OF PROPERTY. Within sixty (60) days from the date of this Agreement, Buyer has approved the soil condition of the Property and all conditions, limitations, requirements, rules, and regulations of any governmental agency having jurisdiction over the Property or its intended use.

4.1.3 ADVERSE CONDITIONS. As of Closing, there are no adverse conditions or circumstances which may interfere with Buyer's intended use or ability to encumber the Property.

4.1.4 REPRESENTATIONS AND WARRANTIES. There have been no material inaccuracies in the representations and warranties of Seller and such representations and warranties shall be true as of Closing as though made on and as of such date and Buyer shall have received a certificate dated as of Closing to that effect.

4.2 SELLER'S CONDITIONS OF CLOSING. Unless waived by Seller in writing, the obligations of Seller under this Agreement are subject to fulfillment of the following conditions:

- 4.2.1 PAYMENT. At Closing, Seller shall receive from Buyer a certified or cashier's check as designated above..
- 4.2.2 REPRESENTATIONS AND WARRANTIES. There have been no material inaccuracies in the representations and warranties of Buyer and such representations and warranties shall be true as of Closing as though made on and as of such date and Seller shall have received a certificate dated as of Closing to that effect.
- 4.3 TERMINATION. If the conditions of Closing for a party have not been materially complied with or performed and such noncompliance or nonperformance shall not have been waived by the other, such other party may terminate this Agreement and upon such termination neither Buyer nor Seller shall have any liability one to the other, except that Seller shall return the Earnest Money Deposit to Buyer.
- 4.4 RISK OF LOSS. All risk of loss or damage to the property by fire or other casualty until the delivery of the deed is assumed by the Seller, and in such event, the Buyer shall have the right and option to cancel this Agreement and receive all monies paid under the Agreement.

5 MISCELLANEOUS.

- 5.1 BINDING EFFECT; BENEFITS. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended to confer on any person other than the parties hereto or their respective successors and assigns any right, remedy, obligation, or liability under or by reason of this Agreement.
- 5.2 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.
- 5.3 FURTHER ASSURANCES. Each of the parties hereto, without further consideration, agrees to execute and deliver such other documents and take such other action, whether prior to or subsequent to Closing, as may be necessary to more effectively consummate the intent and purpose of this Agreement.
- 5.4 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.
- 5.5 NOTICES. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or 48 hours after being mailed registered or certified mail, return receipt requested, postage prepaid, to the party at the address designated above.
- 5.6 SEVERABILITY. If for any reason whatsoever, any one or more of the provisions of this Agreement shall be held or deemed to be inoperative, unenforceable, or invalid as applied to any particular case or in all cases, such circumstances shall not have the effect of rendering such provision invalid in any other case or of rendering any of the other provisions of this Agreement inoperative, unenforceable, or invalid.
- 5.7 SURVIVAL AND NONMERGER. All terms, conditions, representations, and warranties contained in this Agreement shall survive the execution hereof and the Closing hereunder, including, but not limited to, the execution and delivery of any deed related to the Property to be conveyed hereunder, and shall not merge into any deed.
- 5.8 TIME OF ESSENCE. The parties agree that time is of the essence in the performance of their respective obligations hereunder.
- 5.9 WAIVER. Either Buyer or Seller may, by written notice to the other, (a) extend the time for the performance of any of the obligations or other actions of the other under this Agreement; (b) waive any inaccuracies in the representations or warranties of the other contained in this Agreement or in any document delivered pursuant to this Agreement; (c) waive compliance with any of the conditions or covenants of the other contained in this Agreement; or (d) waive performance of any of the obligations of the other under this Agreement. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants, or agreements contained in this Agreement. The waiver by any

5.10 **CONSTRUCTION.** The parties hereto acknowledge and agree that each party has participated in the drafting of this Agreement and that this document has been reviewed by the respective legal counsel for the parties hereto and that the normal rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not apply to the interpretation of this Agreement. No inference in favor of, or against, any party shall be drawn by the fact that one party has drafted any portion hereof.

THE GUARANTEE GROUP, L.L.C., Seller

State of Nebraska)
) ss.
County of Hall)

Notary Public

State of Nebraska)
) ss.
County of Hall)

Notary Public

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RESOLUTION 2016-309

WHEREAS, the City of Grand Island's water system usage has increased to where additional capacity is required to allow future growth in the City, and an elevated storage tank is recommended by a recently completed Water System Master Plan; and

WHEREAS, a site at the southwest corner of the Copper Creek housing area on Engleman Road between Potash Highway and Stolley Park Road (Copper Creek Estates Ninth Subdivision) was selected as best location meeting the requirement for the tank based on hydraulic characteristics of the water system and future community growth; and

WHEREAS, discussion with The Guarantee Group was held regarding the acquisition of the site with an agreement for the Utilities Department to purchase approximately five (5) acres for \$110,000.00, an amount determined by an independent appraiser; and

WHEREAS, the Legal Department drafted a Purchase Agreement for the purchase of the property in the appraised and agreed upon amount of \$110,000.00.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Purchase Agreement with The Guarantee Group of the Copper Creek Estates Ninth Subdivision property in the amount of \$110,000.00 is hereby approved and the Mayor is authorized to sign the Agreement on behalf of the City of Grand Island, Nebraska.

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Adopted by the City Council of the City of Grand Island, Nebraska, December 27, 2016.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
December 23, 2016	☐ City Attorney