



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting Packet

Board Members:

Tom Gdowski - Chairman

Glen Murray – Vice Chairman

Sue Pirnie

Glenn Wilson

Krae Dutoit

4:00 PM
City Hall

Call to Order

Roll Call

A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS

Individuals who have appropriate items for City Council consideration should complete the Request for Future Agenda Items form located at the Information Booth. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting or study session, notification of the date will be given.

B - RESERVE TIME TO SPEAK ON AGENDA ITEMS

This is an opportunity for individuals wishing to provide input on any of tonight's agenda items to reserve time to speak. Please come forward, state your name and address, and the Agenda topic on which you will be speaking.

DIRECTOR COMMUNICATION

This is an opportunity for the Director to comment on current events, activities, and issues of interest to the commission.



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item A1

Agenda 12-13-17

Staff Contact: Chad Nabity



AGENDA
Wednesday, December 13, 2017
4 p.m.
Grand Island City Hall

Open Meetings Notifications

1. Call to Order
This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them. The CRA may vote to go into Closed Session on any Agenda Item as allowed by State Law.
2. Approval of Minutes of November 8, 2017, Meeting.
3. Review of Financials.
4. Approval of Bills.
5. Review of Committed Projects and CRA Properties.
6. Redevelopment Contract – Husker Harvest Days and consideration of Resolution 263.
7. Redevelopment Contract – Urban Island LLC (Kinkaider) and consideration of Resolution 261.
8. Regional Planning Commission recommendation of Take Flight redevelopment project and consideration of Resolution 262 to forward a Redevelopment Plan Amendment to the Grand Island City Council.
9. Redevelopment Contract – Mendez Enterprises and consideration of Resolution 257.
10. Façade Application – Mendez Enterprises.

10. Executive Session followed by possible action regarding the sale of real estate – 604 - 612 W. Third.
11. Director's Report – Redevelopment of City-Owned Properties and Impact on Redevelopment Projects.
12. Adjournment.

Next Meeting 4 p.m. January 10, 2017

COMMUNITY REDEVELOPMENT AUTHORITY
AGENDA MEMORANDUM

4 p.m. Wednesday, December 13, 2017

1. CALL TO ORDER. The meeting will be called to order by Chairman Tom Gdowski. This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them.
2. APPROVAL OF MINUTES. The minutes of the Community Redevelopment Authority meeting November 8, 2017, are submitted for approval. A MOTION is in order.
3. APPROVAL OF FINANCIAL REPORTS. Financial reports for the period of November 1 through November 30, 2017 are submitted for approval. A MOTION is in order.
4. APPROVAL OF BILLS. Payment of bills in the amount of \$176,949.63 is submitted for approval. A MOTION is in order.
5. REVIEW OF COMMITTED PROJECTS AND CRA PROPERTIES.
6. REDEVELOPMENT CONTRACT – HUSKER HARVEST DAYS. The Grand Island City Council approved Resolution 2017-331 on November 14, 2017 authorizing issuance of a contract to Farm Progress Limited regarding \$2 million of public funding for redevelopment at the Husker Harvest Days show site in CRA Area No. 25. A MOTION to approve the Redevelopment Contract and Resolution 263 is in order.
7. REDEVELOPMENT CONTRACT – URBAN ISLAND LLC (KINKAIDER). The Grand Island City Council approved Resolution 2017-338 on November 28, 2017 authorizing issuance of a contract to Urban Island LLC for up to \$164,181 in tax-increment financing to assist with architectural, engineering and redevelopment costs of a downtown building into commercial and residential space at 320 – 322 N. Pine Street in Grand Island’s CRA Area No. 1. A MOTION to approve the Redevelopment Contract and Resolution 261 is in order.
8. RECOMMENDATION ON – TAKE FLIGHT LLC. The Regional Planning Commission approved Resolution 2018-05 at its Dec. 6, 2017 meeting. The commission found that the Redevelopment Plan for Take Flight LLC is in compliance with the Comprehensive Plan for the City of Grand Island. The redevelopment plan for CRA Area No. 1 for a Site Specific Redevelopment Plan calls for the commercial and residential redevelopment of 209 W. Third. A MOTION to approve Resolution

262 to forward the Redevelopment Plan Amendment to the Grand Island City Council is in order.

9. REDEVELOPMENT PLAN AMENDMENT – MENDEZ ENTERPRISES. The Regional Planning Commission approved Resolution 2018-03 at its Oct. 11, 2017 meeting. The commission found that the Redevelopment Plan for Mendez Enterprises is in compliance with the Comprehensive Plan for the City of Grand Island. The redevelopment plan for CRA Area No. 6 calls for a Site Specific Redevelopment Plan in an area along Old Lincoln Highway between Carey and Waldo avenues. The original request from Mendez Enterprises was for \$886,965 in tax-increment financing to assist with the redevelopment of all commercial lots. At the request of the CRA, a phased approach was prepared. This proposal is for \$204,945 in tax-increment financing for Phase 1 for four commercial buildings. A MOTION to approve Resolution 257 is in order.
10. FAÇADE APPLICATION – MENDEZ ENTERPRISES. The applicant submitted a façade request of \$1 million on May 3, 2017. The request was amended to \$300,000 on October 4, 2017. The request was amended to \$589,659 on October 10, 2017. The most recent amended request for \$300,000 was received November 15, 2017. Discussion and possible action is in order.
11. EXECUTIVE SESSION - PURCHASE/SELL REAL ESTATE. A proposal has been received regarding the former Ron's Transmission property at 604-612 W. Third. This is a closed session as allowed under state law to discuss the proposal.
12. DIRECTOR'S REPORT.
This is an opportunity for the director to communicate on going actions and activities to the board and public.
12. ADJOURNMENT.

Chad Nabity
Director



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item B1

Minutes

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF November 8, 2017

Pursuant to due call and notice thereof, a Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on November 8, 2017 at City Hall 100 E. First Street. Notice of the meeting was given in the November 1, 2017 Grand Island Independent.

1. CALL TO ORDER. Chairman Tom Gdowski called the meeting to order at 4:01 p.m. The following members were present: Gdowski, Glen Murray, Glenn Wilson and Sue Pirnie. CRA Member Krae Dutoit was absent. Also present were: Director Chad Nabity, Planning Administrative Assistant Tracy Overstreet, Brian Schultz from the Grand Island Finance Department, City Administrator Marlan Ferguson and Council President Vaughn Minton.

Gdowski stated this was a public meeting subject to the open meeting laws of the State of Nebraska. He noted that the requirements for an open meeting were posted on the wall easily accessible to anyone who would like to read through them.

2. APPROVAL OF MINUTES. A motion for approval of the Minutes for the October 18, 2017 meeting was made by Pirnie and seconded by Murray. Upon roll call vote, all present voted aye. Motion carried 4-0.
3. APPROVAL OF FINANCIAL REPORTS. Schultz reviewed the financials from October 1 to October 31. A motion for approval of the financial reports was made by Murray and seconded by Wilson. Upon roll call vote, all present voted aye. Motion carried 4-0.
4. APPROVAL OF BILLS. The bills, which included the \$185,081.25 Lincoln Pool bond, were reviewed by Gdowski. Murray questioned an \$88 bill from Lawnscape for mowing 225 S. Plum, which is not a CRA-owned property. Staff will look into the Lawnscape bill. A motion was made by Pirnie and seconded by Murray to approve the bills in the amount of \$236,749.25 (\$236,837.25 - \$88.00). Upon roll call vote, all present voted aye. Motion carried 4-0.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity provided an overview of the committed projects. He has not received word from Auto America on its façade project, although work is underway. The Federation Labor Temple is now complete and has been paid out. The Fonner Court project is underway. Othy's Place continues to wait for Vitrolite for the exterior of the building. The South Locust/Fonner Park BID landscaping project is waiting for

spring. Wing Properties is nearly complete – just waiting for column painting. The Hedde Building is awaiting state approval on the creation of a historic district. Peaceful Root is nearly completion. Kinkaider was recently approved and just getting started, Nabity said.

6. INTERLOCAL AGREEMENT – HUSKER HARVEST DAYS. Nabity said this is an agreement for the CRA and the City of Grand Island to enter into an agreement for the receipt and expenditure of \$2 million of public funds over the course of 10 years for improvements to the Husker Harvest Days show site. The city will forward \$200,000 a year for 10 years for the CRA to pay out to Farm Progress Companies, Inc. The CRA will forgive \$100,000 of that payment a year for every year Farm Progress has an outdoor farm show for up to 20 years. The CRA is also in first position on a lien against the Husker Harvest Days property. Wilson asked the estimated value of the land. Nabity said at 400 acres valued at a minimum of \$10,000 an acre for irrigated ground would be at least \$4 million of value. Nabity said an economic impact study shows the Husker Harvest Days show has an estimated \$7.5 million of impact on the Grand Island area during each show.

A motion was made by Murray and seconded by Pirnie to approve the interlocal agreement and Resolution 255. Upon roll call vote, all present voted aye. Motion carried 4-0.

7. REDEVELOPMENT CONTRACT – O’NEILL WOOD RESOURCES. The Grand Island City Council approved Resolution 2017-305 on Oct. 24, 2017 authorizing issuance of a contract to O’Neill Wood Resources for up to \$209,000 in tax-increment financing to assist with site acquisition, grading, site preparation, utility extensions and private roads for development of a construction and demolition landfill and associated buildings on 58 acres at 7100 W. Old Potash Highway at a formerly used defense site in CRA Area No. 20 in Hall County, Nebraska. Nabity said because this is a formerly used defense site, the city needs to be part of the contract. Wilson commented that this development is a “significant breakthrough” for the former Cornhusker plant site. Wilson said, as a former developer himself, to land a major tenant in a large area is a big benefit toward getting more development to follow.

A motion was made by Wilson and seconded by Pirnie to approve the redevelopment contract and Resolution 256. Upon roll call vote, Wilson, Pirnie and Murray voted aye. Gdowski abstained. Motion carried 3-0-1.

8. REDEVELOPMENT CONTRACT – MENDEZ ENTERPRISES. The Grand Island City Council approved Resolution 2017-304 on Oct. 24, 2017 authorizing issuance of a contract to Mendez Enterprises for up to \$886,965 in tax-increment financing to assist with the acquisition of property, demolition and renovation of existing structures, necessary site work and installation of public utilities and street improvements to redevelop the site in CRA Area No. 6 located

along Old Lincoln Highway between Carey and Waldo avenue. Wilson asked for figures on the cost of the project and the completed value. Nabity said the cost of the project is estimated at \$6.5 million and the completed value is estimated at \$4.5 million.

A motion was made by Murray to approve the contract and Resolution 257. There was no second. Motion failed for lack of a second.

9. FAÇADE APPLICATION-MENDEZ ENTERPRISES. Nabity said the application was for \$589,000 and that he had previous discussions with Vince Mendez that the CRA has only funded a maximum of \$300,000 in the past. Nabity said the façade committee looked at the request, but postponed action until the TIF application was acted on. At the time of the façade committee meeting, the TIF application was incomplete due to needing a bank commitment letter, which arrived days after the façade meeting.

Murray said without approval of the TIF contract for Mendez, he felt that left the façade application up in the air as the two are related. Gdowski agreed.

Mendez asked to speak to the CRA. Gdowski invited him to the table. Mendez said the Grand Island City Council voted 9-1 to implement a redevelopment contract. Mendez said the project is important for Skills USA, which is important to Grand Island. He said he has eight or nine buildings in one of the worst areas of town and is trying to make it look better and train youth for the future. Mendez said he and his staff are teaching 20 kids there now. This façade grant would allow him to expand his body shop and add in welding and machine shop repair training. Ultimately he wants to redo 14 buildings and make it into a campus, which he called the Grand Island Technical Institute. A diner and SkyZone trampoline center would also be part of the redevelopment Mendez said he's spent \$50,000 on appraisal and architecture fees and needs help redoing the building. There was discussion on the school partnerships and curriculum for the institute and franchise agreements with SkyZone. Mendez said he is working on accreditation and he will be the franchisee with SkyZone to build the exterior and outfit the interior to their specifications. Mendez said he is working with Career Pathways Institute and has Grand Island Senior High School students now. Colleen Friesen of Vocational Rehab spoke in favor of the training offered now, particularly in teaching soft skills such as showing up for work on time.

Gdowski said in the interest of protecting the taxpayer, he would like more specificity in the redevelopment contract, such as call feature or liens on the property as was done with the Husker Harvest Days contract or the Grand Island Christian School contract. He suggested Article 6 on default and indemnification be looked at for additional wording.

Murray stated he felt like the CRA was micromanaging the project.

Mendez said he needs the assistance as the project is a lot of buildings. Nabity said the three buildings in Phase II have a façade total of \$137,500, which could be a phased project. Or the CRA could look at a building by building approach.

Architect Ken Frederick said \$300,000 may be the target for the façade grant ask, but Mendez has \$600,000 invested. He asked for consideration that the project is 10 buildings and it is a big bang for the buck for the CRA.

Pirnie said it's a great project, but it's almost too many buildings all at once. She asked about scaling it down. She suggested not doing the trampoline center now, as there is another trampoline center being built in the community. Gdowski suggested just focusing on the Midwest Heating and Air building for now. Gdowski said doing the project building by building is easier to get your arms around. Mendez said he applied for multiple buildings because he wants to make a campus and was told to include the big picture. Mendez said he followed the CRA's application and included what information it requested, so was frustrated about the questions now. Nabity said filling out an application is never a guarantee for approval.

Nabity said the council has authorized a redevelopment plan for the whole area and the CRA can handle that redevelopment in sections, such as building by building.

Murray said the preceding item on the tax increment financing for Mendez is tied to the façade grant.

A motion was made by Murray and seconded by Pirnie to postpone action on the façade grant until a tax increment financing contract is approved. Upon roll call vote, all present voted aye. Motion carried 4-0.

10. RECOMMENDATION – URBAN ISLAND LLC - KINKAIDER. The Regional Planning Commission approved Resolution 2018-04 at its meeting November 1. The commission found that the Redevelopment Plan for Urban Island LLC is in compliance with the Comprehensive Plan for the City of Grand Island. The redevelopment plan for CRA Area No. 1 for a Site Specific Redevelopment Plan at 320-322 N. Pine calls for redevelopment of the kitchen/party room into mixed use for six apartments and two retail tenant spaces.

A motion was made by Pirnie and seconded by Murray to forward the plan to the Grand Island City Council and approve Resolution 258. Upon roll call vote, all present voted aye. Motion carried 4-0.

11. REDEVELOPMENT PLAN AMENDMENT – TAKE FLIGHT LLC – 209 w. THIRD. Concerning an amendment to the redevelopment plan for CRA Area No. 1 for a Site Specific Redevelopment Plan at 209 W. Third. The request from Take

Flight LLC calls for redevelopment of the three-story downtown building into retail and apartment space. The plan requests \$99,200 in tax increment financing. The CRA may forward the plan to the Regional Planning Commission for review and to the Grand Island City Council to give 30-day notice of a potential development contract. Nabity said the plan is for two apartments – one on the mezzanine level and one on the second floor.

A motion was made by Pirnie and seconded by Murray to approve Resolutions 259 and 260 and forward the plan to the Regional Planning Commission and give 30-day notice to the Grand Island City Council respectively. Upon roll call vote, all present voted aye. Motion carried 4-0.

12. FIRE AND LIFE SAFETY REQUEST – TAKE FLIGHT. Nabity said the redevelopment was eligible for \$35,000 in life safety grants, which is \$20,000 for the two-bedroom apartment and \$15,000 for the one-bedroom apartment that is planned for the upper-stories at 209 W. Third.

A motion was made by Murray and seconded by Wilson to approve \$35,000 in life safety grants to Take Flight. Upon roll call vote, all present voted aye. Motion carried 4-0.

13. APPROVE RESOLUTION TO PURCHASE/SELL REAL ESTATE.
None.
14. DIRECTOR’S REPORT. Nabity reviewed the 2018 meeting schedule. The March and July meetings may need to be moved back one week due to the Regional Planning Commission meetings being moved back one week in those months.
15. ADJOURNMENT. Gdowski adjourned the meeting at 5:44 p.m.

The next meeting is scheduled for 4 p.m., Wednesday, December 13, 2017.

Respectfully submitted
Chad Nabity
Director



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item C1

Financials

Staff Contact: Chad Nabity

**COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF NOVEMBER 2017**

	MONTH ENDED	2017-2018	2018	REMAINING	% OF BUDGET
	November-17	YEAR TO DATE	BUDGET	BALANCE	USED
CONSOLIDATED					
Beginning Cash	760,182		1,092,980		
REVENUE:					
Property Taxes - CRA	3,029	31,818	472,191	440,373	6.74%
Property Taxes - Lincoln Pool	1,080	11,674	198,050	186,376	5.89%
Property Taxes -TIF's	-	90,783	1,850,874	1,807,224	4.90%
Loan Income (Poplar Street Water Line)	-	-	10,500	10,500	0.00%
Interest Income - CRA	18	39	300	261	13.10%
Interest Income - TIF'S	2	3	-	-	#DIV/0!
Land Sales	-	-	100,000	100,000	0.00%
Other Revenue - CRA	-	273	130,000	129,727	0.21%
Other Revenue - TIF's	14,837	14,837	-	-	#DIV/0!
TOTAL REVENUE	18,965	149,427	2,761,915	2,674,461	5.41%
TOTAL RESOURCES	779,148	149,427	3,854,895	2,674,461	
EXPENSES					
Auditing & Accounting	-	-	5,000	5,000	0.00%
Legal Services	-	195	3,000	2,805	6.50%
Consulting Services	-	-	5,000	5,000	0.00%
Contract Services	3,523	7,393	75,000	67,607	9.86%
Printing & Binding	-	-	1,000	1,000	0.00%
Other Professional Services	-	-	16,000	16,000	0.00%
General Liability Insurance	-	-	250	250	0.00%
Postage	-	-	200	200	0.00%
Life Safety	-	175,000	200,000	25,000	87.50%
Legal Notices	17	35	500	465	6.95%
Travel & Training	-	-	1,000	1,000	0.00%
Other Expenditures	-	-	-	-	#DIV/0!
Office Supplies	-	-	1,000	1,000	0.00%
Supplies	-	-	300	300	0.00%
Land	-	-	200,000	200,000	0.00%
Bond Principal - Lincoln Pool	175,000	175,000	175,000	-	100.00%
Bond Interest	10,081	10,081	20,863	10,782	48.32%
Façade Improvement	-	-	350,000	350,000	0.00%
Building Improvement	-	53,200	554,732	501,532	9.59%
Other Projects	-	-	150,000	150,000	0.00%
Bond Principal-TIF's	41,370	41,370	1,882,874	1,882,874	2.20%
Bond Interest-TIF's	6,669	6,669	-	-	#DIV/0!
Interest Expense	-	-	-	-	#DIV/0!
TOTAL EXPENSES	236,661	468,943	3,641,719	3,220,815	12.88%
INCREASE(DECREASE) IN CASH	(217,696)	(319,516)	(879,804)		
ENDING CASH	542,487	(319,516)	213,176	-	
CRA CASH	363,572				
Lincoln Pool Tax Income Balance	75,626				
TIF CASH	103,288				
Total Cash	542,487				

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF NOVEMBER 2017

	<u>MONTH ENDED</u> <u>November-17</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
GENERAL OPERATIONS:					
Property Taxes - CRA	3,029	31,818	472,191	440,373	6.74%
Property Taxes - Lincoln Pool	1,080	11,674	198,050	186,376	5.89%
Interest Income	18	39	300	261	13.10%
Loan Income (Poplar Street Water Line)		-	10,500	10,500	0.00%
Land Sales		-	100,000	100,000	0.00%
Other Revenue & Motor Vehicle Tax		273	130,000	129,727	0.21%
TOTAL	4,127	43,805	911,041	867,236	4.81%
GENTLE DENTAL					
Property Taxes		-	-	-	#DIV/0!
Interest Income	0	0	-	-	#DIV/0!
TOTAL	0	0	-	-	#DIV/0!
PROCON TIF					
Property Taxes		8,053	-	-	#DIV/0!
Interest Income	1	2	-	-	#DIV/0!
TOTAL	1	8,054	-	-	#DIV/0!
WALNUT HOUSING PROJECT					
Property Taxes		23,755	-	-	#DIV/0!
Interest Income	1	1	-	-	#DIV/0!
Other Revenue	14,837	14,837	-	-	#DIV/0!
TOTAL	14,837	38,593	-	-	#DIV/0!
BRUNS PET GROOMING					
Property Taxes		6,820	-	-	#DIV/0!
TOTAL	-	6,820	-	-	#DIV/0!
GIRARD VET CLINIC					
Property Taxes		5,073	-	-	#DIV/0!
TOTAL	-	5,073	-	-	#DIV/0!
GEDDES ST APTS-PROCON					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
SOUTHEAST CROSSING					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
POPLAR STREET WATER					
Property Taxes		48	-	-	#DIV/0!
TOTAL	-	48	-	-	#DIV/0!
CASEY'S @ FIVE POINTS					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
SOUTH POINTE HOTEL PROJECT					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF NOVEMBER 2017

	<u>MONTH ENDED</u> <u>November-17</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
TODD ENCK PROJECT					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
JOHN SCHULTE CONSTRUCTION					
Property Taxes	-	3,385	-	-	#DIV/0!
TOTAL	-	3,385	-	-	#DIV/0!
PHARMACY PROPERTIES INC					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
KEN-RAY LLC					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES RUBY					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
GORDMAN GRAND ISLAND					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
BAKER DEVELOPMENT INC					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
STRATFORD PLAZA INC					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2013 HOUSES					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
FUTURE TIF'S					
Property Taxes	-	-	1,850,874	1,850,874	0.00%
TOTAL	-	-	1,850,874	1,850,874	-
CHIEF INDUSTRIES AURORA COOP					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES KIMBALL ST					
Property Taxes	-	1,250	-	(1,250)	#DIV/0!
TOTAL	-	1,250	-	(1,250)	#DIV/0!
GI HABITAT OF HUMANITY					
Property Taxes	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF NOVEMBER 2017

	<u>MONTH ENDED</u> <u>November-17</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
AUTO ONE INC					
Property Taxes		5,689	-	(5,689)	#DIV/0!
TOTAL	-	5,689	-	(5,689)	#DIV/0!
EIG GRAND ISLAND					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES CARY ST					
Property Taxes		3,995	-	(3,995)	#DIV/0!
TOTAL	-	3,995	-	(3,995)	#DIV/0!
WENN HOUSING PROJECT					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2014 HOUSES					
Property Taxes		1,445	-	(1,445)	#DIV/0!
TOTAL	-	1,445	-	(1,445)	#DIV/0!
TC ENCK BUILDERS					
Property Taxes		198	-	(198)	#DIV/0!
TOTAL	-	198	-	(198)	#DIV/0!
SUPER MARKET DEVELOPERS					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
MAINSTAY SUITES					
Property Taxes		30,624	-	(30,624)	#DIV/0!
TOTAL	-	30,624	-	(30,624)	#DIV/0!
TOWER 217					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2015 HOUSES					
Property Taxes		450	-	(450)	#DIV/0!
TOTAL	-	450	-	(450)	#DIV/0!
NORTHWEST COMMONS					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
HABITAT - 8TH & SUPERIOR					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
KAUFMAN BUILDING					
Property Taxes		-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOTAL REVENUE	18,965	149,427	2,761,915	2,674,461	5.41%

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF NOVEMBER 2017

	<u>MONTH ENDED</u> <u>November-17</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
EXPENSES			-		
CRA					
GENERAL OPERATIONS:					
Auditing & Accounting		-	5,000	5,000	0.00%
Legal Services		195	3,000	2,805	6.50%
Consulting Services		-	5,000	5,000	0.00%
Contract Services	3,523	7,393	75,000	67,607	9.86%
Printing & Binding		-	1,000	1,000	0.00%
Other Professional Services		-	16,000	16,000	0.00%
General Liability Insurance		-	250	250	0.00%
Postage		-	200	200	0.00%
Lifesafety Grant		175,000	200,000	25,000	87.50%
Legal Notices	17	35	500	465	6.95%
Travel & Training		-	1,000	1,000	0.00%
Office Supplies		-	1,000	1,000	0.00%
Supplies		-	300	300	0.00%
Land		-	200,000	200,000	0.00%
Bond Principal - Lincoln Pool	175,000	175,000	175,000	-	100.00%
Bond Interest - Lincoln Pool	10,081	10,081	20,863	10,782	48.32%
PROJECTS					
Façade Improvement		-	350,000	350,000	0.00%
Building Improvement		53,200	554,732	501,532	0.00%
Other Projects		-	150,000	150,000	0.00%
TOTAL CRA EXPENSES	188,622	420,904	1,758,845	1,337,941	23.93%
GENTLE DENTAL					
Bond Principal	1,182	1,182	-	-	#DIV/0!
Bond Interest	41	41	-	-	#DIV/0!
TOTAL GENTLE DENTAL	1,223	1,223	-	-	#DIV/0!
PROCON TIF					
Bond Principal	8,641	8,641	-	-	#DIV/0!
Bond Interest	939	939	-	-	#DIV/0!
TOTAL PROCON TIF	9,581	9,581	-	-	#DIV/0!
WALNUT HOUSING PROJECT					
Bond Principal	31,547	31,547	-	-	#DIV/0!
Bond Interest	5,689	5,689	-	-	#DIV/0!
TOTAL	37,236	37,236	-	-	#DIV/0!
BRUNS PET GROOMING					
Bond Principal		-	-	-	#DIV/0!
TOTAL		-	-	-	#DIV/0!
GIRARD VET CLINIC					
Bond Principal		-	-	-	#DIV/0!
TOTAL		-	-	-	#DIV/0!
GEDDES ST APTS - PROCON					
Bond Principal		-	-	-	#DIV/0!
TOTAL		-	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF NOVEMBER 2017

	<u>MONTH ENDED</u> <u>November-17</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
SOUTHEAST CROSSINGS					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
POPLAR STREET WATER					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
CASEY'S @ FIVE POINTS					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
SOUTH POINTE HOTEL PROJECT					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TODD ENCK PROJECT					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
JOHN SCHULTE CONSTRUCTION					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
PHARMACY PROPERTIES INC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
KEN-RAY LLC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES RUBY					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
GORDMAN GRAND ISLAND					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
BAKER DEVELOPMENT INC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
STRATFORD PLAZA LLC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2013 HOUSES					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF NOVEMBER 2017

	<u>MONTH ENDED</u> <u>November-17</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
CHIEF INDUSTRIES AURORA COOP					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES KIMBALL STREET					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
GI HABITAT FOR HUMANITY					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
AUTO ONE INC					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
EIG GRAND ISLAND					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOKEN PROPERTIES CARY STREET					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
WENN HOUSING PROJECT					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2014 HOUSES					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TC ENCK BUILDERS					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
SUPER MARKET DEVELOPERS					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
MAINSTAY SUITES					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
TOWER 217					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
COPPER CREEK 2015 HOUSES					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF NOVEMBER 2017

	<u>MONTH ENDED</u> <u>November-17</u>	<u>2017-2018</u> <u>YEAR TO DATE</u>	<u>2018</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>	<u>% OF BUDGET</u> <u>USED</u>
NORTHWEST COMMONS					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
HABITAT - 8TH & SUPERIOR					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
KAUFMAN BUILDING					
Bond Principal	-	-	-	-	#DIV/0!
TOTAL	-	-	-	-	#DIV/0!
FUTURE TIF'S					
Bond Principal	-	-	1,882,874	1,882,874	0.00%
TOTAL	-	-	1,882,874	1,882,874	0.00%
TOTAL EXPENSES	236,661	468,943	3,641,719	3,220,815	12.88%

12/07/2017 13:50
briansc

CITY OF GRAND ISLAND
BALANCE SHEET FOR 2018 2

P 1
gibalsht

FUND: 900 COMMUNITY REDEVELOPMENT AUTHOR			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
900	11110	OPERATING CASH	-217,695.78	542,486.63
900	11120	COUNTY TREASURER CASH	.00	130,439.66
900	11305	PROPERTY TAXES RECEIVABLE	.00	133,504.00
900	14100	NOTES RECEIVABLE	.00	311,247.93
900	14700	LAND	.00	575,369.33
TOTAL ASSETS			-217,695.78	1,693,047.55
LIABILITIES				
900	22100	LONG TERM DEBT	.00	-279,075.00
900	22400	OTHER LONG TERM DEBT	.00	-1,105,000.00
900	22900	ACCRUED INTEREST PAYABLE	.00	-5,880.73
900	25100	ACCOUNTS PAYABLE	.00	-35,142.81
900	25315	DEFERRED REVENUE-PROPERY TAX	.00	-127,464.00
TOTAL LIABILITIES			.00	-1,552,562.54
FUND BALANCE				
900	39110	INVESTMENT IN FIXED ASSETS	.00	-575,369.33
900	39112	FUND BALANCE-BONDS	.00	1,070,995.66
900	39120	UNRESTRICTED FUND BALANCE	.00	-955,627.58
900	39500	REVENUE CONTROL	-18,965.47	-149,427.16
900	39600	EXPENDITURE CONTROL	236,661.25	468,943.40
TOTAL FUND BALANCE			217,695.78	-140,485.01
TOTAL LIABILITIES + FUND BALANCE			=====217,695.78=====	===== -1,693,047.55=====

** END OF REPORT - Generated by Brian Schultz **



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item D1

Bills

Staff Contact: Chad Nabity

13-Dec-17

TO: Community Redevelopment Authority Board Members
FROM: Chad Naby, Planning Department Director
RE: Bills Submitted for Payment

The following bills have been submitted to the Community Redevelopment Authority Treasurer for preparation of payment.

City of Grand Island	Administration fees for Nov.	\$ 4,245.08
Grand Island Independent	legal notices	\$ 17.49
Hall County Treasurer	2017 property taxes Desert Rose Lot 1 X	\$ 5,011.06
	2017 property taxes Desert Rose Lot 1	\$ 135.00
Wells Fargo	Bond agent fee-Lincoln Pool	\$ 525.00
Wing Properties/Equitable Bank (façade)	110-112 W. Third	\$ 167,016.00
Total:		<u>\$ 176,949.63</u>



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item E1

Committed Projects

Staff Contact: Chad Nabity

COMMITTED PROJECTS	REMAINING GRANT AMOUNT	2018 FISCAL YR	2019 FISCAL YR	2020 FISCAL YR	ESTIMATED COMP
Auto America-3036 S. Locust (4-12-17)	\$ 80,000.00	\$ 80,000.00			Spring 2018
Fonner Court/Staab Mgt. 1512 S. Locust (10-18-17)	\$ 106,500.00	\$ 106,500.00			Spring 2018
Hedde Building 201-205 W. 3rd (10-18-17)	\$ 300,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	Spring 2020
Othy's Place - 724 W. 3rd - Lindell (10/12/16)	\$ 26,961.00	\$ 26,961.00			2017 sign, 2018 façade \$34,899.18 paid March 15, 2017
South Locust/Fonner Park BID (7/13/16)	\$ 30,000.00	\$ 30,000.00			Spring 2018
Urban Island/Kinkaider 320-322 N. Pine (10-18-17) (façade)	\$ 168,677.00	\$ 100,000.00	\$ 68,677.00		Spring 2018
Urban Island/Kinkaider 320-322 N. Pine (10-18-17) other LS	\$ 15,000.00	\$ 15,000.00			Summer 2018
Wing Properties - 110-114 E 3rd St (9/9/15)	\$ 167,016.00	\$ 167,016.00			2018
Total Committed	\$ 894,154.00	\$ 625,477.00	\$ 168,677.00	\$ 100,000.00	
FIRE & LIFE SAFETY GRANT	TOTAL AMOUNT	2018 FISCAL YR	2019 FISCAL YR	2020 FISCAL YR	ESTIMATED COMP
201-203 W. 3rd St. Anson (8/24/16)	\$ 240,000.00	\$ 240,000.00			2018
Peaceful Root - 112 W. 2nd St. (1/11/17)	\$ 50,000.00	\$ 50,000.00			2018 - Q1
Urban Island/Kinkaider 320-322 N. Pine (10-18-17)	\$ 90,000.00	\$ 90,000.00			Summer 2018
Take Flight 209 W. 3rd (11-8-17)	\$ 35,000.00	\$ 35,000.00			
Total Committed F&L Safety Grant	\$ 380,000.00	\$ 380,000.00	\$ -	\$ -	

Life Safety - Budget \$ Remaining	\$ 25,000.00	
Façade - Budget \$ Remaining	\$ 350,000.00	
Other Projects - Budget \$ Remaining	\$ 651,532.00	
Land - Budget \$ Remaining	\$ 200,000.00	
Land Sales - Budget \$ Remaining	(\$100,000.00)	
subtotal	\$ 1,126,532.00	\$ -
Less committed	(\$1,005,477.00)	(\$168,677.00)
Balance remaining	\$ 121,055.00	\$ (168,677.00)

CRA PROPERTIES

Address	Purchase Price	Purchase Date	Demo Cost	Status
408 E 2 nd St	\$4,869	11/11/2005	\$7,500	Under Contract
3235 S Locust	\$450,000	4/2/2010	\$39,764	Surplus
604-612 W 3rd	\$80,000	6/10/2015		Surplus

November 30, 2017



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item F1

Facade request-Mendez

Staff Contact: Chad Nabity

RECEIVED
11-15-17



Facade Improvement Program Application

Project Redeveloper Information

November 10, 2017

- I. **Applicant Name:** Mendez Enterprises
Address: 2404 West Lincoln Hwy
Telephone No.: 308-398-0580
Contact: Vince Mendez
- II. **Legal Street Address of Project Site:** See attached Redevelopment Plan
- III. **Zoning of Project Site:** M-3, Mixed Use Manufacturing Zone
- IV. **Previous & Contemplated Use of Project:**

PHASE I

- 1) Auto parts storage to Diner,
- 2) Delapidated Residential to Office Space,
- 3) Vacant Building (previously Midwest Heating & Air) to Educational Occupancy (Grand Island Technical Institute)
- 4) Body Shop improvements,
- 5) Campus Sidewalks/Paving and Landscaping/Green Space Improvements

- V. **Present Ownership of Project Site:**
Personal Automotive & Mendez Enterprises plus various Owners in the redevelopment area.
- VI. **Proposed Project: Describe in detail; attach plans and specifications:**
Phase I Projects – See attached Site Plan along with proposed exterior images
- VII. **Estimated Project Costs (Phases I only) See Attached Estimated Costs.**

Acquisition Costs:

A. Land & Buildings \$ 638,120

Construction Costs:

A. Renovation or Building Costs Attributable to Facade Improvements (see attached detail):	20.23%	\$ 300,000
B. Other Construction/Acquisition Costs:		\$ 544,732
Total:		\$1,482,852

VIII. Source of Financing

A. Developer Equity:	\$ 296,570
B. Commercial Bank Loan:	\$ 681,337
C. Historic Tax Credits:	\$ 0
D. Tax Increment Assistance:	\$ 204,945
E. Other (CRA Façade Improvement Program Grant)	\$ 300,000
Total:	\$1,482,852

IX. Name & Address of Architect, Engineer and General Contractor:

Master Builder Associates – Architects
Kenneth L. Frederick, AIA
602 W 6th Street PO Box 433
Doniphan, NE 68832

X. Project Construction Schedule:

A. Construction Start Date:	<u>Phase I - November 2017</u>
B. Construction Completion Date:	<u>Phase I – 2018</u>

Financing Request Information

I. Describe Amount and Purpose for Which Façade Improvement Program Funds are Requested:

See Attached Estimated Costs.

II. Statement Identifying Financial Gap and Necessity for use of Façade Improvement Program Funds or Proposed Project:

Phase I – The Façade improvement funds will make possible the site development changes plus the existing building exteriors and interiors improvements possible along with code compliance of converting current occupancies into proposed uses. The existing buildings will receive new windows, doors, exterior siding, signage, landscaping, sidewalks, and paving along with interior remodeling as required.

III. Application of Grant Funds:

\$300,000 Grant to Redeveloper

Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com

MELENZ ENTERPRISES PHASE I PROJECTS

	MWHA - GI Tech	Diner/Café	Existing Body Shop	House/Office
Facade Improvements				
Siding/Masonry/Windows/Ext. Paint	\$41,789	\$13,000	\$15,000	\$5,000
Other/Signage	\$55,000	\$10,000	\$10,000	\$2,500
Doors/Awnings	\$112,500	\$10,211	\$20,000	\$5,000
TOTAL Facade	\$209,289	\$33,211	\$45,000	\$12,500
TIF Improvements				
Interior (Remodel/Structures)	\$98,350	\$46,139	\$20,000	\$3,400
Plumbing/Electrical	\$89,000	\$78,000	\$20,000	\$5,000
Concrete Paving	\$45,200	\$0	\$9,450	\$39,093
Other Building Improvements	\$9,000	\$5,000	\$7,000	\$2,000
Shingles/Roofing	\$8,400	\$3,500	\$5,200	\$5,000
Landscaping	\$10,000	\$2,000	\$5,000	\$20,000
Architectural Fees	\$5,500	\$1,500	\$500	\$1,500
Acquisition/Start Up Costs/Other	\$300,000	\$51,120	\$250,000	\$37,000
TOTAL TIF	\$565,450	\$187,259	\$317,150	\$112,993
TOTAL Phase I Estimated Costs	\$774,739	\$220,470	\$362,150	\$125,493

PHASE I TOTALS
\$74,789
\$77,500
\$147,711
\$300,000

\$167,889
\$192,000
\$93,783
\$23,000
\$22,100
\$37,000
\$9,000
\$638,120
\$1,182,852

\$1,482,852

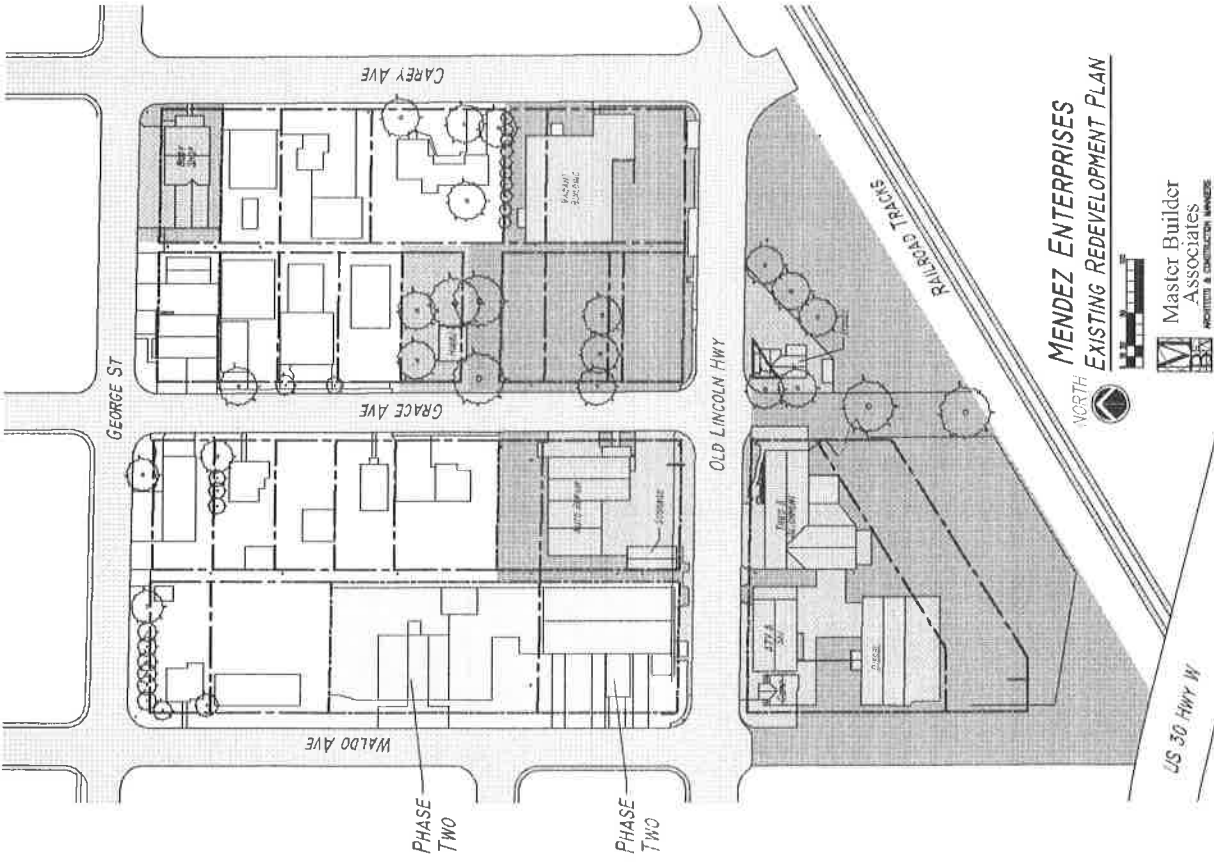
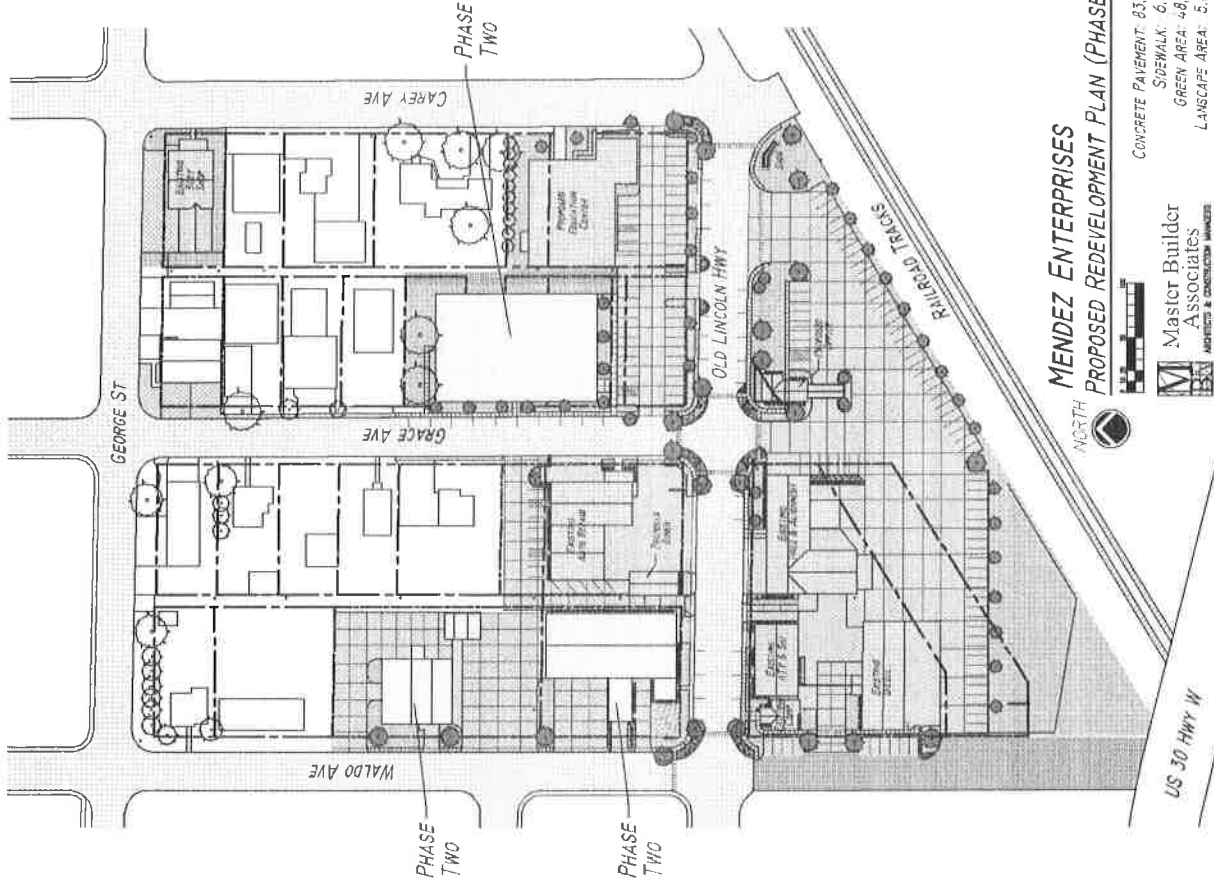
MELENZ ENTERPRISES PHASE II PROJECTS

	Current ATV/Computers	Woody's Welding Shop	Dan's Machine Shop	Sky Zone	Current Diesel	Current Automotive	Current Tires & Alignment
Facade Improvements							
Siding/Masonry/Windows/Ext. Paint	\$25,000	\$22,000	\$12,000		\$30,000	\$35,000	\$30,000
Other/Signage	\$10,000	\$10,000	\$10,000		\$5,000	\$0	\$5,000
Doors/Awnings	\$10,474	\$30,000	\$8,500		\$19,769	\$10,442	\$16,474
TOTAL Facade	\$45,474	\$62,000	\$30,500	\$0	\$54,769	\$45,442	\$51,474
TIF Improvements							
Interior (Remodel/Structures)	\$5,000	\$10,000	\$10,000	\$114,000	\$9,000	\$0	\$9,000
Plumbing/Electrical	\$30,000	\$70,000	\$34,000	\$155,000	\$15,000	\$0	\$15,000
Concrete Paving	\$13,050	\$20,000	\$13,000	\$79,000	\$48,000	\$21,440	\$17,900
Other Building Improvements	\$5,000	\$20,000	\$5,000	\$856,000	\$22,000	\$0	\$5,000
Shingles/Roofing	\$7,000	\$6,500	\$4,300	\$0	\$6,500	\$0	\$6,500
Landscaping	\$7,000	\$10,000	\$5,000	\$8,000	\$7,000	\$3,000	\$7,000
Architectural Fees	\$500	\$500	\$500	\$120,000	\$500	\$0	\$500
Acquisition/Start Up Costs/Other	\$182,000	\$550,000	\$160,000	\$215,000	\$220,000	\$303,880	\$339,000
TOTAL TIF	\$249,550	\$777,000	\$231,800	\$1,547,000	\$328,000	\$328,320	\$399,900
TOTAL Phase II Estimated Costs	\$295,024	\$839,000	\$262,300	\$1,547,000	\$382,769	\$373,762	\$451,374

PHASE II TOTALS
\$154,000
\$40,000
\$95,659
\$289,659

\$247,000
\$319,000
\$212,390
\$913,000
\$30,800
\$47,000
\$122,500
\$1,969,880
\$3,861,570

TOTAL Estimated Costs \$5,634,081



**MELENDEZ ENTERPRISES
CURRENT PROPOSED VALUES WITH ESTIMATED NEW TAX**

PHASE #1	PARCEL ID#	ADDRESS	CURRENT VALUE	ESTIMATED TAX	WHAT IF PARCEL ID#	PROPOSED NEW VALUE	ESTIMATED NEW TAX	CURRENT USE	PROPOSED USE
	400072254	2304 W OLD LINCOLN HWY	\$182,335	\$3,799.04	999972254	\$500,276	\$10,423.48	Vacated MWWHA	GI Technical Institute
	400111144	2323 W OLD LINCOLN HWY	\$36,690	\$764.46	999111144	\$224,374	\$4,674.92	Vacant Residential	Office Building
	400072211	2406 W OLD LINCOLN HWY	\$38,840	\$809.24	(2406) BLDG 999972211	\$169,440	\$3,530.94	Storage Shed	Updated Café/Diner
	400071886	136 N CAREY & 2315 W GEORGE	\$201,423	\$4,196.74	999111155	\$220,910	\$4,602.78	Current Body Shop	Welding/Mfg Facility
Phase 1 Totals			\$459,288	\$9,569		\$1,115,000	\$23,232		
PHASE #2	PARCEL ID#	ADDRESS	CURRENT VALUE	ESTIMATED TAX	WHAT IF PARCEL ID#	PROPOSED NEW VALUE	ESTIMATED NEW TAX		
	400072041	121 N WALDO	\$103,512	\$2,149.22	999111157	\$391,149	\$8,149.76	Welding/Fab Facility	Welding/Fab Facility
	400072246	2422 W OLD LINCOLN HWY	\$203,001	\$4,229.62	999111156	\$511,302	\$10,653.20	Woody's Welding	Future Body Shop
	400071932,	103 N GRACE	\$41,482	\$ 864.30					
	400072270,	2322 W OLD LINCOLN HWY	9,668	\$ 201.44					
	400072262	N GRACE	\$15,000	\$312.52					
		TOTAL	\$66,150	\$ 1,378.26	999972270	\$1,118,196	\$23,298.14	Vacant Lot Next to MWWHA	Sky Zone Trampoline Park
	400111152	2403 W OLD LINCOLN HWY	\$180,822	\$3,625.84	999111152	\$351,285	\$7,319.20	Tire & Alignment	Same, Updated
	400111179	2417 W OLD LINCOLN HWY	\$189,505	\$3,948.02	999111158	\$329,720	\$6,869.86	Diesel Shop	Same, Updated
	400072211	2404 W OLD LINCOLN HWY	\$230,886	\$4,810.62	2404 SHOP 999972211	\$390,102	\$8,127.94	Current Automotive	Same, Updated
	400111160	2421 & 2423 W OLD LINCOLN HWY	\$132,540	\$2,761.52	2421 Comp 2323 ATV 999111160	\$141,729 \$48,026 = \$189,775	\$2,953.42 \$1,000.64 = \$3,954.06	ATV/Computers	Same, Updated
Phase 2 Totals			\$1,106,416	\$22,903		\$3,281,529	\$68,372		
TOTALS			\$1,565,704	\$32,472.58		\$4,396,529	\$91,604.28		



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item I1

Redevelopment Contract-HHD

Staff Contact: Chad Nabity

Husker Harvest Days Redevelopment Project July 2017

Farm Progress Companies, Inc. (“Farm Progress”) and the City of Grand Island, Nebraska (the “City”) intend to complete a transaction relating to the *Husker Harvest Days* show (the “Show”).

Executive Summary:

Husker Harvest Days, the World’s Largest Totally Irrigated Working Farm Show, is celebrating its 40th year in Grand Island, Nebraska. The Show features over 600 exhibitors demonstrating the latest technology, equipment, and supplies for today’s agricultural producers. The Show draws visitors from over 30 states and several countries.

The long-time partnership between Farm Progress and the City has been enormously beneficial to Central Nebraska in many ways. Aside from the national and global acclaim of the event, the Show injects millions of dollars into the local economy via support of local retail and personal property tax base. During the span of 12 days, hotels, restaurants, and retail outlets throughout the region are busy. Temporary laborers are hired, and vendors purchase internet, landscaping, rental equipment, fuel and other services.

Farm Progress, in cooperation with the Agricultural Institute of Nebraska, also makes substantial contributions to local philanthropies. This support includes college scholarships for students pursuing agricultural careers, contributions to the Hall County Agricultural Society, the Heartland Events Center, the Nebraska State Fair, livestock auctions at county fairs, and local law enforcement and emergency response groups. Nonprofit groups such as Central Catholic High School and the Wood River Booster Club host concession fundraisers at the Show. In 2015, Heartland United Way’s food drive at the Show garnered more than 8,700 pounds of food.

Through this Redevelopment Project, the City and Farm Progress seek to deepen their local partnership by investing in critical capital improvements to the Show. These improvements will help preserve a valuable and constructive agricultural asset and ensure its continued prosperity for many years to come.

Project Description

This Redevelopment Project is intended to advance the long-standing partnership between Farm Progress and the City by installing and updating critical infrastructure on the property where the Show is held, (“Show Land”) as more specifically defined below. These updates and improvements will enhance the overall experience for guests of the Show and is part of a strategic plan to evolve the Show to attract national and international guests and vendors.

The City has approved a study regarding whether the Show Land is located within a blighted or substandard area (the "Blight Study"). This Redevelopment Project contemplates the Show Land is located within a blighted or substandard area, thereby enabling the City to undertake a redevelopment project pursuant to Neb. Rev. Stat. §18-2123.01. In addition, Farm Progress has formed a Sanitary Improvement District for the Show Land, in furtherance of this Redevelopment Project.

Funding sources for the improvements identified in this Redevelopment Project will come from the three following sources.

1. The City shall contribute \$2,000,000 for use by Farm Progress toward capital improvements on the Show Land consistent with the Redevelopment Project (the "City Contribution"). These funds will be generated by the City's food and beverage tax and held by the Community Redevelopment Authority of the City of Grand Island ("CRA") pending completion of the capital improvements. The City is providing these funds to the CRA pursuant to Neb. Rev. Stat. §18-2138.
2. Farm Progress through the Agricultural Institute of Nebraska ("AIN"), has secured \$225,000 from the Grand Island Convention Visitor's Bureau ("CVB") for use toward certain capital improvements on the Show Land consistent with the Redevelopment Project (the "CVB/Chamber Contribution"). Farm Progress and AIN will work with the CVB and other community partners to secure additional funds.
3. Farm Progress shall contribute at least \$2,000,000 for use toward certain capital improvements on the Show Land as determined by Farm Progress in its sole discretion (the "Farm Progress Contribution").

Farm Progress will retain ownership of the Show Land and has created a Sanitary and Improvement District to make the Show Land eligible for the Redevelopment Project. The Redevelopment Project will primarily include projects associated with electrical distribution, drainage and paving. This will consist of establishing an underground primary system, removing power poles, replacing power pedestals, establishing power feeds between transformers and pedestals, establishing surface and subsurface drainage, paving, fencing, and any exterior improvements as more specifically detailed in Exhibit A, which are anticipated to cost at least \$7 million in the aggregate to implement. Third-party vendors whose services shall be required to make capital improvements to the Show Land shall be selected and managed by Farm Progress.

Upon approval of this Redevelopment Project, Farm Progress shall begin making capital improvements to the Show Land consistent with this Redevelopment Project. The CRA will use the City Contribution to reimburse Farm Progress for up to \$2,000,000 of such capital improvements and related expenses incurred by Farm Progress (including with respect to architects, engineers, general contractors, consultants and accounting, legal and other professional advisors). Farm Progress will submit documentation evidencing such capital improvements and/or related expenses for which Farm Progress desires reimbursement to the CRA. The CRA shall then

reimburse Farm Progress for such capital improvements and/or related expenses as and when incurred by Farm Progress up to the amount of the City Contribution. Farm Progress will have no obligation to make any capital improvements or incur any related expenses beyond the first \$7,000,000 except as otherwise determined by Farm Progress in its sole discretion.

In exchange for the City Contribution, Farm Progress agrees to host the Show for at least twenty years. If Farm Progress fails to host the Show, Farm Progress agrees to pay the City a penalty equal to \$100,000 per year for each year prior to 2037 that Farm Progress does not host the Show for any reason other than due to inclement weather or any force majeure cause.

REDEVELOPMENT PROJECT SHALL BE LIMITED TO THE FOLLOWING GEOGRAPHIC AREA:

Property Description (the “Redevelopment Project Area”)

A tract of land comprising the west half of the Southwest Quarter (SW $\frac{1}{4}$) of Section Twenty Five (25), Township Eleven (11) North, Range Eleven (11) West of the 6th P.M. and all of the Southeast Quarter (SE $\frac{1}{4}$) of Section Twenty Six (26), Township Eleven (11) North, Range Eleven (11) West of the 6th P.M., all being in Hall County, Nebraska and depicted in the following aerial map:

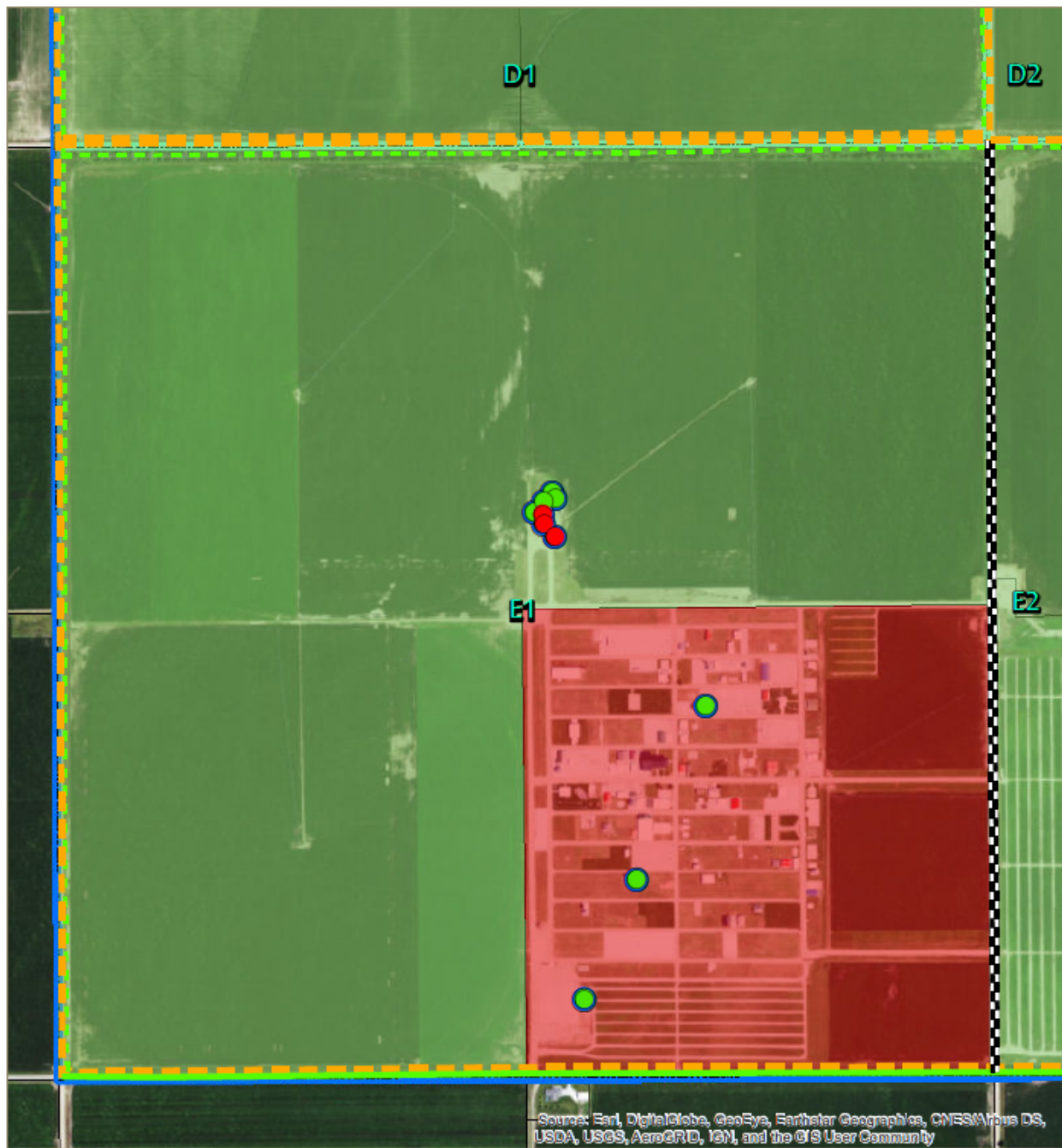


Aerial Map



The Aerial Map was taken from the Hall County GIS Mapping Application provided by the Hall County Assessor's online database. All outlining and labeling was added by the analyst for illustration purposes only and is not considered to be at scale. The subject property is outlined in red.

Existing Land Use Map



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

CAAP - SECTION E1

CITY OF GRAND ISLAND
HALL COUNTY, NEBRASKA

<ul style="list-style-type: none"> Previously Studied Areas CAAP Eight Study Limits CAAP Index Mapping Sections Hall County Parcels 	<ul style="list-style-type: none"> ● Less Than 40 Years Old - 44 Structures ● 40+ Years Old - 158 Structures ● Good - 46 Structures ● Deteriorated/Dilapidated - 156 Structures 	<table border="0"> <tr> <th style="text-align: left;">Existing Land Use</th> <th style="text-align: left;">Road Conditions</th> <th style="text-align: left;">Drainage Features</th> </tr> <tr> <td>■ Agricultural</td> <td>■ Good (Paved) - 37,111 Linear Feet</td> <td>■ Drainage Ditch</td> </tr> <tr> <td>■ Commercial</td> <td>■ Fair (Paved) - 34,565 Linear Feet</td> <td>■ Rural Section Ditches</td> </tr> <tr> <td>■ Industrial</td> <td>■ Gravel Road - 104,648 Linear Feet</td> <td></td> </tr> <tr> <td>■ Parks & Rec</td> <td>■ Closed - 23,459 Linear Feet</td> <td></td> </tr> <tr> <td>■ Public</td> <td></td> <td></td> </tr> </table>	Existing Land Use	Road Conditions	Drainage Features	■ Agricultural	■ Good (Paved) - 37,111 Linear Feet	■ Drainage Ditch	■ Commercial	■ Fair (Paved) - 34,565 Linear Feet	■ Rural Section Ditches	■ Industrial	■ Gravel Road - 104,648 Linear Feet		■ Parks & Rec	■ Closed - 23,459 Linear Feet		■ Public			<p>DATA SOURCES: BASE DATA PROVIDED BY HALL COUNTY AERIAL IMAGERY PROVIDED BY ESRI</p> <div style="display: flex; align-items: center;"> <div style="margin-right: 20px;"> </div> <div style="text-align: center;"> <p style="font-size: 0.8em;">MARSH PLANNING CONSULTANTS LAND USE PLANNING • GIS • TRANSPORTATION PLANNING</p> </div> <div style="text-align: center;"> <p style="font-size: 0.8em;">MISSOURI SURVEYING ASSOCIATION SURVEYING • ENGINEERING • SERVICES</p> </div> </div>
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Prepared by: cjanson, File: C:\CAAP GIS\MAPS\CAAP Section E1.mxd

Print Date: 11/17/27 PM 4:23/2017

THE REDEVELOPMENT PROJECT COMPLIES WITH THE ACT:

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

1. The City Can Undertake this Redevelopment Project on real property located outside the corporate limits of the City for the following reasons: [Neb. Rev. Stat. §18-2123.01]:

- (a) The real property located outside the corporate limits of the city is a formerly used defense site;

The Show Land is located outside the corporate limits of the City and is a formerly used defense site;

- (b) The formerly used defense site is located within the same county as the city approving such redevelopment project;

The Show Land and the City are both located in Hall County;

- (c) The formerly used defense site is located within a sanitary and improvement district;

Farm Progress has created SID Number 3, which was approved by the District Court on July 19, 2017;

- (d) The governing body of the city approving such redevelopment project passes an ordinance stating such city's intent to annex the formerly used defense site in the future; and

Ordinance #9645 stating the intent of the City to annex the Cornhusker Army Ammunition Plant property in whole or part as it becomes eligible for annexation was adopted by the Grand Island City Council on August 22, 2017;

- (e) The redevelopment project has been consented to by any city exercising extraterritorial jurisdiction over the formerly used defense site.

No city is exercising extraterritorial jurisdiction over the Show Land.

2. Redevelopment Project Area 25 was declared to be declared blighted and substandard by action of the Grand Island City Council.[§18-2109] with the passage of Resolution #2017-206 on July 25, 2017. Such declaration was made after a public hearing in full compliance with the public notice requirements of §18-2115 of the Act.

The City has approved the Blight Study to include the Show Land, thereby enabling the City to undertake a redevelopment project pursuant to Neb. Rev. Stat. §18-2123.01.

3. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. Hall County adopted a Comprehensive Plan on April 20, 2004. This Redevelopment Project is consistent with the Comprehensive Plans of both Grand Island and Hall County, in that no changes in the Comprehensive Plan elements are intended and will only impact property located outside of the City's corporate limits. The plan is also consistent with the Cornhusker Army Ammunition Reuse Plan as prepared for the Army Corps of Engineers by RKG Associates, Inc and Black & Veatch in 1997.

4. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]

(a) Land Acquisition:

The Redevelopment Plan does not provide for real property acquisition.

(b) Demolition and Removal of Structures:

The projects to be implemented with this Redevelopment Plan do not provide directly for the demolition of structures. Some internal or other incidental demolition may be necessary for redevelopment but the primary purpose of this plan is to install and update improvements to the Show Land.

(c) Future Land Use Plan:

The Show Land is intended to be used for the Show. The Show Land is located outside of the corporate limits of the City and is intended to have no impact on the 2004 Grand Island Comprehensive Plan. The Hall County Comprehensive Plan has this property designated for special events and agriculture per the CAAP Reuse Plan. The Show is consistent with both plans. [§18-2103(b) and §18-2111].

(d) Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes:

As the Show Land is located outside of the City's corporate limits, no zoning changes are anticipated with this project. The Show Land is with the Hall County Zoning jurisdiction and zoned AG-SE Special Agriculture/Events zone. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

(e) Site Coverage and Intensity of Use:

The Show Land is zoned AG-SE Special Agriculture/Events zone and can accommodate the improvements contemplated as part of this Redevelopment Project. [§18-2103(b) and §18-2111]

(f) Additional Public Facilities or Utilities:

Electrical, sewer, and water are available to support the Show Land. Sewer and water are provided privately. Potable water at the site is provided through dedicated service wells on site which are tested annually before the event and have been, in all prior years, found to be safe. The Redevelopment Project will include projects associated with electrical distribution, drainage and paving. No City utilities will be impacted by the Redevelopment Project. [§18-2103(b) and §18-2111]

5. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. [§18-2103.02].

This Redevelopment Plan will not require the displacement of individuals or families.

6. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]

The Show Land is wholly owned by Farm Progress. No members of the CRA of the City hold an interest in property within the Redevelopment Project Area.

7. Section 18-2114 of the Act requires that the Authority consider:

(a) Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

Outside of the City Contribution and the CVB/Chamber Contribution, Farm Progress will provide and secure all necessary financing.

(b) Statement of proposed method of financing the Redevelopment Project.

Outside of the City Contribution and the CVB/Chamber Contribution, Farm Progress will provide all necessary financing for the project. Farm Progress will submit documentation evidencing expenditures for

improvements outlined in Exhibit A for which Farm Progress desires reimbursement to the CRA. The CRA shall then reimburse Farm Progress for such expenditures as and when incurred by Farm Progress up to the amount of the City Contribution.

- (c) Statement of feasible method of relocating displaced families. No families will be displaced as a result of this Redevelopment Plan.

8. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The CRA has considered these elements in proposing this Redevelopment Plan. This Redevelopment Plan will have no impact negative on the Comprehensive Plans for either the City of Grand Island or Hall County. The improvements contemplated under this Redevelopment Plan will raise property values and provide a stimulus to keep surrounding properties properly maintained and support additional commercial development. This will have the intended result of preventing recurring elements of blighting conditions.

9. Time Frame for Development

This Redevelopment Plan is to be following the 2017 Show and will continue until all improvements are accomplished, which is currently anticipated to be in 2018, and in any event before the end of 2019. The effectiveness of this Redevelopment Project will be evaluated in November of each year beginning in November of 2017. It is anticipated that this Redevelopment Plan and the money appropriated to support the Redevelopment Plan will result in increased property values and economic stimulus to the City beginning in 2017 and continuing thereafter for decades to come.

10. Justification of Project

One of the keys to this Redevelopment Plan is to enhance the Show and the benefits of the retail and personal services associated with the Show. We expect the

Redevelopment Project's improvements to support the entire community, but particularly the retail, dining, hospitality, and entertainment industries. This Redevelopment Project does not propose to tear down any buildings with historic value.

11. Cost Benefit Analysis

This Redevelopment Plan does not permit the use of TIF. Any project using TIF will need to be approved with a separate plan amendment that will include a cost benefit analysis.

- (a) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this Redevelopment Project. The electric utility has sufficient capacity to support this Redevelopment Project. It is not anticipated that this Redevelopment Project will impact schools. Fire and police protection are available and should not be impacted by this Redevelopment Project.

- (b) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

The Show injects millions of dollars into the local economy via support of local retail and personal property tax base. During the span of 12 days, hotels, restaurants, and retail outlets throughout the region are busy. Temporary laborers are hired, and vendors purchase internet, landscaping, rental equipment, fuel and other services. Farm Progress also supports local philanthropies, and contributes to local law enforcement and emergency response groups.

- (c) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

- (d) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This Redevelopment Project will serve as an economic boost for numerous industries in the Grand Island area. This Redevelopment Project will increase Grand Island's ability to compete for talented individuals.

Time Frame for Development

It is anticipated that all improvements associated with this Redevelopment Project will commence on or shortly after approval of the Redevelopment Project by the City and the CRA and be completed by the end of 2018, and in any event before the end of 2019.

Husker Harvest Days		
Item Description	Quantity	Units
PAVING & EXCAVATION		
Excavation	75,000	CY
7" TH. Concrete Pavement	71,180	SY
7" TH. Crushed Concrete	6,750	TONS
WATER SERVICE		
1" HDPE Water Pipe	935	LF
2" HDPE Water Pipe	775	LF
4" PVC Water Pipe	3,365	LF
6" PVC Water Pipe	2,765	LF
5 1/4" Pumper Hydrant, M.J.	3	EA
Muller 3/4" Yard Hydrant	18	EA
6" Gate Valve, M.J.	6	EA
STORM SEWER		
12" HDPE Storm Sewer	4,550	LF
15" HDPE Storm Sewer	5,650	LF
18" HDPE Storm Sewer	6,120	LF
18" RCP Storm Sewer	1,000	LF
21" RCP Storm Sewer	215	LF
24" RCP Storm Sewer	560	LF
48" RCP Storm Sewer	380	LF
18" RCP Flared End Section	8	EA
21" RCP Flared End Section	2	EA
24" RCP Flared End Section	4	EA
48" RCP Flared End Section	6	EA
21" X 45 deg. Bend	1	EA
24" X 60 deg. Bend	1	EA
2' X 2' Inlets	77	EA
Trench Backfill	2,500	CY
SECURITY FENCING		
Fence (6' Chain Link, Posts @ 10' CL)	7,215	LF
2 X 16' Swinging Gates w/ Locking Mech.	1	EA
2 X 17' Swinging Gates w/ Locking Mech.	3	EA

2 X 18' Swinging Gates w/ Locking Mech.	1	EA
2 X 30' Swinging Gates W/ Wheel & Locking Mech.	1	EA
1 X 10' Swinging Gates w/ Locking Mech.	2	EA
2 X 16' Sliding Gates w/ Locking Mech.	1	EA
2 X 17' Sliding Gates w/ Locking Mech.	1	EA
Stop Bar	9	EA

ELECTRICAL

15KV Medium Voltage Switch	1	EA
15KV Medium Voltage Distribution Cable	7,180	LF
4" Conduit for 15KV Cable	7,180	LF
600V USE Direct Bury Cable	25,944	LF
Transformer Vaults	32	EA
600V Transformers	32	EA
600V Disconnects	30	EA
600V Distribution Panels	17	EA
600V Power Pedestals	116	EA

25 currently purchased, 7 needs to be purchased, 32 installed

25 currently purchased, 7 needs to be purchased, 32 installed

5 extra for future needs

RESOLUTION 2017-331

A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF GRAND ISLAND AND THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND; APPROVING A REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN; AUTHORIZING THE EXECUTION OF A REDEVELOPMENT CONTRACT WITH FARM PROGRESS LIMITED, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND AND THE CITY OF GRAND ISLAND; APPROVING THE LOAN OF FUNDS TO FARM PROGRESS COMPANIES INC., EVIDENCED BY A NOTE OR OTHER OBLIGATION, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000 FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, DEMOLISHING, CONSTRUCTING, RECONSTRUCTING, IMPROVING, EXTENDING, REHABILITATING, INSTALLING, EQUIPPING, FURNISHING AND COMPLETING CERTAIN IMPROVEMENTS WITHIN THE AUTHORITY'S FARM PROGRESS LIMITED, REDEVELOPMENT PROJECT AREA, APPROVING THE FORM AND CERTAIN DETAILS OF THE NOTE; TAKING OTHER ACTIONS AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. The Mayor and member of the City Council of Grand Island, Nebraska (the "City") hereby find and determine as follows:

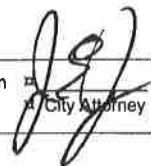
(a) The Community Development Authority of the City of Grand Island, Nebraska (the "Authority"), pursuant to the Plan Resolution (hereinafter defined), approved the Husker Harvest Days Redevelopment Project July 2017 (the "Redevelopment Plan") under and pursuant to which the Authority shall undertake from time to time to redevelop and rehabilitate the Redevelopment Area (hereinafter defined).

(b) The Redevelopment Area lies within Hall County Sanitary Improvement District Number 3 (SID #3), which district was created and approved by the Hall County, Nebraska District Court on July 19, 2017.

(c) The Redevelopment Area, was formerly owned by, leased to or otherwise possessed by the United States under the jurisdiction of the United States Secretary of Defense and was part of the Cornhusker Army Ammunition Plant.

(d) The City adopted ordinance #9645, on August 22, 2017, expressing the intent of the City to annex the Redevelopment Area when the same shall become eligible for annexation.

Approved as to Form
November 14, 2017



(e) It is in the best interests of the City that City approve the Redevelopment Plan, the Redevelopment Contract and the Interlocal Agreement by and between the City and Authority dated November ___, 2017, and that the Authority be appointed by the City to implement the Redevelopment Plan.

(f) Pursuant to the Redevelopment Plan, the Authority has previously obligated itself and/or will hereafter obligate itself to provide a portion of the financing to acquire, construct, reconstruct, improve, extend, rehabilitate, install, equip, furnish and complete, at the cost and expense of the Redeveloper, a portion of the improvements (as defined in the Redevelopment Contract hereinafter identified) in the Redevelopment Area (the "**Project Costs**"), including, without limitation) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, and completing the acquisition of the Project Site (as defined in the Redevelopment Contract), (collectively, the "**Project**"), as more fully described in the Redevelopment Contract (hereinafter defined).

(g) The Authority is authorized by the Redevelopment Law (hereinafter defined) to loan funds for the purpose of paying the costs and expenses of the Project.

(h) In order to provide funds to pay a portion of the costs of the Project, it is necessary, desirable, advisable, and in the best interest of the City for the Authority to loan funds pursuant to a Forgivable Loan Agreement and Promissory Note in the aggregate a principal amount not to exceed \$2,000,000 (the "**Note**").

ARTICLE II

CERTAIN DEFINITIONS; COMPUTATIONS; CERTIFICATES AND OPINIONS; ORDERS AND DIRECTIONS

Section 2.1. Definitions of Special Terms. Unless the context clearly indicates some other meaning or may otherwise require, and in addition to those terms defined elsewhere herein, the terms defined in this **Section 2.1** shall, for all purposes of this Resolution, any Resolution or other instrument amendatory hereof or supplemental hereto, instrument or document herein or therein mentioned, have the meanings specified herein, with the following definitions to be equally applicable to both the singular and plural forms of any terms defined herein:

"**Authority**" means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

"**City**" means the City of Grand Island, Nebraska.

"**Project Costs**" means the redevelopment project costs (as defined in the Redevelopment Contract) in the Redevelopment Area, the costs of which are eligible to be paid from the proceeds of the Note.

"**Note**" means the Forgivable Loan Agreement and Promissory Note of the Farm Progress Limited, in the aggregate principal amount not to exceed \$2,000,000, as set forth herein.

"**Secretary**" means the Secretary of the Authority.

“Cumulative Outstanding Principal Amount” means the aggregate principal amount of the Note issued and Outstanding from time to time in accordance with the provisions of this Resolution, as reflected in the records maintained by the Finance Director as provided in this Resolution.

“Finance Director” means the Treasurer/Finance Director or Acting Treasurer/Finance Director, as the case may be, of the City.

“Improvements” means the improvements to be constructed, reconstructed, acquired, improved, extended, rehabilitated, installed, equipped, furnished and completed in the Project Area in accordance with the Redevelopment Plan, including, but not limited to, the improvements constituting the Project (as defined in the Redevelopment Contract).

“Chairman” means the Chairman of the Authority.

“Interlocal Agreement” means the Interlocal Cooperation Agreement by and between the City of Grand Island and the Community Redevelopment Authority of the City of Grand Island dated November __, 2017.

“Outstanding” means when used with reference to any Note, as of a particular date, all Notes theretofore authenticated and authorized by this Resolution.

“Plan Resolution” means this Resolution of the City, together with any other resolution providing for an adoption of the Redevelopment Plan.

“Project Area” means the area identified and referred to as the Project Site in the Redevelopment Contract.

“Redeveloper” means the Redeveloper as defined in the Redevelopment Contract responsible for constructing, reconstructing, acquiring, improving, extending, rehabilitating, installing, equipping, furnishing and completing the Project.

“Redevelopment Contract” means the City of Grand Island Redevelopment Contract Farm Progress Limited Redevelopment Project, dated the date of its execution, between the City, the Authority, and Farm Progress Limited relating to the Project.

“Redevelopment Area” means the community redevelopment area described, defined or otherwise identified or referred to in the Redevelopment Plan.

“Redevelopment Law” means Article VIII, Section 12 of the Constitution of the State and Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended.

“Redevelopment Plan” means the “Husker Harvest Days Redevelopment Project July 2017” passed, adopted and approved by the City and shall include any amendment of such Redevelopment Plan heretofore or hereafter made by the City pursuant to law.

“Resolution” means this Resolution as from time to time amended or supplemented.

“State” means the State of Nebraska.

Section 2.2. Definitions of General Terms. Unless the context clearly indicates otherwise or may otherwise require, in this Resolution words importing persons include firms, partnerships, associations,

limited liability companies, corporations (public and private), public bodies and natural persons, and also include executors, administrators, trustees, receivers or other representatives.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution as a whole and not to any particular section or subdivision thereof.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution: (a) references to Articles, Sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding Articles, Sections or subdivisions of this Resolution as such Articles, Sections, or subdivisions may be amended or supplemented from time to time; and (b) the word "heretofore" means before the time of passage of this Resolution, and the word "hereafter" means after the time of passage of this Resolution.

Section 2.3. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Resolution shall be made on the assumption that the principal on the Note shall be paid as and when the same become due.

Section 2.4. Certificates, Opinions and Reports. Except as otherwise specifically provided in this Resolution, each certificate, opinion or report with respect to compliance with a condition or covenant provided for in this Resolution shall include: (a) a statement that the person making such certificate, opinion or report has read the pertinent provisions of this Resolution to which such covenant or condition relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate, opinion or report are based; (c) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with; and (e) an identification of any certificates, opinions or reports or other sources or assumptions relied on in such certificate, opinion or report.

Section 2.5. Evidence of Action by the City and Authority. Except as otherwise specifically provided in this Resolution, any request, direction, command, order, notice, certificate or other instrument of, by or from the City or the Authority shall be effective and binding upon the Authority, respectively, for the purposes of this Resolution if signed by the Chairman, the Vice Chairman, the Secretary, the Treasurer, the Finance Director, the Planning Director or by any other person or persons authorized to execute the same by statute, or by a resolution of the City or the Authority, respectively.

ARTICLE III

APPROVALS, AUTHORIZATIONS, AND APPOINTMENT; ISSUANCE OF THE NOTE; GENERAL TERMS AND PROVISIONS

Section 3.1. Approvals, Authorizations, and Appointment; Issuance of Note. Pursuant to and in full compliance with the Redevelopment Law and this Resolution, the City hereby approves the Redevelopment Plan, the Redevelopment Contract, and the Interlocal Agreement. City hereby appoints the Authority to do and take such action as necessary and appropriate to implement the Redevelopment Plan and Redevelopment Contract for the purpose of providing funds to pay (a) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing, and completing the Project, and (b) the costs of issuing the Note, the Authority shall, pursuant to the terms of the Note advance to the Redeveloper an aggregate principal amount not to exceed \$2,000,000. The Note shall be designated as "Forgivable Loan Agreement and Promissory Note," shall be dated the Date of Original

Issue, shall mature, subject to right of prior redemption, not later than the _____, The Note shall be issued as a single Note as further described in **Section 3.2.**

Section 3.2. Details of Note; Authority of Finance Director.

(a) The Note shall be dated the Date of Original Issue and shall be advanced to the borrower in installments.

(b) Pursuant to the Note funds may be advanced and disbursed in the manner set forth below:

(1) There shall be submitted to the Finance Director a disbursement request in a form acceptable to the Finance Director (the "**Disbursement Request**"), executed by the City's Planning Director and an authorized representative of the Redeveloper, (A) certifying that a portion of the Project has been substantially completed and (B) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(2) The Finance Director advance annually, pursuant to the terms of the Note an amount of one tenth (1/10) of two sevenths (2/7) of the Redevelopment Project Costs, as set forth in the Redevelopment Contract, not to exceed the sum of \$200,000 annually and the Finance Director shall evidence such advance on Schedule 1 of the Note.

(3) The aggregate amount endorsed as the Principal amount Advanced on the Note shall not exceed \$2,000,000.

The Authority shall have no obligation to pay any Disbursement Request unless such request has been properly approved as described above.

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

(c) The Note shall be dated the Date of Original Issue, which shall be the initial date of an advance on the Note.

(d) In the event of default as provided by Section 12 of the Note and Agreement interest shall accrue on any unforgiven principal at the rate of seven percent (7%) per annum.

Section 3.3. Form of Note Generally. The Note shall be in substantially the form set forth in **Article IV**, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and with such additional changes as the Finance Director may deem necessary or appropriate. The Note may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 3.7. Ownership of Note. As to any Note, the Authority shall be deemed and regarded as the absolute owner thereof for all purposes.

ARTICLE IV

FORM OF NOTE

Section 4.1. Form of Note. The Note shall be in substantially the following form:

FORGIVABLE LOAN AGREEMENT and PROMISSORY NOTE

This Loan Agreement and Promissory Note (the "Agreement"), effective this _____ day of November, 2017, is entered into between the following parties:

Lender: Community
Redevelopment
Authority of the
City of Grand
Island, Nebraska
("Lender")
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

Borrower: : Farm Progress Limited Companies, Inc.
c/o Thomas Etter
711 3rd Ave, 8th Floor
New York, NY 10017-9209

FEIN:

WHEREAS, the Borrower has entered into a Redevelopment Contract(the "Redevelopment Contract") with the Lender and the City of Grand Island, Nebraska, of even date herewith; and

WHEREAS, the Borrower has agreed that the funding set forth herein will be used to finance the construction and rehabilitation of the Husker Harvest Days redevelopment area as fully described in the Redevelopment Contract; and

WHEREAS, the Lender has authorized an annual Redevelopment Advance of up to \$200,000 per year for 10 years or such lesser amount per year that is equal to one tenth (1/10) of two sevenths (2/7) of the Redevelopment Project Costs identified in said Redevelopment Contract for the purpose of making a loan to the Borrower under such terms and conditions as may be prescribed by the Lender.

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements, the parties agree as follows:

1) **Loan Amount and Terms**: Subject to the terms and conditions of this Agreement, the Redevelopment Contract and the Deed of Trust described hereafter, the Lender hereby agrees to provide the Borrower with the principal sum of up to \$200,000 (or such lesser sum that is equal to one tenth (1/10) of two sevenths (2/7) of the redevelopment Project Costs certified to Lender pursuant to the Redevelopment Contract) per year for a total of ten (10) years, on the dates set forth:

Date

November 1, 2018
November 1, 2019
November 1, 2020
November 1, 2021
November 1, 2022
November 1, 2023
November 1, 2024
November 1, 2025
November 1, 2026
November 1, 2027

Such advances shall be recorded on Schedule 1 attached hereto. The principal shall be due in full on _____, 2037. Payments shall be allocated first to the payment of interest with the remainder allocated to principal. Should a default occur under the terms of this Agreement and Promissory Note, the Redevelopment Contract or the Deed of Trust, repayment of all principal will be made immediately upon written demand made by the borrower and placed in the United States Mail to Borrower's address shown above.. The Borrower shall have the right to prepay any part or all of the unpaid principal at any time without penalty. This loan is not transferable.

2) **Forgiveness of Debt**: Provided that the Borrower is not in default under the terms of this Agreement and Promissory Note, the Redevelopment Contract or the Deed of Trust, the Lender shall forgive one twentieth (1/20) of the principal amount advanced hereunder on each date set forth below:

Date:

November 1, 2018
November 1, 2019
November 1, 2020
November 1, 2021
November 1, 2022
November 1, 2023
November 1, 2024

November 1, 2025
November 1, 2026
November 1, 2027
November 1, 2028
November 1, 2029
November 1, 2030
November 1, 2031
November 1, 2032
November 1, 2033
November 1, 2034
November 1, 2035
November 1, 2036
November 1, 2037

3) **Deed of Trust/Security Agreement:** This note shall be secured by a first Deed of Trust which the borrower shall execute and deliver to Lender in a form acceptable to Lender on the date hereof.

4) **Force Majeure:** In the event that operations at the worksite or the hosting of the Husker Harvest Days Show are impaired or suspended due to uncontrollable forces of nature or other forces outside Borrower's control, including inclement weather and threats to public safety, the Borrower will be given a reasonable period of time, as determined in the sole discretion of the Lender, in which to reestablish any lost jobs or host the Husker Harvest Days Show an additional year. The term of this agreement will be extended by the length of this period, and no contractual penalty will be imposed on the company during this period.

5) **Release of Deed of Trust/Security Agreement:** The Deed of Trust shall be released upon payment in full of the sums advanced hereunder and all interest thereon or upon forgiveness of the debt as set forth herein.

6) **Use of Funds:** The monies from this loan shall be used by the Borrower to pay for or be reimbursed for the Redevelopment Project Costs set forth in the Redevelopment Contract. Lender shall disburse funds to the Borrower upon presentation of written proof that the aforementioned costs have been incurred and paid by the Borrower.

7) **Services Provided to Borrower:** The Lender is not obligated to provide any services to the Borrower other than those specified in the Agreement.

8) **Related Contracts:** The Borrower shall provide, upon written request, copies of all contracts entered into by the Borrower for activities covered by the loan monies.

9) **Financial Management:** Borrower shall keep accounting records in conformance with generally accepted accounting principles, and make such records and all related reports, files, documents and other papers pertaining to the funds provided under this

Agreement available for audits, examinations and monitoring if requested by Lender; such records will be retained for a period of three (3) years after termination of the loan period or repayment of the debt in full. The accounting system used by the Borrower shall clearly establish records of budgets and expenditures for the activities funded with the loan monies.

10) **Monitoring and Reporting:** A random audit, or audits, may be conducted by the Lender, or a designated representative of the Lender, to assure accountability of loan expenditures and examine the status of any improvements, fixtures, machinery and equipment acquired with this loan funding.

11) **Waivers:** The Borrower hereby waives presentment, demand of payment, protest, and any and all other notices and demands whatsoever. No waiver of any payment or other right under this Agreement shall operate as a waiver of any other payment or right.

12) **Default:** This Agreement shall be considered in default if:

(A) Upon any default or failure to properly perform under any clause in this Agreement, the Redevelopment Contract or Deed of Trust (or the provisions of any security agreement(s) or other documents which secure this Agreement).

(B) Unless operation is excused by force majeure, Borrower fails to operate two annual Husker Harvest Days shows during the term of this Agreement. Provided, however, notwithstanding the terms of this Agreement, the Redevelopment Contract, or Deed of Trust to the contrary, upon Borrower's first instance of failure to operate an annual Husker Harvest Days show for reasons other than force majeure, repayment of one year's principal shall be immediately due and payable and shall accrue interest thereafter at the interest rate provided in this Section 12.

(C) Use of loan funds for other than the intended purposes. Borrower shall repay any such improperly used funds together with interest at the rate provided in this Section 12.

(i) .

(D) Upon any occurrence under this Agreement, the Redevelopment Contract, Deed of Trust or security agreements by which this loan may or shall become due and payable.

(E) Upon the filing of bankruptcy.

In the event of continued default following a fifteen (15) day written notice of default, the Lender may, at its option, declare all unpaid indebtedness evidenced by this Agreement, immediately due and payable, without further notice, regardless of date of maturity. In such event interest shall accrue on the unforgiven principal at the rate of seven percent (7%) per annum. The Lender's failure to exercise this option when available at any point in time shall in no way invalidate its right to exercise the option in future default situations. Should it become necessary to collect the monetary obligations of this Agreement through an attorney, the Borrower agrees to pay all costs of collecting these monies, including reasonable attorneys' fees to the extent permitted by law, whether collected by suit, foreclosure, or otherwise.

13) **Indemnification**: The Borrower shall indemnify, defend, and hold harmless the Lender and its respective officers and employees from any liabilities, claims, suits, judgments, and damages arising as a result of the performance of the obligations under this Agreement by the Borrower or any party in a relationship with the Borrower which is a result of this Agreement. The liability of the Borrower under this Agreement shall continue after the termination of the Agreement with respect to any liabilities, claims, suits, judgments and damages resulting from acts occurring prior to the termination of this Agreement.

14) **Amendments**: Changes to this Agreement will not be effective or binding unless in writing and signed by both parties to the Agreement.

15) **Compliance with the Law**: The Borrower agrees to operate Husker Harvest Days in the Redevelopment Project Area in full compliance with applicable federal, state and local laws without limitation.

16) **Authorization to Contract**: Before or at the time of execution of the Agreement, the Borrower must be able to provide evidence that it is duly incorporated, in good standing in the state of its incorporation, authorized to do business in the State of Nebraska, and authorized to borrow money; and evidence shall be provided that the person executing the Agreement and any supporting documents is authorized to act on behalf of the Borrower in such a transaction.

17) **Termination of Agreement**: Lender may terminate the loan, in whole or in part, if the Borrower has failed to comply with the conditions of the Agreement and such failure has resulted in a "default" as set forth in Section 12 of this Agreement. The Borrower will receive written notice and the reasons for termination.

18) **Divisibility**: The invalidity of any one or more phrases, sentences, clauses, or section contained in this Agreement shall not affect the remaining portions of this Agreement, or any part thereof. Further, various headings included in this Agreement exist purely as an aid to locate particular wording, and do not in and of themselves in any way affect the substance of this Agreement.

19) **Complete Document**: The parties agree this Agreement is a complete document in which all obligations have been reduced to writing, and there are no understandings, agreements, conventions or covenants not included herein.

20) **Assignment**: The parties further agree that this Agreement may not be assigned by the Borrower without prior written approval by the Lender other than to an affiliate or in connection with a sale of all or substantially all of the assets of the Borrower (by merger, reorganization or otherwise).

21) **Binding Effect**: The provisions of this Agreement shall both bind and benefit the Borrower's successors, assigns, guarantors, endorsers, and any other person or entity now or

hereafter liable hereon.

22) **Notices.** Notifications required pursuant to this contract shall be made in writing and mailed to the addresses shown below. Such notification shall be deemed complete upon mailing.

Borrower: Farm Progress Limited Companies, Inc.
c/o Thomas Etter
711 3rd Ave, 8th Floor
New York, NY 10017-9209

Lender: Community Redevelopment Authority of the City of Grand Island, Nebraska ("Lender")
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

IN WITNESS WHEREOF, the parties have signed their names below.

LENDER:

BORROWER:

CHAIRMAN

Amy Allen
Farm Progress Limited

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

Fiscal Year	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By
2018	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00	
2019	\$ 400,000.00	\$ 200,000.00	\$ 200,000.00	
2020	\$ 600,000.00	\$ 300,000.00	\$ 300,000.00	
2021	\$ 800,000.00	\$ 400,000.00	\$ 400,000.00	
2022	\$ 1,000,000.00	\$ 500,000.00	\$ 500,000.00	
2023	\$ 1,200,000.00	\$ 600,000.00	\$ 600,000.00	
2024	\$ 1,400,000.00	\$ 700,000.00	\$ 700,000.00	
2025	\$ 1,600,000.00	\$ 800,000.00	\$ 800,000.00	
2026	\$ 1,800,000.00	\$ 900,000.00	\$ 900,000.00	
2027	\$ 2,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	
2028	\$ 2,000,000.00	\$ 1,100,000.00	\$ 900,000.00	
2029	\$ 2,000,000.00	\$ 1,200,000.00	\$ 800,000.00	
2030	\$ 2,000,000.00	\$ 1,300,000.00	\$ 700,000.00	
2031	\$ 2,000,000.00	\$ 1,400,000.00	\$ 600,000.00	
2032	\$ 2,000,000.00	\$ 1,500,000.00	\$ 500,000.00	
2033	\$ 2,000,000.00	\$ 1,600,000.00	\$ 400,000.00	
2034	\$ 2,000,000.00	\$ 1,700,000.00	\$ 300,000.00	
2035	\$ 2,000,000.00	\$ 1,800,000.00	\$ 200,000.00	
2036	\$ 2,000,000.00	\$ 1,900,000.00	\$ 100,000.00	
2037	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	

ARTICLE V

MISCELLANEOUS

Section 5.1. General and Specific Authorizations; Ratification of Prior Actions. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the City hereby (a) authorizes and directs the Authority, Finance Director, Planning Director and all other officers, officials, employees and agents of the City and Authority to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with Special Counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, including without limitation the execution and delivery of all related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Finance Director the right, power and authority to exercise his or her independent judgment and absolute discretion in (1) determining and finalizing all terms and provisions to be carried by the Note not specifically set forth in this Resolution and (2) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the funding of the Note. The execution and delivery by the Finance Director or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Authority's and their approval of the terms, provisions and contents thereof and of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Authority and the authorization, approval and ratification by the Authority of the documents, instruments, certifications and opinions so executed and the actions so taken.

All actions heretofore taken by the Finance Director and all other officers, officials, employees and agents of the Authority, including without limitation the expenditure of funds and the selection, appointment and employment of Special Counsel and financial advisors and agents, in connection with issuance and sale of the Note, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 5.2 Benefits of Resolution Limited to the Authority. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or should be construed to confer upon or give to any person other than the Authority any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City and the Authority.

Section 5.3. No Personal Liability. No officer or employee of the Authority shall be individually or personally liable for the funding of the principal of the Note. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 5.4 Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Resolution on the part of the City, the Authority or the Registrar to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Resolution and the invalidity thereof shall in no way affect the validity of the other provisions of this Resolution or of the Note, but the

Owner of the Note shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 5.5. Law and Place of Enforcement of this Resolution. The Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State except to the extent necessary for enforcement, by any trustee or receiver appointed by or pursuant to the provisions of this Resolution, or remedies under this Resolution.

Section 5.6. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 5.7. Repeal of Inconsistent Resolution. Any Resolution of the City and any part of any resolution, inconsistent with this Resolution is hereby repealed to the extent of such inconsistency.

Section 5.8. Publication and Effectiveness of this Resolution. This Resolution shall take effect and be in full force from and after its passage by the Community Redevelopment Authority of the City:

Section 5.9 Authority to Execute Redevelopment Contract and Interlocal Agreement, and Approve Plan. The Mayor is authorized and directed to execute the Redevelopment Contract and the Interlocal Agreement in the forms presented with such changes as the Mayor, in his discretion deems proper. The Redevelopment Plan is approved and adopted.

PASSED AND ADOPTED: November 14, 2017.



(SEAL)

ATTEST:

By: Rafael Edwards
City Clerk

THE CITY OF GRAND ISLAND, NEBRASKA

By: [Signature]
Mayor

Farm Progress Limited

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2017, by and between the City of Grand Island, Nebraska, (the "City") the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and Farm Progress Limited, a Delaware corporation ("Redeveloper").

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska, in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended (collectively the "Act"), has designated an area, described on attached Exhibit "1", outside of the City, but within Hall County, Nebraska, and being a formerly used defense site, as blighted and substandard;

WHEREAS, the area described on Exhibit "1" (the "Redevelopment Project Area") lies within Hall County Sanitary Improvement District Number 3 (SID #3), which district was created and approved by the Hall County, Nebraska District Court on July 19, 2017;

WHEREAS, the Redevelopment Project Area, was formerly owned by, leased to or otherwise possessed by the United States under the jurisdiction of the United States Secretary of Defense and was part of the Cornhusker Army Ammunition Plant;

WHEREAS, the City adopted ordinance #9645, a copy of which is attached hereto as Exhibit "2", on August 22, 2017, expressing the intent of the City to annex the Redevelopment Project Area when the same shall become eligible for annexation;

WHEREAS, the Authority has adopted, after approval by the Mayor and Council of the City, that redevelopment plan entitled "Husker Harvest Days Redevelopment Project July 2017" (the "Redevelopment Plan") a copy of which is attached hereto as Exhibit "3";

WHEREAS, the Redevelopment Plan calls for the Authority to support Redeveloper's and redevelopment efforts on real estate owned by the Redeveloper which is legally described on Exhibit "1" also known as the Redevelopment Project Area;

WHEREAS, the Redevelopment Project Area incorporates all of the Redeveloper Property as shown on Exhibit "1" attached hereto and incorporated herein by this reference ("Project Site");

WHEREAS, Section 18-2123.01(1) of the Act authorizes a city to undertake a redevelopment project that involves a formerly used defense site and the City desires that the Authority be the entity, under the Act, to act on behalf of the City in undertaking certain obligations under the Redevelopment Plan and assist the Redeveloper by partially financing the

Farm Progress Limited

costs of redevelopment project improvements to the Redevelopment Project Area (Redevelopment Project Costs);

WHEREAS, Section 18-2107(4) of the Act authorizes the Authority to make grants and enter into contracts with redevelopers of property containing covenants and conditions regarding the use of such property as the Authority may deem necessary to prevent the recurrence of substandard and blighted areas;

WHEREAS, Redeveloper is willing to enter into this Contract and invest Seven Million Dollars (\$7,000,000) on the Project Site redevelopment which includes site excavation and paving of private public use roadways, utility extensions of water lines and hydrants, electrical line installation and equipment and storm sewer installation, and perimeter fencing, as generally shown on the Site Plan attached hereto as Exhibit "4";

WHEREAS, in order to help remove blight and substandard conditions and improve conditions in an economically underutilized area, the Authority is willing to enter into this Contract and to make a loan and grant to fund a portion of the Project Costs in order to induce the Redeveloper to undertake the Private Improvements ("Private Improvements") described below;

WHEREAS, the Private Improvements on the Project Site comprise the Redevelopment Project and are known as the "Redevelopment Project Improvements". The costs of the Redevelopment Project Improvements are known as the "Redevelopment Project Costs" and are shown on the Sources and Uses of Funds in Exhibit "5", which is attached hereto and incorporated herein by this reference. The City, Authority and Redeveloper agree that assistance with the Redevelopment Project Costs is deemed essential and the Redevelopment Project would not be economically feasible without it;

WHEREAS, the City and Authority are willing to support the above described redevelopment of the Project Site in accordance with the Redevelopment Plan; provided that, Redeveloper is willing to agree to covenants and conditions regarding compulsory maintenance and upkeep of the Private Improvements to prevent a recurrence of substandard and blighted conditions;

WHEREAS, City, Authority and Redeveloper desire to enter into this Redevelopment Contract in order to implement the Redevelopment Plan and provide for the redevelopment of the Project Site;

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

Farm Progress Limited

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Contract, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

"Act" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended, and acts amendatory thereof and supplemental thereto.

"Authority" means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

"City" means the City of Grand Island, Nebraska.

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

"Indebtedness" means the promissory note, a copy of which is attached hereto as Exhibit "6" providing for an annual advance and loan of money, not to exceed an aggregate principal amount of the lesser of two-sevenths (2/7) of the Redevelopment Project Costs or Two Million Dollars (\$2,000,000) (the "Redevelopment Advance"). The Indebtedness provides that the Authority shall advance one-tenth of the Redevelopment Advance annually for ten years to the Redeveloper conditioned on the Redeveloper providing a cost certification, in the form of attached Exhibit "6" showing payment of Redevelopment Project Costs.

"Redevelopment Advance" means that total grant and loan of the Redevelopment Costs to Redeveloper not to exceed the lesser of two sevenths (2/7) of the Redevelopment Project Costs or Two Million Dollars (\$2,000,000).

"Redevelopment Project" means the improvements to the Redevelopment Project Area, as further described in Exhibit "3" attached hereto and incorporated herein by reference and, as used herein, shall include the Redevelopment Project Property and additions and improvements thereto. Without limitation, those improvements include the following public and private improvements:

Private public access roadway
Excavation of 75,000 cubic yards
Paving 71,180 square yards
Crushed rock 6,750 tons

Farm Progress Limited

Water lines, mains and hydrants
Storm sewer mains and outlets
Perimeter fencing and gates

"Project Cost Certification" means a statement prepared and signed by the Redeveloper verifying the Redeveloper has the Project Costs identified on Exhibit "5".

"Project Costs" means only costs or expenses incurred by Redeveloper for the purposes set forth in §18-2103(12)(a) through (f), inclusive, including the providing for such costs by the exercise of the powers set forth in §18-2107(4) of the Act, all as identified on Exhibit "5".

"Redeveloper" means Farm Progress Limited, a Delaware corporation, and its successors and assigns.

"Redevelopment Project Area" means that certain real property situated in Hall County, Nebraska which has been declared blighted and substandard by the City pursuant to the Act, and which is more particularly described on Exhibit "1" attached hereto and incorporated herein by this reference. All such legal descriptions are subject to change based upon any re-platting.

"Redevelopment Project Property" means all of the Redevelopment Project Area which is the site for the improvements constituting the Project, as more particularly described on Exhibit "1" attached hereto and incorporated herein by this reference.

"Redevelopment Contract" means this redevelopment contract between the City, Authority and Redeveloper with respect to the Project.

"Redevelopment Plan" means the Redevelopment Plan Amendment (also defined in the recitals hereto) for the Redevelopment Project Area related to the Project, as attached hereto as Exhibit "3", prepared by the Authority, approved by the City and adopted by the Authority pursuant to the Act.

"Resolution" means the Resolution of the Authority authorizing the Indebtedness, as supplemented from time to time, and also approving this Redevelopment Contract.

Section 1.02 Construction and Interpretation.

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

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

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

Farm Progress Limited

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

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

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

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

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

ARTICLE II

FINDINGS AND REPRESENTATIONS

Section 2.01 Findings of Authority and City.

The Authority and the City makes the following findings:

(a) The Authority is a duly organized and validly existing community Redevelopment Authority under the Act.

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

(c) The Authority and the City deem it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

(d) The Redevelopment Project is expected to achieve the public purposes of the Act by among other things, increasing employment, improving public infrastructure, increasing the tax base and lessening blighted and substandard conditions in the Redevelopment Project Area and other purposes set forth in the Act.

(e) (1) The Redevelopment Plan is feasible and in conformity with the general plan for the development of the City as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(2) Based on representations made by the Redeveloper and information provided to the Authority:

Farm Progress Limited

(i) the Project would not be economically feasible without the loan and grant provided by the Authority, and

(ii) the Project would not occur in the Redevelopment Project Area without the loan and grant provided by the Authority.

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

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

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is a Delaware corporation, authorized to do business in the state of Nebraska and having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract. Prior to the execution and delivery of this Redevelopment Contract, the Redeveloper has delivered to the Authority a certificate of good standing, a certified copy of the Redeveloper's by-laws and a certified copy of the resolution or resolutions authorizing the execution and delivery of this Redevelopment Contract and the Indebtedness.

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

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upon any of the property or assets of the Redeveloper contrary to the terms of any instrument or agreement.

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

(d) The Project would not be economically feasible without the loan and grant provided by the Authority.

(e) The Project would not occur in the Redevelopment Project Area without the loan and grant provided by the Authority.

ARTICLE III

OBLIGATIONS OF THE AUTHORITY

Section 3.01 Indebtedness.

The Authority shall loan to Redeveloper an aggregate amount, not to exceed the lesser of two-sevenths (2/7) of the Redevelopment Project Costs or Two Million Dollars (\$2,000,000), the Redevelopment Advance, by making annual advances in the amount of one-tenth the Redevelopment Advance for ten (10) years, all as set forth in attached Exhibit "6". The Indebtedness shall be in the form and stated principal amount and being subject to such terms and conditions as are specified in the Resolution and this Redevelopment Contract, No Indebtedness will be issued until Redeveloper has completed and paid all Redevelopment Project Costs as described in the Plan.

The Indebtedness shall be secured by a deed of trust in the form acceptable to the City Attorney and executed by the Redeveloper and filed with the Hall County, Nebraska, Register of Deeds. Said deed of trust shall be a first lien on the Redevelopment Project Area. The Redeveloper shall pay for and provide a title insurance policy indicating that said deed of trust is a first lien on the real property described on Exhibit "1".

Section 3.02 Performance Based Forgiveness of Indebtedness.

Under the terms of the Indebtedness, this Redevelopment Contract and the Resolution, the Authority shall forgive one-twentieth (1/20) of the aggregate principal amount of the Indebtedness, for each consecutive year the Redeveloper hosts and operates the Husker Harvest Days show, as described in the Redevelopment Plan. Hosting of the show shall mean operating and hosting the show with substantially the same number of vendors, the same amount of advertising, the same number of days and substantially in the same manner as the show was operated during the five-year period prior to the date of this Redevelopment Contract.

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ARTICLE IV

OBLIGATIONS OF CITY

Section 4.01 Contribution of Funds to Authority.

City intends to transfer to the Authority the sum of one-tenth of the Redevelopment Advance each year for a period of ten (10) years beginning in 2018 for purposes of providing the Authority with funds to loan to the Redeveloper pursuant to the Indebtedness.

Section 4.02 Appointment of Authority to Undertake Redevelopment Project.

City hereby appoints and designates the Authority to implement the Redevelopment Plan and Redevelopment Project pursuant to Section 18-2123.01 of the Act.

ARTICLE V

OBLIGATIONS OF REDEVELOPER

Section 5.01 Construction of Project.

Redeveloper shall:

- (a) Operate the Husker Harvest Days show, as described in the Redevelopment Plan. Hosting of the show shall mean operating and hosting the show with substantially the same number of vendors, the same amount of advertising, the same number of days and substantially in the same manner as the show was operated during the five-year period prior to the date of this Redevelopment Contract.
- (b) Pave the private streets in accordance with plans and specifications provided to the Authority. Redeveloper shall design, construct and install a water main and hydrants, storm sewer and outlets, conduits, transformers and outlets for electrical lines, and perimeter fences and gates in accordance with plans and specifications provided to the Authority. All final engineering plans and specifications for public improvements shall bear the signature and seal of a professional engineer registered in the State of Nebraska and shall be furnished by Redeveloper to the City and Authority. Inspections of improvements under construction shall be performed under the supervision of a professional registered engineer and upon completion shall be subject to inspection and approval by the Department of Public Works of the City of Grand Island. An "as built" set of plans and specifications including required test results bearing the seal and signature of a registered professional engineer shall be filed with the Director of Public Works by Redeveloper.
- (c) Construct all Private Improvements in compliance with all applicable local, state, and federal building and construction laws and codes. Redeveloper agrees to secure and maintain all permits and licenses necessary for its use of the Redevelopment Project including, but not limited to, necessary building permits and inspections.
- (d) Redeveloper agrees to use commercially reasonable efforts to complete construction of the Private Improvements on or before December 31, 2019 as provided in this

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Agreement Redeveloper further agrees to pay, or cause to be paid, in a timely manner all persons, firms, or organizations that performed labor or furnished materials, equipment or supplies used in the prosecution of the Private Improvements. Such payment shall be made promptly after completion of the Private Improvements and in accordance with all the provisions of this Agreement relating to the obligations of Redeveloper to construct said improvements.

- (e) Provide a payment and performance bond from a bond company doing business in the state of Nebraska in the total amount of all the Private Improvements to be constructed. The City and Authority shall be named as beneficiaries under such bond.
- (f) Until construction of the Project has been completed, make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of the Project. Such reports shall include actual expenditures incurred as described on Exhibit "5".
- (g) Require any general contractor chosen by the Redeveloper to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations. The City, the Authority and the Redeveloper shall be named as additional insureds. Any contractor chosen by the Redeveloper or the Redeveloper itself, as owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include "All Risk" insurance for physical loss or damage. The contractor with respect to any specific contract or the Redeveloper shall also carry insurance on all stored materials. The contractor or the Redeveloper, as the case may be, shall furnish the Authority and the City with a Certificate of Insurance evidencing policies as required above. Such certificates shall state that the insurance companies shall give the Authority prior written notice in the event of cancellation of or material change in any of any of the policies.
- (h) So long as the Indebtedness or any portion thereof is outstanding, not discriminate against any person or group of persons on account of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Redevelopment Project. Redeveloper, its successors and transferees, agrees that during the construction of the Redevelopment Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance, and further agrees to require that its contractor and subcontractors shall agree to conform to said requirements. Redeveloper will comply with all applicable federal, state and local laws and regulations related to the Redevelopment Project. For purposes of this paragraph, discrimination shall mean discrimination as defined by the laws of the United States and the State of Nebraska.
- (i) Execute and deliver to Authority the Redeveloper's Note and Agreement, in a form approved by City and Authority, of even date hereof and a first Deed of Trust, in a form approved by City's attorney, upon the Redevelopment Project Property securing the Redeveloper's Note and Agreement.

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Section 5.02 Cost Certification & Disbursement of Indebtedness Proceeds.

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

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

(b) If the costs requested for advancement under the Disbursement Request are subject to being advanced under Section 5.02 (a) hereof, the Authority shall advance such funds, up to and not in excess of the sum of \$200,000 each year on or before the 1st day of November of such year for a period of 10 years from the first such advance with the total number of advances limited to ten.

Section 5.03 Assignment or Conveyance.

This Redevelopment Contract shall not be assigned by the Redeveloper without the written consent of the Authority. Redeveloper agrees that it shall not convey any Lot or any portion thereof or any structures thereon to any person or entity that would be exempt from payment of real estate taxes, and that it will not make application for any structure, or any portion thereof, to be taxed separately from the underlying land of any Lot. Any successor in interest or transferee of any real estate in the Redevelopment Project shall be bound by and have the same obligations hereunder as the Redeveloper. The Authority shall be entitled to require, as conditions to any required approval, that:

- a. Any proposed transferee shall have the qualifications and financial responsibility, as reasonably determined by the Authority, necessary and adequate to fulfill the obligations undertaken in this Contract by Redeveloper relating to the property being transferred; and
- b. Any proposed transferee, by instrument satisfactory to the Authority and in form recordable in the Office of the Register of Deeds, shall for itself and its successors and assigns and for the benefit of the Authority, have expressly assumed all of the obligations of Redeveloper under this Contract with respect to the applicable Lot being transferred; and
- c. Copies of the documents addressing items (a) and (b) shall be submitted to the Authority for review, not less than sixty (60) days prior a regularly scheduled meeting of the Authority and not less than less than sixty (60) days prior to the proposed transfer. If the transfer or any of the documentation in connection therewith is disapproved by the Authority, its disapproval and reasons therefore shall be indicated to Redeveloper in writing.

Section 5.04 Payment of Authority Costs.

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Redeveloper shall pay to the Authority the following sums upon execution hereof:

a. Legal expenses of Authority for representation related to this Redevelopment Contract and other matters.

Section 5.05. Obligation to Restore.

In the event of any damage or destruction to the Private Improvements, Redeveloper agrees to use good faith efforts to commence restoration of the Private Improvements to its prior condition within six (6) months from the date of the damage or destruction, and shall pursue the same to completion.

Section 5.06 Obligation to Maintain.

The Redeveloper shall, at its own cost, maintain all improvements on the Redevelopment Project Area, which are installed thereon, in a presentable and attractive manner consistent with operating a world class show. It is the intent of this provision that the standard of maintenance shall be above a presentable standard.

ARTICLE VI

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 6.01 Financing Creating Encumbrances Restricted.

Prior to completion of the Private Improvements, neither Redeveloper, nor any successors in interest with respect to the applicable portion of the Redeveloper Property, shall engage in any financing or any other transaction creating any mortgage upon the Redeveloper Property, whether by express contract or operation of law, or suffer any encumbrance or lien to be made on or attached to any of such uncompleted phase of the Redeveloper Property, except for the deed of trust in favor of the Authority. Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to any of the Redeveloper Property and which is contested by Redeveloper, then Redeveloper may defend against such encumbrance or lien, provided that a sufficient security is posted with the Authority, to permit Redeveloper to avoid or prevent foreclosure of such encumbrance or lien.

a. Whenever the Authority shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper of its obligations or covenants in this Contract, the Authority shall at the same time forward a copy of such notice or demand to each holder of any mortgage at the last address of such holder as shown in the records of the Treasurer of Hall County, Nebraska.

b. If thirty (30) days after any notice or demand with respect to any breach or default, such breach or default remains uncured, each such holder shall have the right, at its option, to cure or remedy such breach or default and to add the cost thereof to the mortgage debt and the lien of its mortgage.

d. The rights and obligations of this Redevelopment Contract relating to mortgages of any portion of the Redeveloper Property shall apply to any other type of encumbrance on any of the Redeveloper Property, and any of the stated rights, obligations and

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remedies of any party relating to mortgage foreclosures shall be applicable to procedures under any deed of trust or similar method of encumbrance.

ARTICLE VII

DEFAULT, REMEDIES; INDEMNIFICATION

Section 7.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations. The Redeveloper hereby acknowledges and agrees that the Authority shall have completed its required performances and satisfied all of its obligations under this Redevelopment Contract upon the issuance of the Indebtedness and the subsequent payment of grant amounts to the Redeveloper as set forth in Article III hereof.

Section 7.02 Additional Remedies of Authority

In the event that the Redeveloper fails to annually conduct and operate the Husker Harvest Days Show in accordance with the Redevelopment Plan and Section 5.01(a) of this Redevelopment Contract for reasons not identified in Section 7.04 and in the event of such failure to perform, breach or default occurs and is not cured in the period herein provided, the parties agree the indebtedness for that year's default shall be immediately due and payable together with interest at the rate of 6% per annum for that year's default. If Redeveloper fails to host the Husker Harvest Days show for two (2) or more years for reasons not identified in Section 7.04, the parties agree entire indebtedness shall be due and payable together with interest at the rate of 6% per annum, from each principal advance. Provided, however, the amount of principal shall be reduced by one-twentieth (1/20) for each year that the Redeveloper has conducted the Husker Harvest Days show, from and after the date of this Redevelopment Contract.

Section 7.03 Remedies in the Event of Other Redeveloper Defaults.

In the event the Redeveloper fails to perform any other provisions of this Redevelopment Contract (other than those specific provisions contained in Section 6.02), the Redeveloper shall be in default. In such an instance, the Authority may seek to enforce the terms of this Redevelopment Contract or exercise any other remedies that may be provided in this

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Redevelopment Contract or by applicable law; provided, however, that any defaults covered by this Section shall not give rise to a right or rescission on termination of this Redevelopment Contract, and shall not be covered by the Liquidated Damages Amount.

Section 7.04 Forced Delay Beyond Party's Control.

For the purposes of any of the provisions of this Redevelopment Contract, neither the Authority nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the conveyance or preparation of the Redevelopment Area or any part thereof for redevelopment, or the beginning and completion of construction of the Project, progress in respect thereto, or in hosting the Husker Harvest Days Show, in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, inclement weather,, threats to public safety, or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Authority or of the Redeveloper with respect to construction of the Project or hosting of the Husker Harvest Days Shows, as the case may be, shall be extended for the period of the forced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other party thereto in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 7.05 Limitations of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the City, the Authority, nor their respective elected officials, officers, directors, appointed officials, employees, attorneys, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Authority under this Redevelopment Contract shall be making advances under the Indebtedness. The Redeveloper releases the City and Authority from, agrees that neither the City nor Authority shall be liable for, and agrees to indemnify and hold the City and Authority harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project.

The Redeveloper will indemnify and hold each of the City and Authority and their respective elected officials, directors, officers, appointed officials, attorneys, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, excluding litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about that portion of the Project owned by the Redeveloper, during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, related to activities of the Redeveloper or its agents during the construction of the public infrastructure or public right of ways in the Project.

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Section 7.06 Indemnification for Relocation Expenses.

The Redeveloper agrees to indemnify and hold the City and the Authority harmless from any and all liability to the extent resulting from the Redeveloper's failure to make payments of all amounts lawfully due to all persons, firms, or organizations under any city, state or federal relocation laws or regulation in connection with the Project Site. The terms of this section shall survive any termination of this Contract.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notice Recording.

A notice memorandum of this Redevelopment Contract may be recorded in the office of the Register of Deeds of Hall County, Nebraska.

Section 8.02 Governing Law.

This Redevelopment Contract shall be governed by the laws of the State of Nebraska, including but not limited to the Act.

Section 8.03 Binding Effect: Amendment, Assignment.

This Redevelopment Contract shall be binding on the parties hereto and their respective successors and assigns. The Redevelopment Contract shall not be amended except by a writing signed by the party to be bound. The Redeveloper may assign its rights and obligations to a controlled entity which shall be bound by all the terms hereof.

Section 8.04 Effective Date and Implementation of Redevelopment Contract.

This Agreement is in full force and effect from and after the date of execution hereof by both the Redeveloper and the Authority.

Section 8.05 Notices to Parties.

Notices to Parties shall be mailed by U. S. Mail to the following addresses:

Redeveloper:
Farm Progress Limited
c/o Thomas Etter
711 3rd Ave, 8th Floor
New York, NY 10017-9209

Farm Progress Limited

Authority and City:
Director
Grand Island Community Redevelopment Authority
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

The remainder of this page is intentionally left blank.

Farm Progress Limited

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

CITY OF GRAND ISLAND

By: _____
Mayor

ATTEST:

City Clerk

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

ATTEST:

Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____ 2017, by _____ and _____, Mayor and City Clerk, respectively, of the City of Grand Island, Nebraska, on behalf of the Authority.

Notary Public

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____ 2017, by _____ and _____, Chairman and Secretary, respectively, of the Community Redevelopment Authority of the City of Grand Island, Nebraska, on behalf of the Authority.

Notary Public

Farm Progress Limited

Farm Progress Limited

By: _____
Amy Allen

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017,
by _____ President of Farm Progress Limited, on behalf of the corporation.

Notary Public

Farm Progress Limited

EXHIBIT "1"

LEGAL DESCRIPTION OF REDEVELOPMENT AREA

Farm Progress Limited

EXHIBIT "2"
ORDINANCE #9645

Farm Progress Limited

EXHIBIT “3”
REDEVELOPMENT PLAN

Farm Progress Limited

EXHIBIT “4”

SITE PLAN

Farm Progress Limited

EXHIBIT "5"
REDEVELOPMENT PROJECT COSTS

Farm Progress Limited

EXHIBIT "6"
PROMISSORY NOTE

Farm Progress Limited

FORGIVABLE LOAN AGREEMENT and PROMISSORY NOTE

This Loan Agreement and Promissory Note (the “Agreement”), effective this _____ day of December, 2017, is entered into between the following parties:

Lender: Community Redevelopment Authority
of the City of Grand Island, Nebraska
 (“Lender”)
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

Borrower: Farm Progress Limited
c/o Thomas Etter
711 3rd Ave, 8th Floor
New York, NY 10017-9209

FEIN:

WHEREAS, the Borrower has entered into a Redevelopment Contract (the “Redevelopment Contract”) with the Lender and the City of Grand Island, Nebraska, of even date herewith; and

WHEREAS, the Borrower has agreed that the funding set forth herein will be used to finance the construction and rehabilitation of the Husker Harvest Days redevelopment area as fully described in the Redevelopment Contract; and

WHEREAS, the Lender has authorized an annual Redevelopment Advance of up to \$200,000 per year for ten (10) years or such lesser amount per year that is equal to one-tenth (1/10) of two-sevenths (2/7) of the Redevelopment Project Costs identified in said Redevelopment Contract for the purpose of making a loan to the Borrower under such terms and conditions as may be prescribed by the Lender.

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements, the parties agree as follows:

1) **Loan Amount and Terms**: Subject to the terms and conditions of this Agreement, the Redevelopment Contract and the Deed of Trust described hereafter, the Lender hereby agrees to provide the Borrower with the principal sum of up to \$200,000 (or such lesser sum that is equal to one-tenth (1/10) of two-sevenths (2/7) of the Redevelopment Project Costs certified to Lender pursuant to the Redevelopment Contract) per year for a total of ten (10) years, on the dates set forth:

Date:

November 1, 2018
November 1, 2019
November 1, 2020
November 1, 2021
November 1, 2022
November 1, 2023
November 1, 2024
November 1, 2025

November 1, 2026

November 1, 2027

Such advances shall be recorded on Schedule 1 attached hereto. The principal shall be due in full on _____, 2037. Payments shall be allocated first to the payment of interest with the remainder allocated to principal. Should a default occur under the terms of this Agreement and Promissory Note, the Redevelopment Contract or the Deed of Trust, repayment of all principal will be made immediately upon written demand made by the borrower and placed in the United States Mail to Borrower's address shown above. This loan is not transferable.

2) **Forgiveness of Debt**: Provided that the Borrower is not in default under the terms of this Agreement and Promissory Note, the Redevelopment Contract or the Deed of Trust, the Lender shall forgive one-twentieth (1/20) of the principal amount advanced hereunder on each date set forth below:

Date:

November 1, 2018

November 1, 2019

November 1, 2020

November 1, 2021

November 1, 2022

November 1, 2023

November 1, 2024

November 1, 2025

November 1, 2026

November 1, 2027

November 1, 2028

November 1, 2029

November 1, 2030

November 1, 2031

November 1, 2032

November 1, 2033

November 1, 2034

November 1, 2035

November 1, 2036

November 1, 2037

3) **Deed of Trust/Security Agreement**: This Agreement and Note is secured by a first Deed of Trust executed by the Borrower and delivered to the Lender, in a form acceptable to Lender, on the date hereof.

4) **Force Majeure**: In the event that operations at the worksite or hosting of Husker Harvest Days Show are impaired or suspended due to uncontrollable forces of nature or other forces outside Borrower's control, including inclement weather and threats to public safety, the Borrower will be given a reasonable period of time, as determined in the sole discretion of the Lender, in which to reestablish any lost jobs or host the Husker Harvest Days Show an additional year. The term of this agreement will be extended by the length of this period, and no contractual penalty will be imposed on the company during this period.

5) **Release of Deed of Trust/Security Agreement**: The Deed of Trust shall be released upon

payment in full of the sums advanced hereunder and all interest thereon or upon forgiveness of the debt as set forth herein.

6) **Use of Funds**: The monies from this loan shall be used by the Borrower to be reimbursed for the Redevelopment Project Costs set forth in the Redevelopment Contracts. Lender shall disburse funds to the Borrower upon presentation of written proof that the aforementioned costs have been incurred and paid by the Borrower.

7) **Services Provided to Borrower**: The Lender is not obligated to provide any services to the Borrower other than those specified in the Agreement.

8) **Related Contracts**: The Borrower shall provide, upon written request, copies of all contracts entered into by the Borrower for activities covered by the loan monies.

9) **Financial Management**: Borrower shall keep accounting records in conformance with generally accepted accounting principles, and make such records and all related reports, files, documents and other papers pertaining to the funds provided under this Agreement available for audits, examinations and monitoring if requested by Lender; such records will be retained for a period of three (3) years after termination of the loan period or repayment of the debt in full. The accounting system used by the Borrower shall clearly establish records of budgets and expenditures for the activities funded with the loan monies.

10) **Monitoring and Reporting**: A random audit, or audits, may be conducted by the Lender, or a designated representative of the Lender, to assure accountability of loan expenditures and examine the status of any machinery and equipment acquired with this loan funding.

11) **Waivers**: The Borrower hereby waives presentment, demand of payment, protest, and any and all other notices and demands whatsoever. No waiver of any payment or other right under this Agreement shall operate as a waiver of any other payment or right.

12) **Default**: This Agreement shall be considered in default if:

- (A) Upon any default or failure to properly perform under any clause in this Agreement, the Redevelopment Contract or Deed of Trust (or the provisions of any security agreement(s) or other documents which secure this Agreement).
 - (i) If the Borrower ceases to operate Husker Harvest Days show during the term of this Agreement, the following repayment is required:
 - a) For the first year the Husker Harvest Days show is not held, repayment of one year's principal is immediately due and payable.
 - b) If the Husker Harvest Days Show is not held for more than two years for reasons not related to force majeure, the entire outstanding principal amount is immediately due and payable.
 - (ii) Upon audit, any loan funds shown to have been used for other than the intended purposes shall be repaid with interest to Lender by Borrower.
- (B) Upon any occurrence under this Agreement, the Redevelopment Contract, Deed of Trust or security agreements by which this loan may or shall become due and payable.
- (C) Upon the filing of bankruptcy.

In the event of continued default following a fifteen (15) day written notice of default, the Lender may, at its option, declare all unpaid indebtedness evidenced by this Agreement, immediately due and payable, without further notice, regardless of date of maturity. The Lender's failure to exercise this option when

available at any point in time shall in no way invalidate its right to exercise the option in future default situations. Should it become necessary to collect the monetary obligations of this Agreement through an attorney, the Borrower agrees to pay all costs of collecting these monies, including reasonable attorneys' fees to the extent permitted by law, whether collected by suit, foreclosure, or otherwise.

13) **Indemnification**: The Borrower shall indemnify, defend, and hold harmless the Lender and its respective officers and employees from any liabilities, claims, suits, judgments, and damages arising as a result of the performance of the obligations under this Agreement by the Borrower or any party in a relationship with the Borrower which is a result of this Agreement. The liability of the Borrower under this Agreement shall continue after the termination of the Agreement.

14) **Amendments**: Changes to this Agreement will not be effective or binding unless in writing and signed by both parties to the Agreement.

15) **Compliance with the Law**: The Borrower agrees to operate Husker Harvest Days in the Redevelopment Project Area in full compliance with applicable federal, state and local laws without limitation.

16) **Authorization to Contract**: Before or at the time of execution of the Agreement, the Borrower must be able to provide evidence that it is duly incorporated, in good standing in the state of its incorporation, authorized to do business in the State of Nebraska, and authorized to borrow money; and evidence shall be provided that the person executing the Agreement and any supporting documents is authorized to act on behalf of the Borrower in such a transaction.

17) **Termination of Agreement**: Lender may terminate the loan, in whole or in part, if the Borrower has failed to comply with the conditions of the Agreement and such failure has resulted in a "default" as set forth in Section 12 of this Agreement. The Borrower will receive written notice and the reasons for termination.

18) **Divisibility**: The invalidity of any one or more phrases, sentences, clauses, or section contained in this Agreement shall not affect the remaining portions of this Agreement, or any part thereof. Further, various headings included in this Agreement exist purely as an aid to locate particular wording, and do not in and of themselves in any way affect the substance of this Agreement.

19) **Complete Document**: The parties agree this Agreement is a complete document in which all obligations have been reduced to writing, and there are no understandings, agreements, conventions or covenants not included herein.

20) **Assignment**: The parties further agree that this Agreement may not be assigned by the Borrower without prior written approval by the Lender other than to an affiliate or in connection with a sale of all or substantially all of the assets of the Borrower (by merger, reorganization or otherwise).

21) **Binding Effect**: The provisions of this Agreement shall both bind and benefit the Borrower's successors, assigns, guarantors, endorsers, and any other person or entity now or hereafter liable hereon.

22) **Notices**. Notifications required pursuant to this contract shall be made in writing and mailed to the addresses shown below. Such notification shall be deemed complete upon mailing.

Borrower: Farm Progress Limited
 c/o Thomas Etter
 711 3rd Ave, 8th Floor
 New York, NY 10017-9209

Lender: Community Redevelopment Authority
 of the City of Grand Island, Nebraska
 (“Lender”)
 Hall County Regional Planning Department
 100 E 1st Street
 P.O. Box 1968
 Grand Island, NE 68802

IN WITNESS WHEREOF, the parties have signed their names below.

LENDER:

BORROWER:

 CHAIRMAN

 Amy Allen

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

Fiscal Year	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By
2018	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00	
2019	\$ 400,000.00	\$ 200,000.00	\$ 200,000.00	
2020	\$ 600,000.00	\$ 300,000.00	\$ 300,000.00	
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2022	\$ 1,000,000.00	\$ 500,000.00	\$ 500,000.00	
2023	\$ 1,200,000.00	\$ 600,000.00	\$ 600,000.00	
2024	\$ 1,400,000.00	\$ 700,000.00	\$ 700,000.00	
2025	\$ 1,600,000.00	\$ 800,000.00	\$ 800,000.00	
2026	\$ 1,800,000.00	\$ 900,000.00	\$ 900,000.00	

Grand Island

2027

\$ 2,000,000.00

Regular Meeting

\$ 1,000,000.00

12/13/2017

\$ 1,000,000.00

2028

\$ 2,000,000.00

\$ 1,100,000.00

\$ 900,000.00

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 263

A RESOLUTION AUTHORIZING THE EXECUTION OF A REDEVELOPMENT CONTRACT WITH FARM PROGRESS LIMITED, AND THE CITY OF GRAND ISLAND; PROVIDING FOR THE LOAN OF FUNDS TO FARM PROGRESS LIMITED, EVIDENCED BY A NOTE OR OTHER OBLIGATION, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000 FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING, DEMOLISHING, CONSTRUCTING, RECONSTRUCTING, IMPROVING, EXTENDING, REHABILITATING, INSTALLING, EQUIPPING, FURNISHING AND COMPLETING CERTAIN IMPROVEMENTS WITHIN THE AUTHORITY’S FARM PROGRESS LIMITED, REDEVELOPMENT PROJECT AREA, PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE NOTE APPROVING A REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN; TAKING OTHER ACTIONS AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.

BE IT RESOLVED BY THE MEMBERS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. The Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the “**Authority**”) hereby find and determine as follows:

(a) The City of Grand Island, Nebraska (the “**City**”), pursuant to the Plan Resolution (hereinafter defined), approved the Husker Harvest Days Redevelopment Project July 2017 (the “**Redevelopment Plan**”) under and pursuant to which the Authority shall undertake from time to time to redevelop and rehabilitate the Redevelopment Area (hereinafter defined).

(b) The Redevelopment Area lies within Hall County Sanitary Improvement District Number 3 (SID #3), which district was created and approved by the Hall County, Nebraska District Court on July 19, 2017.

(c) The Redevelopment Area, was formerly owned by, leased to or otherwise possessed by the United States under the jurisdiction of the United States Secretary of Defense and was part of the Cornhusker Army Ammunition Plant.

Farm Progress Limited

(d) The City adopted ordinance #9645, on August 22, 2017, expressing the intent of the City to annex the Redevelopment Area when the same shall become eligible for annexation.

(e) The City has appointed the Authority to implement the Redevelopment Plan.

(f) Pursuant to the Redevelopment Plan, the Authority has previously obligated itself and/or will hereafter obligate itself to provide a portion of the financing to acquire, construct, reconstruct, improve, extend, rehabilitate, install, equip, furnish and complete, at the cost and expense of the Redeveloper, a portion of the improvements (as defined in the Redevelopment Contract hereinafter identified) in the Redevelopment Area (the “**Project Costs**”), including, without limitation) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, and completing the acquisition of the Project Site (as defined in the Redevelopment Contract), (collectively, the “**Project**”), as more fully described in the Redevelopment Contract (hereinafter defined).

(g) The Authority is authorized by the Redevelopment Law (hereinafter defined) to loan and grant funds for the purpose of paying the costs and expenses of the Project.

(h) In order to provide funds to pay a portion of the costs of the Project, it is necessary, desirable, advisable, and in the best interest of the Authority for the Authority to loan funds pursuant to a Forgivable Loan Agreement and Promissory Note in the aggregate a principal amount not to exceed \$2,000,000 (the “**Note**”).

(i) All conditions, acts and things required to exist or to be done precedent to the issuance of the Note do exist and have been done as required by law.

ARTICLE II

CERTAIN DEFINITIONS; COMPUTATIONS; CERTIFICATES AND OPINIONS; ORDERS AND DIRECTIONS

Section 2.1. Definitions of Special Terms. Unless the context clearly indicates some other meaning or may otherwise require, and in addition to those terms defined elsewhere herein, the terms defined in this **Section 2.1** shall, for all purposes of this Resolution, any Resolution or other instrument amendatory hereof or supplemental hereto, instrument or document herein or therein mentioned, have the meanings specified herein, with the following definitions to be equally applicable to both the singular and plural forms of any terms defined herein:

“**Authority**” means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

“**City**” means the City of Grand Island, Nebraska.

“Project Costs” means the redevelopment project costs (as defined in the Redevelopment Contract) in the Redevelopment Area, the costs of which are eligible to be paid from the proceeds of the Note.

“Note” means the Forgivable Loan Agreement and Promissory Note of Farm Progress Limited, in the aggregate principal amount not to exceed \$2,000,000, as set forth herein.

“Secretary” means the Secretary of the Authority.

“Cumulative Outstanding Principal Amount” means the aggregate principal amount of the Note issued and Outstanding from time to time in accordance with the provisions of this Resolution, as reflected in the records maintained by the Finance Director as provided in this Resolution.

“Finance Director” means the Treasurer/Finance Director or Acting Treasurer/Finance Director, as the case may be, of the City.

“Improvements” means the improvements to be constructed, reconstructed, acquired, improved, extended, rehabilitated, installed, equipped, furnished and completed in the Project Area in accordance with the Redevelopment Plan, including, but not limited to, the improvements constituting the Project (as defined in the Redevelopment Contract).

“Chairman” means the Chairman of the Authority.

“Outstanding” means when used with reference to any Note, as of a particular date, all Notes theretofore authenticated and authorized by this Resolution.

“Plan Resolution” means, Resolution No. 9645 of the City, together with any other resolution providing for an adoption of the Redevelopment Plan.

“Project Area” means the area identified and referred to as the Project Site in the Redevelopment Contract.

“Redeveloper” means the Redeveloper as defined in the Redevelopment Contract responsible for constructing, reconstructing, acquiring, improving, extending, rehabilitating, installing, equipping, furnishing and completing the Project.

“Redevelopment Contract” means the City of Grand Island Redevelopment Contract for Farm Progress Limited, Redevelopment Project, dated the date of its execution, between the City, the Authority, and Farm Progress Limited, relating to the Project.

“Redevelopment Area” means the community redevelopment area described, defined or otherwise identified or referred to in the Redevelopment Plan.

“Redevelopment Law” means Article VIII, Section 12 of the Constitution of the State and Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended.

“Redevelopment Plan” means the “Husker Harvest Days Redevelopment Project July 2017” passed, adopted and approved by the City pursuant to the Plan Resolution, and shall include any amendment of such Redevelopment Plan heretofore or hereafter made by the City pursuant to law.

“Resolution” means this Resolution as from time to time amended or supplemented.

“State” means the State of Nebraska.

Section 2.2. Definitions of General Terms. Unless the context clearly indicates otherwise or may otherwise require, in this Resolution words importing persons include firms, partnerships, associations, limited liability companies, corporations (public and private), public bodies and natural persons, and also include executors, administrators, trustees, receivers or other representatives.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Resolution as a whole and not to any particular section or subdivision thereof.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution: (a) references to Articles, Sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding Articles, Sections or subdivisions of this Resolution as such Articles, Sections, or subdivisions may be amended or supplemented from time to time; and (b) the word “heretofore” means before the time of passage of this Resolution, and the word “hereafter” means after the time of passage of this Resolution.

Section 2.3. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Resolution shall be made on the assumption that the principal on the Note shall be paid as and when the same become due.

Section 2.4. Certificates, Opinions and Reports. Except as otherwise specifically provided in this Resolution, each certificate, opinion or report with respect to compliance with a condition or covenant provided for in this Resolution shall include: (a) a statement that the person making such certificate, opinion or report has read the pertinent provisions of this Resolution to which such covenant or condition relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate, opinion or report are based; (c) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with; and (e) an identification of any certificates, opinions or reports or other sources or assumptions relied on in such certificate, opinion or report.

Section 2.5. Evidence of Action by the Authority. Except as otherwise specifically provided in this Resolution, any request, direction, command, order, notice, certificate or other

instrument of, by or from the City or the Authority shall be effective and binding upon the Authority, respectively, for the purposes of this Resolution if signed by the Chairman, the Vice Chairman, the Secretary, the Treasurer, the Finance Director, the Planning Director or by any other person or persons authorized to execute the same by statute, or by a resolution of the City or the Authority, respectively.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF THE NOTE; GENERAL TERMS AND PROVISIONS

Section 3.1. Authorization of Note. Pursuant to and in full compliance with the Redevelopment Law and this Resolution, and for the purpose of providing funds to pay (a) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing, and completing the Project, and (b) the costs of issuing the Note, the Authority shall, pursuant to the terms of the Note advance to the Redeveloper an aggregate principal amount not to exceed \$2,000,000. The Note shall be designated as “Forgivable Loan Agreement and Promissory Note,” shall be dated the Date of Original Issue, shall mature, subject to right of prior redemption, not later than the _____. The Note shall be issued as a single Note as further described in **Section 3.2.**

Section 3.2. Details of Note; Authority of Finance Director.

(a) The Note shall be dated the Date of Original Issue and shall be advanced to the borrower in installments.

(b) Pursuant to the Note funds may be advanced and disbursed in the manner set forth below:

(1) There shall be submitted to the Finance Director a disbursement request in a form acceptable to the Finance Director (the “**Disbursement Request**”), executed by the City’s Planning Director and an authorized representative of the Redeveloper, (A) certifying that a portion of the Project has been substantially completed and (B) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(2) The Finance Director advance annually, pursuant to the terms of the Note an amount of one-tenth (1/10) of two-sevenths (2/7) of the Redevelopment Project Costs, as set forth in the Redevelopment Contract, not to exceed the sum of \$200,000 annually and the Finance Director shall evidence such advance on Schedule 1 of the Note.

(3) The aggregate amount endorsed as the principal amount advanced on the Note shall not exceed \$2,000,000.

The Authority shall have no obligation to pay any Disbursement Request unless such request has been properly approved as described above.

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

(c) The Note shall be dated the Date of Original Issue, which shall be the initial date of an advance on the Note.

Section 3.3. Form of Note Generally. The Note shall be in substantially the form set forth in **Article IV**, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and with such additional changes as the Finance Director may deem necessary or appropriate. The Note may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 3.7. Ownership of Note. As to any Note, the Authority shall be deemed and regarded as the absolute owner thereof for all purposes.

ARTICLE IV

FORM OF NOTE

Section 4.1. Form of Note. The Note shall be in substantially the following form:

FORGIVABLE LOAN AGREEMENT and PROMISSORY NOTE

This Loan Agreement and Promissory Note (the "Agreement"), effective this day _____ of _____, 201_, is entered into between the following parties:

Lender: Community Redevelopment Authority
of the City of Grand Island, Nebraska
("Lender")
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

Borrower: Farm Progress Limited
c/o Thomas Etter
711 3rd Ave, 8th Floor
New York, NY 10017-9209

FEIN: _____

WHEREAS, the Borrower has entered into a Redevelopment Contract (the "Redevelopment Contract") with the Lender and the City of Grand Island, Nebraska, of even date herewith; and

WHEREAS, the Borrower has agreed that the funding set forth herein will be used to finance the construction and rehabilitation of the Husker Harvest Days redevelopment area as fully described in the Redevelopment Contract; and

WHEREAS, the Lender has authorized an annual Redevelopment Advance of up to \$200,000 per year for 10 years or such lesser amount per year that is equal to one-tenth (1/10) of two sevenths (2/7) of the Redevelopment Project Costs identified in said Redevelopment Contract for the purpose of making a loan to the Borrower under such terms and conditions as may be prescribed by the Lender.

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements, the parties agree as follows:

1) **Loan Amount and Terms**: Subject to the terms and conditions of this Agreement, the Redevelopment Contract and the Deed of Trust described hereafter, the Lender hereby agrees to provide the Borrower with the principal sum of up to \$200,000 (or such lesser sum that is equal to one-tenth (1/10) of two-sevenths (2/7) of the Redevelopment Project Costs certified to Lender pursuant to the Redevelopment Contract) per year for a total of ten (10) years, on the dates set forth:

Date:

November 1, 2018
November 1, 2019
November 1, 2020
November 1, 2021
November 1, 2022
November 1, 2023
November 1, 2024
November 1, 2025
November 1, 2026
November 1, 2027

Such advances shall be recorded on Schedule 1 attached hereto. The principal shall be due in full on November 1, 2037. Payments shall be allocated first to the payment of interest with the remainder allocated to principal. Should a default occur under the terms of this Agreement and Promissory Note, the Redevelopment Contract or the Deed of Trust, repayment of all principal will be made immediately upon written demand made by the borrower and placed in the United States Mail to Borrower's address shown above. This loan is not transferable.

2) **Forgiveness of Debt**: Provided that the Borrower is not in default under the terms of this Agreement and Promissory Note, the Redevelopment Contract or the Deed of Trust, the Lender shall forgive one-twentieth (1/20) of the principal amount and interest advanced hereunder on each date set forth below:

Date:

November 1, 2018
November 1, 2019
November 1, 2020
November 1, 2021
November 1, 2022
November 1, 2023
November 1, 2024
November 1, 2025
November 1, 2026
November 1, 2027
November 1, 2028
November 1, 2029
November 1, 2030
November 1, 2031
November 1, 2032
November 1, 2033
November 1, 2034
November 1, 2035
November 1, 2036
November 1, 2037

3) **Deed of Trust/Security Agreement**: This Agreement and Note is secured by a first Deed of Trust executed by the Borrower and delivered to the Lender, in a form acceptable to Lender, on the date hereof.

4) **Force Majeure**: In the event that operations at the worksite or the hosting of the Husker Harvest Days Show are impaired or suspended due to uncontrollable forces of nature or other forces outside Borrower's control, including inclement weather and threats to public safety, the Borrower will be given a reasonable period of time, as determined in the sole discretion of the Lender, in which to reestablish any lost jobs or host the Husker Harvest Days Show an additional year. The term of this agreement will be extended by the length of this period, and no contractual penalty will be imposed on the company during this period.

5) **Release of Deed of Trust/Security Agreement**: The Deed of Trust shall be released upon payment in full of the sums advanced hereunder and all interest thereon or upon forgiveness of the debt as set forth herein.

6) **Use of Funds**: The monies from this loan shall be used by the Borrower to be reimbursed for the Redevelopment Project Costs set forth in the Redevelopment Contracts. Lender shall disburse funds to the Borrower upon presentation of written proof that the aforementioned costs have been incurred and paid by the Borrower.

7) **Services Provided to Borrower**: The Lender is not obligated to provide any services to the Borrower other than those specified in the Agreement.

8) **Related Contracts**: The Borrower shall provide, upon written request, copies of all contracts entered into by the Borrower for activities covered by the loan monies.

9) **Financial Management**: Borrower shall keep accounting records in conformance with generally accepted accounting principles, and make such records and all related reports, files, documents and other papers pertaining to the funds provided under this Agreement available for audits, examinations and monitoring if requested by Lender; such records will be retained for a period of three (3) years after termination of the loan period or repayment of the debt in full. The accounting system used by the Borrower shall clearly establish records of budgets and expenditures for the activities funded with the loan monies.

10) **Monitoring and Reporting**: A random audit, or audits, may be conducted by the Lender, or a designated representative of the Lender, to assure accountability of loan expenditures and examine the status of any improvements, fixtures, machinery and equipment acquired with this loan funding.

11) **Waivers**: The Borrower hereby waives presentment, demand of payment, protest, and any and all other notices and demands whatsoever. No waiver of any payment or other right under this Agreement shall operate as a waiver of any other payment or right.

12) **Default**: This Agreement shall be considered in default if:

- (A) Upon any default or failure to properly perform under any clause in this Agreement, the Redevelopment Contract or Deed of Trust (or the provisions of any security agreement(s) or other documents which secure this Agreement).
 - (i) If the Borrower ceases to operate Husker Harvest Days show during the term of this Agreement, the following repayment is required:
 - a) For the first year the Husker Harvest Days show is not held, repayment of one year's principal is immediately due and payable.
 - b) If the Husker Harvest Days Show is not held for more than two years for reasons not related to force majeure, the entire outstanding principal amount is immediately due and payable.
 - (ii) Upon audit, any loan funds shown to have been used for other than the intended purposes shall be repaid with interest to Lender by Borrower.
- (B) Upon any occurrence under this Agreement, the Redevelopment Contract, Deed of Trust or security agreements by which this loan may or shall become due and payable.
- (C) Upon the filing of bankruptcy.

In the event of continued default following a fifteen (15) day written notice of default, the Lender may, at its option, declare all unpaid indebtedness evidenced by this Agreement, immediately due and payable, without further notice, regardless of date of maturity. The

Lender's failure to exercise this option when available at any point in time shall in no way invalidate its right to exercise the option in future default situations. Should it become necessary to collect the monetary obligations of this Agreement through an attorney, the Borrower agrees to pay all costs of collecting these monies, including reasonable attorneys' fees to the extent permitted by law, whether collected by suit, foreclosure, or otherwise.

13) **Indemnification**: The Borrower shall indemnify, defend, and hold harmless the Lender and its respective officers and employees from any liabilities, claims, suits, judgments, and damages arising as a result of the performance of the obligations under this Agreement by the Borrower or any party in a relationship with the Borrower which is a result of this Agreement. The liability of the Borrower under this Agreement shall continue after the termination of the Agreement with respect to any liabilities, claims, suits, judgments and damages resulting from acts occurring prior to the termination of this Agreement.

14) **Amendments**: Changes to this Agreement will not be effective or binding unless in writing and signed by both parties to the Agreement.

15) **Compliance with the Law**: The Borrower agrees to operate Husker Harvest Days in the Redevelopment Project Area in full compliance with applicable federal, state and local laws without limitation.

16) **Authorization to Contract**: Before or at the time of execution of the Agreement, the Borrower must be able to provide evidence that it is duly incorporated, in good standing in the state of its incorporation, authorized to do business in the State of Nebraska, and authorized to borrow money; and evidence shall be provided that the person executing the Agreement and any supporting documents is authorized to act on behalf of the Borrower in such a transaction.

17) **Termination of Agreement**: Lender may terminate the loan, in whole or in part, if the Borrower has failed to comply with the conditions of the Agreement and such failure has resulted in a "default" as set forth in Section 12 of this Agreement. The Borrower will receive written notice and the reasons for termination.

18) **Divisibility**: The invalidity of any one or more phrases, sentences, clauses, or section contained in this Agreement shall not affect the remaining portions of this Agreement, or any part thereof. Further, various headings included in this Agreement exist purely as an aid to locate particular wording, and do not in and of themselves in any way affect the substance of this Agreement.

19) **Complete Document**: The parties agree this Agreement is a complete document in which all obligations have been reduced to writing, and there are no understandings, agreements, conventions or covenants not included herein.

20) **Assignment**: The parties further agree that this Agreement may not be assigned

by the Borrower without prior written approval by the Lender other than to an affiliate or in connection with a sale of all or substantially all of the assets of the Borrower (by merger, reorganization or otherwise).

21) **Binding Effect**: The provisions of this Agreement shall both bind and benefit the Borrower's successors, assigns, guarantors, endorsers, and any other person or entity now or hereafter liable hereon.

22) **Notices**. Notifications required pursuant to this contract shall be made in writing and mailed to the addresses shown below. Such notification shall be deemed complete upon mailing.

Borrower: Farm Progress Limited
c/o Thomas Etter
711 3rd Ave, 8th Floor
New York, NY 10017-9209

Lender: Community Redevelopment Authority of
the City of Grand Island, Nebraska
("Lender")
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

IN WITNESS WHEREOF, the parties have signed their names below.

LENDER:

BORROWER:

CHAIRMAN

Amy Allen,
Farm Progress, Limited

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

Fiscal Year	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By
2018	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00	
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2022	\$ 1,000,000.00	\$ 500,000.00	\$ 500,000.00	
2023	\$ 1,200,000.00	\$ 600,000.00	\$ 600,000.00	
2024	\$ 1,400,000.00	\$ 700,000.00	\$ 700,000.00	
2025	\$ 1,600,000.00	\$ 800,000.00	\$ 800,000.00	
2026	\$ 1,800,000.00	\$ 900,000.00	\$ 900,000.00	
2027	\$ 2,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	
2028	\$ 2,000,000.00	\$ 1,100,000.00	\$ 900,000.00	
2029	\$ 2,000,000.00	\$ 1,200,000.00	\$ 800,000.00	
2030	\$ 2,000,000.00	\$ 1,300,000.00	\$ 700,000.00	
2031	\$ 2,000,000.00	\$ 1,400,000.00	\$ 600,000.00	
2032	\$ 2,000,000.00	\$ 1,500,000.00	\$ 500,000.00	
2033	\$ 2,000,000.00	\$ 1,600,000.00	\$ 400,000.00	
2034	\$ 2,000,000.00	\$ 1,700,000.00	\$ 300,000.00	
2035	\$ 2,000,000.00	\$ 1,800,000.00	\$ 200,000.00	
2036	\$ 2,000,000.00	\$ 1,900,000.00	\$ 100,000.00	
2037	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	

ARTICLE V

MISCELLANEOUS

Section 5.1. General and Specific Authorizations; Ratification of Prior Actions.

Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby (a) authorizes and directs the Chairman, Finance Director, Secretary, Planning Director and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the Authority and such other actions as they, or any of them, in consultation with Special Counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, including without limitation the execution and delivery of all related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Finance Director the right, power and authority to exercise his or her independent judgment and absolute discretion in (1) determining and finalizing all terms and provisions to be carried by the Note not specifically set forth in this Resolution and (2) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the funding of the Note. The execution and delivery by the Finance Director or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Authority's and their approval of the terms, provisions and contents thereof and of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Authority and the authorization, approval and ratification by the Authority of the documents, instruments, certifications and opinions so executed and the actions so taken.

All actions heretofore taken by the Finance Director and all other officers, officials, employees and agents of the Authority, including without limitation the expenditure of funds and the selection, appointment and employment of Special Counsel and financial advisors and agents, in connection with issuance and sale of the Note, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 5.2 Benefits of Resolution Limited to the Authority. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or should be construed to confer upon or give to any person other than the Authority any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City and the Authority.

Section 5.3. No Personal Liability. No officer or employee of the Authority shall be individually or personally liable for the funding of the principal of the Note. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 5.4 Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Resolution on the part of the City, the Authority or the Registrar to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Resolution and the invalidity thereof shall in no way affect the validity of the other provisions of this Resolution or of the Note, but the Owner of the Note shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 5.5. Law and Place of Enforcement of this Resolution. The Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State except to the extent necessary for enforcement, by any trustee or receiver appointed by or pursuant to the provisions of this Resolution, or remedies under this Resolution.

Section 5.6. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 5.7. Repeal of Inconsistent Resolution. Any Resolution of the City, or the Authority and any part of any resolution, inconsistent with this Resolution is hereby repealed to the extent of such inconsistency.

Section 5.8. Publication and Effectiveness of this Resolution. This Resolution shall take effect and be in full force from and after its passage by the Community Redevelopment Authority of the City.

Section 5.9 Authority to Execute Redevelopment Contract and Approve Plan. The Chairman and Secretary are authorized and directed to execute the Redevelopment Contract, in the form presented with such changes as the Chairman, in his discretion deems proper. The Plan is approved and adopted. The Chairman and Secretary are authorized and directed to execute the Note in the form presented with such changes as the Chairman, in his discretion deems proper.

PASSED AND ADOPTED: _____, 2017.

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA**

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Secretary



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item I2

Redevelopment Contract-Urban Island

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Urban Island LLC

Address: 2016 West State st. Grand Island NE 68803

Telephone No.: (308) 227-6213

Fax No.: _____

Contact: Jon Myers

Brief Description of Applicant's Business:

Urban Island is a real estate development company. They currently own and/or manage several buildings in downtown Grand Island.

Present Ownership Proposed Project Site: Urban Island LLC

Proposed Project: Building square footage, size of property, description of buildings – materials, etc. Please attach site plan, if available.

The building formerly housed Nathan Detroit's, and is now home of Kinkaiders Brewing Company. The property being redeveloped is the building that houses the Kinkaiders kitchen/party room, not the building that houses the dining room to the south. There is approximately 3,800 square feet per floor and it consists of a

basement, main floor and second floor. The building is brick and wood. Please see attached floor plans.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ 265,000
B. Building	\$

Construction Costs:

A. Renovation or Building Costs:	\$ 568,532
B. On-Site Improvements:	\$
re-platting, demo, asbestos removal, tree removal, etc.	

Soft Costs:

A. Architectural & Engineering Fees:	\$ 8,500
B. Financing Fees:	\$
Closing costs, filing fees	
C. Legal/Developer/Audit Fees:	\$ 46,927
D. Contingency Reserves:	\$ 80,000
E. Other (Please Specify)	\$ 168,677
Façade costs	
TOTAL	\$ 1,137,636

Total Estimated Market Value at Completion: \$ 780,000

Source of Financing:

A. Developer Equity:	\$ 265,000
B. Commercial Bank Loan:	\$ 484,032
Tax Credits:	
1. N.I.F.A.	\$
2. Historic Tax Credits	\$
D. Industrial Revenue Bonds:	\$
E. Tax Increment Assistance:	\$ 114,927
F. Other (Life safety & Façade grants)	\$ 273,677

Name, Address, Phone & Fax Numbers of Architect, Engineer and General Contractor:

General Contractor: Amos Anson, Empire Development, PO Box 1665 Grand Island NE 68802 308-390-2455

Architect: Stacy J Spotanski/ Toby Gay, Gay & Associates, 1470 31st Ave, Columbus, NE (308) 850-8186

Engineer: Olsson Associates, 201 E 2nd Grand Island, NE 68801 308-384-8750 Mike Spilinek

Estimated Real Estate Taxes on Project Site Upon Completion of Project:

(Please Show Calculations)

See attached

Project Construction Schedule:

Construction Start Date: Upon CRA approval

Construction Completion Date: Q3 2018

If Phased Project:

_____ Year ___ % Complete

_____ Year ___ % Complete

XII. Please Attach Construction Pro Forma: See attached

XIII. Please Attach Annual Income & Expense Pro Forma: See attached

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

Describe Amount and Purpose for Which Tax Increment Financing is Requested:

Urban Island LLC is requesting \$164,181 in tax increment financing. The TIF will be used for renovation costs.

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing

for Proposed Project: Without TIF assistance the project will not cash flow and therefore will not be a successful business venture. See attached proforma

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

NA

- IV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years.

Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com

**Redevelopment Plan Amendment
Grand Island CRA Area 1
October 2017**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 1 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 1.

Executive Summary:

Project Description

THE REDEVELOPMENT OF THE BUILDING LOCATED AT 320 and 322 N. PINE STREET FOR COMMERCIAL AND RESIDENTIAL USES, INCLUDING FIRE/LIFE SAFETY IMPROVEMENTS AND BUILDING REHABILITATION AND REMODELING.

The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of the kitchen/party room for Kinkaider Brewing Company formerly Nathan Detroit's 320 and 322 N. Pine Street into a mixed use building containing six apartments and two retail tenant spaces. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in renovating this historic building into a combination of commercial space and market rate residential units. The addition of the residential units is consistent with the downtown redevelopment plan and priorities to add 50 residential units downtown by 2019. This project would not be possible without the use of TIF.

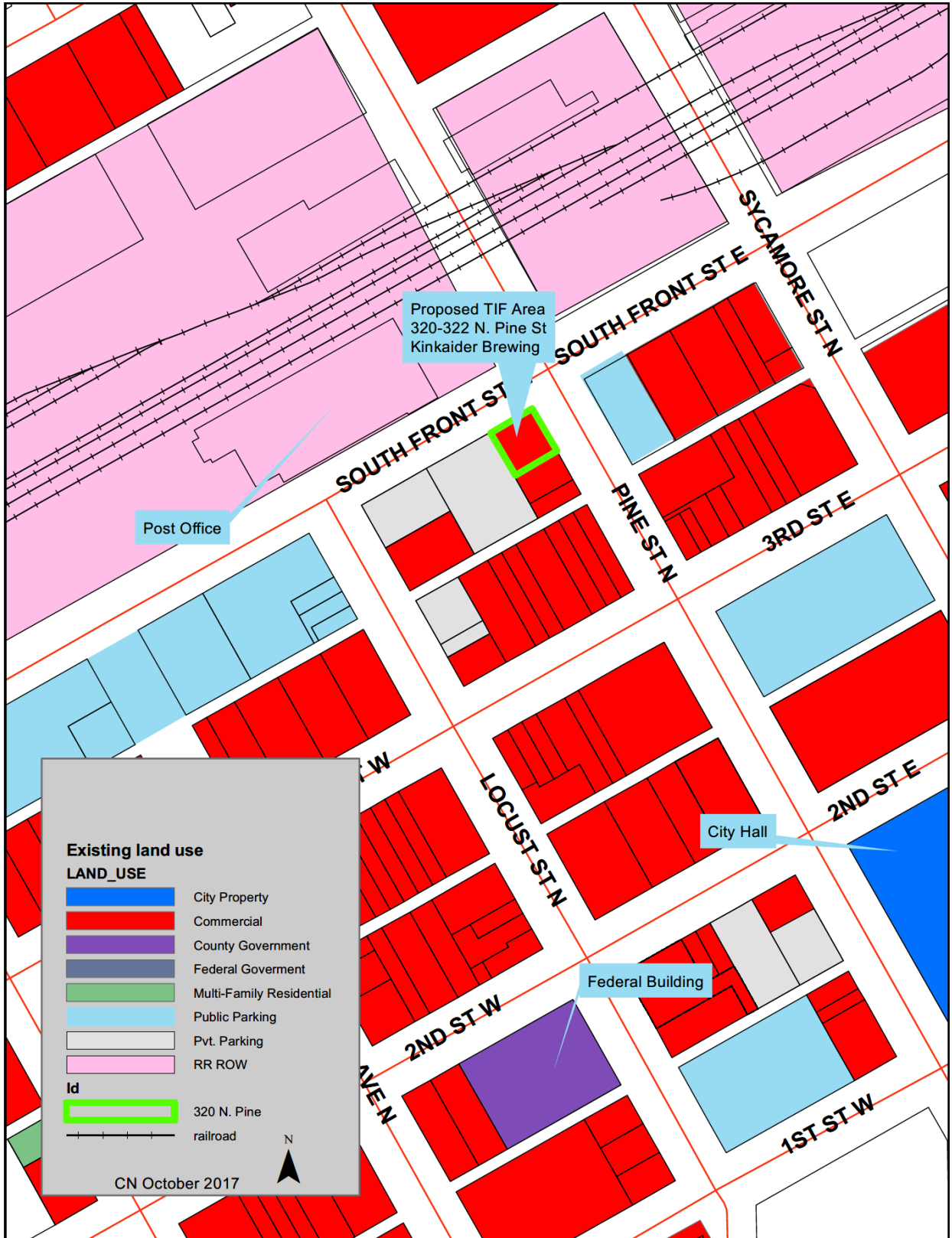
Urban Island LLC is the owner of the property. Urban Island LLC purchased this property in 2016. The purchase price is not included as an eligible TIF activity. Portions of the building are currently vacant the kitchen for the Kinkaider Brewing Company is located within this building and part of the space are being used for gatherings and receptions. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the remodeling and rehabilitation of this building. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2019 towards the allowable costs and associated financing for rehabilitation.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

320 and 322 N. Pine Street in Grand Island Nebraska

Legal Descriptions: North One Half Lot One (1) in Block Fifty-Five (55) in the Original Town, now City of Grand Island, Hall County, Nebraska.



Existing Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2020 through 2034 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of this building for commercial and residential uses as permitted in the B3 Heavy Business Zoning District.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

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

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

Redevelopment Plan Amendment Complies with the Act:

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

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on December 19, 2000.[§18-2109] Such

declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations. **The Hall County Regional Planning Commission held a public hearing at their meeting on November 1, 2017 and passed Resolution 2018-04 confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island.** The Grand Island Public School District has submitted a formal request to the Grand Island CRA to notify the District any time a TIF project involving a housing subdivision and/or apartment complex is proposed within the District. The school district was notified of this plan amendment at the time it was submitted to the CRA for initial consideration.

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

a. Land Acquisition:

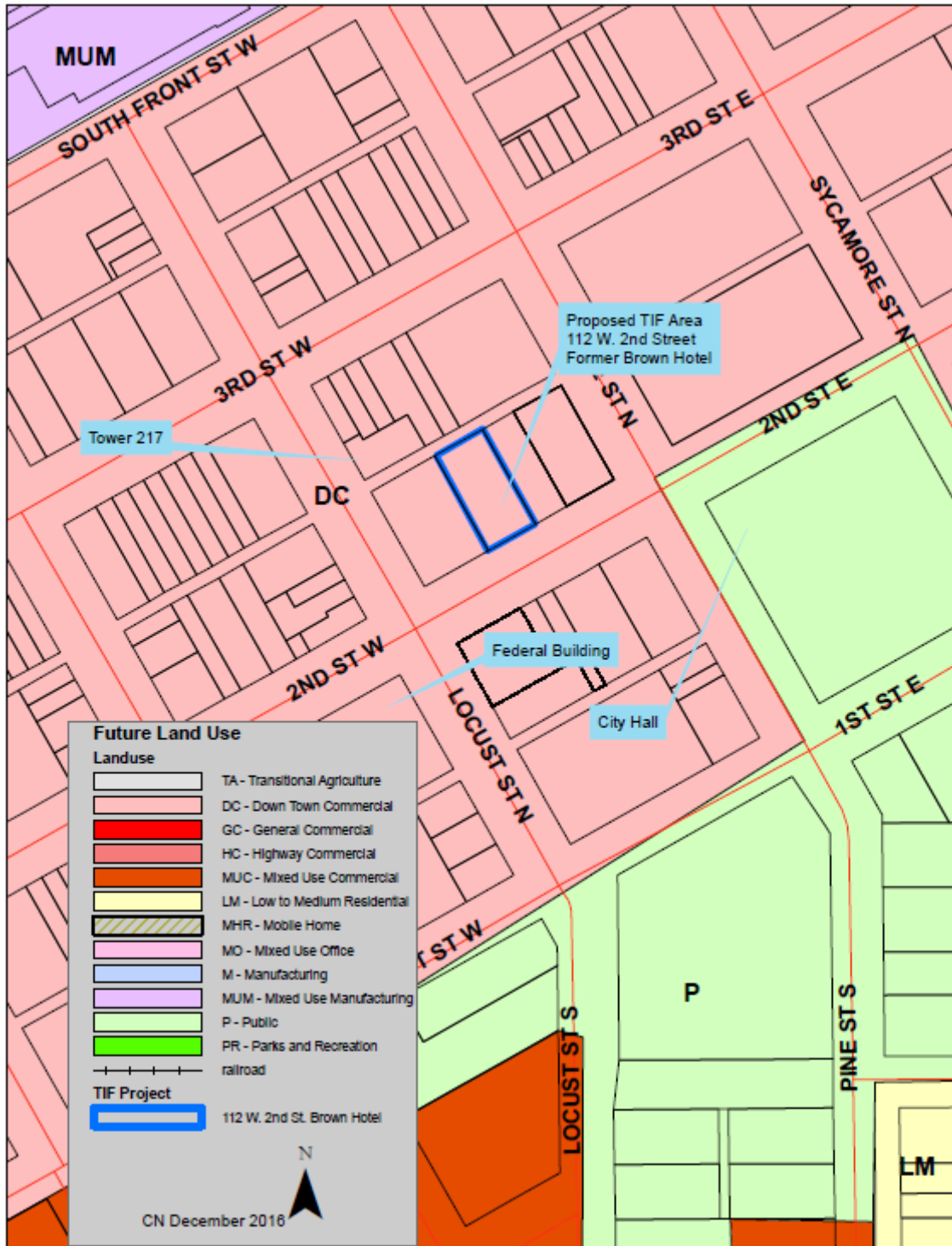
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does not provide for the demolition and removal any structures on this property.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for Downtown Commercial development; this includes housing and commercial uses within the same structure. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned B3-Heavy Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is rehabilitating the existing building. The developer is not proposing to increase the size of the building and current building meets the applicable regulations regarding site coverage and intensity of use. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. The developer will be required to extend a water line capable of providing sufficient water for the sprinkler system required to convert this building in a multifamily apartment building.

Electric utilities are sufficient for the proposed use of this building.

No other utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property, owned by the developer, is vacant and has been vacant for more than 1 year; no relocation is contemplated or necessary. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106] No members of the authority or staff of the CRA have any interest in this property.

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer owns this property and acquisition is not part of the request for tax increment financing. The estimated costs of rehabilitation of this property is \$737,209,

planning related expenses for Architectural and Engineering services of \$8,500 and are included as a TIF eligible expense. Legal, Developer and Audit Fees of \$12,000 including a reimbursement to the City and the CRA of \$7,000 are included as TIF eligible expense. The total of eligible expenses for this project exceeds \$756,709. The CRA has been asked to grant \$105,000 to this project to offset the cost of life safety improvements and \$168,677 in façade improvement funds. The total eligible expenses for this project less other grant funds by the CRA is \$318,851. The developers have also invested \$265,000 in acquisition of the property and additional funding in other improvements including new windows on the second floor.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$164,181 from the proceeds of the TIF which after interest is paid will result in approximately \$115,000 of direct aid to the project. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2020 through December 2034.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of unsafe buildings and

blighting conditions. This will accomplish the goal of both the Downtown Business Improvement District and the Grand Island City Council of increasing the number of residential units available in the Downtown area.

8. Time Frame for Development

Development of this project is anticipated to be completed between December 2017 and October of 2018. Excess valuation should be available for this project for 15 years beginning with the 2020 tax year.

9. Justification of Project

This is an historic building in downtown Grand Island that will be preserved with this project. The addition of a new upper story residential unit is consistent with goals to build 50 new residential units in downtown Grand Island by 2019 and with the goals of the 2014 Grand Island housing study and Grow Grand Island. The main floor will be used for commercial tenant space with a single efficiency apartment at the rear of the building.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$164,181 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This property has requested a life/safety grant of \$105,000 and a façade improvement grant of \$168,677. This investment by the Authority will leverage \$698,778 in private sector financing; a private investment of \$1.60 for every TIF and grant dollar investment.

Use of Funds Description	Source of Funds.			Total
	TIF Funds	Other Grants	Private Funds	
Site Acquisition			\$265,000	\$265,000
Legal and Plan*			\$12,000	\$12,000
Engineering/Arch			\$8,500	\$8,500
Renovation	\$164,181	\$105,000	\$298,351	\$568,532
Facade		\$168,677		\$168,677
Developer/Audit Feets			\$34,927	\$34,927
Contingency			\$80,000	\$80,000
TOTALS	\$164,181	\$273,677	\$698,778	\$1,136,636

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2018, valuation of approximately \$150,688. Based on the 2016 levy this would result in a real property tax of approximately \$3,275. It is anticipated that the assessed value will increase by \$503,673 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$10,945 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2016 assessed value:	\$ 150,688
Estimated value after completion	\$ 654,361
Increment value	\$ 503,673
Annual TIF generated (estimated)	\$ 10,945
TIF bond issue	\$ 164,181

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$150,688. The proposed redevelopment will create additional valuation of \$503,673. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools in any significant way. Fire and police protection are available and should not be negatively impacted by this development. The addition of life safety elements to this building including fire sprinklers and a second exit actually reduce the chances of negative impacts to the fire department.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

This will provide additional housing options in the downtown area consistent with the planned development in Downtown Grand Island.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This project will not have a negative impact on other employers in any manner different from any other expanding business within the Grand Island area. This will provide housing options for employees of Downtown businesses that wish to live Downtown.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This project is consistent the goals of the Council, the Downtown BID, the CRA, and Grow Grand Island to create additional housing units in downtown Grand Island.

Time Frame for Development

Development of this project is anticipated to be completed during between December of 2017 and October of 2018. The base tax year should be calculated on the value of the property as of January 1, 2018. Excess valuation should be available for this project for 15 years beginning in 2019 with taxes due in 2020. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$164,181 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the rehabilitation the developer will spend at least \$790,000 on TIF eligible activities in excess of other grants given. The CRA will reserve the right to issue additional debt for this project upon notification by the developer of sufficient expenses and valuation to support such debt in the form of a second or third bond issuance.

Urban Island, LLC

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2017, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and Urban Island, LLC, a Nebraska limited liability company ("Redeveloper").

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended (collectively the "Act"), has designated an area within the City as blighted and substandard;

WHEREAS, the Authority has adopted, after approval by the Mayor and Council of the City, that redevelopment plan amendment entitled " Redevelopment Plan Amendment Grand Island CRA Area #1 October 2017" (the "Redevelopment Plan");

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract in order to implement the Redevelopment Plan and provide for the redevelopment of lots and lands located in a blighted and substandard area;

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Contract, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

"Act" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended, and acts amendatory thereof and supplemental thereto.

Urban Island, LLC

"Authority" means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

"City" means the City of Grand Island, Nebraska.

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

"Holder(s)" means the registered owner or owners of Indebtedness issued by the Authority from time to time outstanding.

"Indebtedness" means any notes, loans, and advances of money or other indebtedness, including interest and premium, if any, thereon, incurred by the Authority pursuant to the Resolution and Article III hereof to provide financing for a portion of the Project Costs and secured in whole or in part by TIF Revenues. The Indebtedness as initially issued by the Authority shall consist of the Authority's Tax Increment Development Revenue Note (Urban Island Development Project), Series 2017, to be issued in an amount not to exceed \$164,181 in substantially the form set forth on Exhibit C and purchased by the Redeveloper as set forth in Section 3.04 of this Redevelopment Contract.

"Liquidated Damages Amount" means the amounts to be repaid to Authority by Redeveloper pursuant to Section 6.02 of this Redevelopment Contract.

"Project" means the improvements to the Redevelopment Project Area, as further described in Exhibit B attached hereto and incorporated herein by reference and, as used herein, shall include the Redevelopment Project Property and additions and improvements thereto.

"Project Cost Certification" means a statement prepared and signed by the Redeveloper verifying the Redeveloper has become legally obligated for, or has paid the Project Costs identified on Exhibit D.

"Project Costs" means only costs or expenses incurred by Redeveloper for the purposes set forth in §18-2103(12)(a) through (f), inclusive, including the providing for such costs by the exercise of the powers set forth in §18-2107(4) of the Act, all as identified on Exhibit D. Project Costs shall include, but not be limited to demolition and rehabilitation expenditures, all improvements related to Project public infrastructure costs, site preparation costs, utility extensions and costs of the Authority for legal and plan preparation, all as described in Section 3.04 of this Redevelopment Contract.

"Redeveloper" means Urban Island, LLC, a Nebraska limited liability company.

"Redevelopment Project Area" means that certain real property situated in the City of Grand Island, Hall County, Nebraska which has been declared blighted and substandard by the City pursuant to the Act, and which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference. All such legal descriptions are subject to change based upon any re-platting requested by the Redeveloper and approved by the City.

Urban Island, LLC

"Redevelopment Project Property" means all of the Redevelopment Project Area which is the site for the improvements constituting the Project, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

"Redevelopment Contract" means this redevelopment contract between the Authority and Redeveloper with respect to the Project.

"Redevelopment Plan" means the Redevelopment Plan Amendment (also defined in the recitals hereto) for the Redevelopment Project Area related to the Project, as attached hereto as Exhibit B, prepared by the Authority, approved by the City and adopted by the Authority pursuant to the Act.

"Resolution" means the Resolution of the Authority authorizing the issuance of the Indebtedness, as supplemented from time to time, and also approving this Redevelopment Contract.

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

Section 1.02 Construction and Interpretation.

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

- (a) Whenever in this Redevelopment Contract it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.
- (b) The phrase "at any time" shall be construed as meaning at any time or from time to time.
- (c) The word "including" shall be construed as meaning "including, but not limited to."
- (d) The words "will" and "shall" shall each be construed as mandatory.
- (e) The words "herein," "hereof," "hereunder", "hereinafter" and words of similar import shall refer to the Redevelopment Contract as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.
- (f) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.

Urban Island, LLC

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

ARTICLE II FINDINGS AND REPRESENTATIONS

Section 2.01 Findings of Authority.

The Authority makes the following findings:

(a) The Authority is a duly organized and validly existing community Redevelopment Authority under the Act.

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

(c) The Authority deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

(d) The Redevelopment Project is expected to achieve the public purposes of the Act by among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening blighted and substandard conditions in the Redevelopment Project Area and other purposes set forth in the Act.

(e) (1) The Redevelopment Plan is feasible and in conformity with the general plan for the development of the City as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(2) Based on representations made by the Redeveloper and information provided to the Authority:

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

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

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

(g) The Authority has determined that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purpose of

Urban Island, LLC

accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development: including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations, or conditions of blight.

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is a Nebraska limited liability company having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract. Prior to the execution and delivery of this Redevelopment Contract, the Redeveloper has delivered to the Authority a certificate of good standing, a certified copy of the Redeveloper's by-laws and a certified copy of the resolution or resolutions authorizing the execution and delivery of this Redevelopment Contract.

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

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

(d) The Project would not be economically feasible without the use of tax increment financing.

(e) The Project would not occur in the Redevelopment Project Area without the use of tax-increment financing.

Urban Island, LLC

ARTICLE III

OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution, the Authority hereby provides that any ad valorem tax on any Lot or Lots located in the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date (the "Effective Date"), as described in Section 18-2147 (1) of the Act, which Effective Date shall be the January 1, 2019. Said taxes shall be divided as follows:

(a) That portion of the ad valorem tax on the real estate located in the Redevelopment Project Area which is produced by levy at the rate fixed each year by or for each public body upon the "redevelopment project valuation" (as defined in the Act) of the Redevelopment Project Area shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That portion of the ad valorem tax on real property in the Redevelopment Project Area in excess of such amount (the "Incremental Ad Valorem Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority (designated in the Resolution as the "Note Fund") to pay the principal of, the interest on, and any premium due in connection with the Indebtedness. When such Indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Phase shall be paid into the funds of the respective public bodies.

Section 3.02 Issuance of Indebtedness

The Authority shall authorize the issuance of the Indebtedness in the form and stated principal amount and bearing interest and being subject to such terms and conditions as are specified in the Resolution and this Redevelopment Contract; provided, at all times the maximum amount of the Indebtedness shall be limited to the lesser of (i) the stated face amount of the Indebtedness, or (ii) the sum of all Project Costs incurred by the Redeveloper as set forth on Exhibit D. No Indebtedness will be issued until Redeveloper has acquired fee title to the Redevelopment Project Property and become obligated for construction of the additions and improvements forming a part of the Project as described in the Plan.

Prior to March 1, 2018, the Authority shall issue one Tax Increment Development Revenue Note, in one taxable series, in a maximum principal amount of One Hundred Sixty Four Thousand One Hundred Eighty One and no/100 Dollars (\$164,181), in substantially the form shown on the attached Exhibit C ("TIF Note"), for net funds available to be purchased by Redeveloper ("TIF Note Purchaser"), in a written form acceptable to Authority's attorney, and receive Note proceeds from the TIF Note Purchaser in said amount. At the option of the Authority, the Authority shall make a grant to Redeveloper in such amount, and such grant shall offset TIF Note Purchaser's obligation to purchase the TIF Note. Subject to the terms of this

Urban Island, LLC

Agreement and the Resolution, the Authority's Treasurer on behalf of the Authority shall have the authority to determine the timing of issuing the Indebtedness and all the other necessary details of the Indebtedness.

The Redeveloper agrees to purchase the Indebtedness at a price equal to the principal amount thereof, in a private placement satisfactory to the Authority as to its terms and participants (including any pledgee thereof). Neither the Authority nor the City shall have any obligation to provide for the sale of the Indebtedness. It is the sole responsibility of the Redeveloper to effect the sale of the Indebtedness by purchasing the Indebtedness in accordance with the terms of this Redevelopment Contract and the Resolution. Redeveloper acknowledges that it is its understanding and the Authority's understanding that interest on the Indebtedness will be includable in gross income for federal income tax purposes and subject to Nebraska State income taxation.

Section 3.03 Pledge of Revenues.

Under the terms of the Resolution, the Authority pledges 100% of the available annual TIF Revenues derived from the Redevelopment Project Property as security for and to provide payment of the Indebtedness as the same fall due (including payment of any mandatory redemption amounts set for the Indebtedness in accordance with the terms of the Resolution).

Section 3.04 Purchase and Pledge of Indebtedness/Grant of Net Proceeds of Indebtedness.

The Redeveloper has agreed to purchase the Indebtedness from the Authority for a price equal to the principal amount thereof, payable as provided in Section 3.02 and this Section 3.04. The Redevelopment Plan provides for the Redeveloper to receive a grant under this Redevelopment Contract. In accordance with the terms of the Redevelopment Plan the Redeveloper is to receive a grant sufficient to pay the costs of site acquisition, demolition and rehabilitation expenditures, all improvements related to Project public infrastructure costs, site preparation costs, utility extensions and costs of the Authority for legal and plan preparation including those items described on Exhibit D (the "Project Costs"), in the aggregate maximum amount not to exceed \$164,181. Notwithstanding the foregoing, the aggregate amount of the Indebtedness and the grant shall not exceed the amount of Project Costs as certified pursuant to Section 4.02 of this Redevelopment Contract. Such grant shall be made to the Redeveloper upon certification of Project Costs as set forth herein and in the Resolution, and payment purchase of the Indebtedness as provided in Section 3.02, unless Redeveloper elects to offset the payment of the purchase of the Indebtedness with the grant proceeds as provided herein and in the Resolution. The Authority shall have no obligation to provide grant funds from any source other than as set forth in the Resolution and this Redevelopment Contract.

Urban Island, LLC

Section 3.05 Creation of Funds.

In the Resolution, the Authority has provided for the creation of the following funds and accounts which funds shall be held by the Authority separate and apart from all other funds and moneys of the Authority and the City:

(a) a special trust fund called the “Urban Island Redevelopment Project Note Fund” (the “Note Fund”). All of the TIF Revenues shall be deposited into the Note Fund. The TIF Revenues accumulated in the Note Fund shall be used and applied on the Business Day prior to each Interest Payment Date (i) to make any payments to the City or the Authority as may be required under the Redevelopment Contract and (ii) to pay principal of or interest on the Note to the extent of any money then remaining the Note Fund on such Interest Payment Date. Money in the Note Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received through and including December 31, 2034 shall be used solely for the payments required herein and by the Resolution; and

(b) a special trust fund called the “Urban Island Redevelopment Project Fund” (the “Project Fund”) The Authority shall disburse any money on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for the Project Costs in each case within 5 Business Days after completion of the steps set forth herein and in the Resolution. If a sufficient amount to pay a properly completed Disbursement Request (as defined in Section 4.02) is not in the Project Fund at the time of the receipt by the Authority of such request, the Authority shall notify the owner of the Note and such owner may deposit an amount sufficient to pay such request with the Authority for such payment. As set forth in the Resolution, if the Redeveloper is the owner of the Note and the Redeveloper so elects, the Authority shall make a grant to Redeveloper in the amount of an approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Note.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Note; Insurance.

(a) Redeveloper will acquire the Project, demolish and rehabilitate structures on the site, prepare the site for redevelopment, install all required utilities and improvements in the public right-of-way in accordance with the plans and specifications provided to the Authority. Redeveloper will coordinate with the City for the City’s design and construction required for the installation of all public infrastructure improvements and right-of-way improvements. The Redeveloper shall provide and pay for infrastructure installation.

Redeveloper shall pay for the costs of site acquisition, site preparation, demolition and rehabilitation, utility extension, public infrastructure and costs of the Authority as set forth on Exhibit D, from the grant provided in Section 3.04 hereof. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the

Urban Island, LLC

Project. Until construction of the Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of the Project. Such reports shall include actual expenditures incurred as described on Exhibit D.

(b) Any general contractor chosen by the Redeveloper shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations and a penal bond as required by the Act or as is otherwise required by law. The City, the Authority and the Redeveloper shall be named as additional insureds. Any contractor chosen by the Redeveloper or the Redeveloper itself, as owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include 'All Risk' insurance for physical loss or damage. The contractor with respect to any specific contract or the Redeveloper shall also carry insurance on all stored materials. The contractor or the Redeveloper, as the case may be, shall furnish the Authority and the City with a Certificate of Insurance evidencing policies as required above. Such certificates shall state that the insurance companies shall give the Authority prior written notice in the event of cancellation of or material change in any of any of the policies.

(c) Notwithstanding any provision herein to the contrary, in the event Redeveloper has not acquired fee simple title to the Redevelopment Project Area on or before December 1, 2017, this Redevelopment Contract shall be null and void and of no force or effect effective as of the date of execution hereof, and neither party shall have any liability or obligation to the other party with respect hereto.

(d) The Redeveloper shall provide a payment and performance bond from a bond company doing business in the state of Nebraska in the total amount of all Redevelopment Project Costs or such other amount as shall be approved by the Authority. The City and Authority shall be named as beneficiaries under such bond.

Section 4.02 Cost Certification & Disbursement of Note Proceeds.

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

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

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

Urban Island, LLC

(c) Upon notification from the Authority as described in Section 4.02(b), deposits to the accounts in the Project Fund may be made from time to time from funds received by the Authority from the owner of the Note (if other than the Redeveloper) in the amounts necessary to pay amounts requested in properly completed, signed and approved written Disbursement Requests as described herein. Such amounts shall be proceeds of the Note and the Treasurer of the Authority shall inform the Registrar (as defined in the Note Resolution) in writing of the date and amount of such deposits. At the option of the Redeveloper, if the Redeveloper is the owner of the Note, the Authority shall make a grant to Redeveloper in the amount of the approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Note. The Registrar shall keep and maintain a record of the amounts deposited into the Project Fund from Note proceeds pursuant to the terms of this Resolution as "Principal Amount Advanced" and shall enter the aggregate principal amount then Outstanding as the "Cumulative Outstanding Principal Amount" on its records maintained for the Note. The aggregate amount deposited into the Project Fund from proceeds of the Note shall not exceed \$164,181.

Section 4.03 No Discrimination.

Redeveloper agrees and covenants for itself its successors and assigns that it will not discriminate against any person or group of persons on account of race, sex, color, religion, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Project. Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance. Redeveloper will comply with all applicable federal, state and local laws related to the Project.

Section 4.04 Assignment or Conveyance.

This Redevelopment Contract shall not be assigned by the Redeveloper without the written consent of the Authority. Such consent shall not be unreasonably withheld. Redeveloper agrees that it shall not convey any Lot or any portion thereof or any structures thereon to any person or entity that would be exempt from payment of real estate taxes, and that it will not make application for any structure, or any portion thereof, to be taxed separately from the underlying land of any Lot.

Section 4.50 Payment of Authority Costs.

Redeveloper shall pay to the Authority the following sums upon execution hereof:

- a. \$3,500 for legal expenses of Authority
- b. \$1,000 for City and Authority administrative accounting of incremental tax payments.

Urban Island, LLC

ARTICLE V
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing

Redeveloper shall pay all costs related to the redevelopment of the Redevelopment Project Area and the Redevelopment Project Property which are in excess of the amounts paid from the proceeds of the grant provided from the proceeds of the Indebtedness and granted to Redeveloper. Redeveloper shall timely pay all costs, expenses, fees, charges and other amounts associated with the Project.

ARTICLE VI
DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations. The Redeveloper hereby acknowledges and agrees that the Authority shall have completed its required performances and satisfied all of its obligations under this Redevelopment Contract upon the issuance of the Indebtedness and the subsequent payment of grant amounts to the Redeveloper as set forth in Article III hereof and by complying with the obligations of all Redevelopment Contract Amendments.

Section 6.02 Additional Remedies of Authority

In the event that (each such event an "event of default"):

(a) the Redeveloper, or its successor in interest, shall fail to commence the construction of the improvements included in the Project Costs on or before February 1, 2018, or shall abandon construction work related to the Project Costs, once commenced, for any period of 180 days, excepting delays caused by inclement weather,

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(b) the Redeveloper, shall fail to pay real estate taxes or assessments on the Redevelopment Project Property owned by the Redeveloper or any part thereof when due; and

(c) there is a violation of any other provision of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 90 days following written notice from Authority, then the Redeveloper shall be in default of this Redevelopment Contract.

In the event of such failure to perform, breach or default occurs and is not cured in the period herein provided, the parties agree that the damages caused to the Authority would be difficult to determine with certainty and that a reasonable estimation of the amount of damages that could be incurred is the amount of the grant to Redeveloper pursuant to Section 3.04 of this Redevelopment Contract, less any reductions in the principal amount of the Indebtedness, plus interest on such amounts as provided herein (the "**Liquidated Damages Amount**"). Upon the occurrence of an event of default, the Liquidated Damages Amount shall be paid by Redeveloper to Authority within 30 days of demand from Authority given to the Redeveloper.

Interest shall accrue on the Liquidated Damages Amount at the rate of three percent (3%) per annum and interest shall commence from the date that the Authority gives notice to the Redeveloper demanding payment.

Payment of the Liquidated Damages Amount shall not relieve Redeveloper of its obligation to pay real estate taxes or assessments with respect to the Redevelopment Project Property and the Project.

Redeveloper, on or before contracting for work included within the Project Costs, shall furnish to the Authority copies of labor and materials payment bonds and performance bonds for each contract entered into by Redeveloper related to Project Costs. Each such bond shall show the Authority and the City as well as the Redeveloper as beneficiary of any such bond, as and to the extent commercially obtainable (as determined in the discretion of the Authority). In addition, the Redeveloper shall provide a penal bond with good and sufficient surety to be approved by the Authority, conditioned that the Redeveloper shall at all times promptly make payments of all amounts lawfully due to all persons supplying or furnishing to any contractor or his or her subcontractors (for each contract entered into by Redeveloper related to Project Costs) with labor or materials performed or used in the prosecution of the work provided for in such contract, and will indemnify and save harmless the Authority to the extent of any payments in connection with the carrying out of such contracts which the Authority may be required to make under the law.

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event the Redeveloper fails to perform any other provisions of this Redevelopment Contract (other than those specific provisions contained in Section 6.02), the Redeveloper shall be in default. In such an instance, the Authority may seek to enforce the terms of this Redevelopment Contract or exercise any other remedies that may be provided in this

Urban Island, LLC

Redevelopment Contract or by applicable law; provided, however, that any defaults covered by this Section shall not give rise to a right or rescission on termination of this Redevelopment Contract, and shall not be covered by the Liquidated Damages Amount.

Section 6.04 Forced Delay Beyond Party's Control.

For the purposes of any of the provisions of this Redevelopment Contract, neither the Authority nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the conveyance or preparation of the Redevelopment Area or any part thereof for redevelopment, or the beginning and completion of construction of the Project, or progress in respect thereto, in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Authority or of the Redeveloper with respect to construction of the Project, as the case may be, shall be extended for the period of the forced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other party thereto in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.05 Limitations of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the City, the Authority, nor their respective elected officials, officers, directors, appointed officials, employees, attorneys, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Authority under this Redevelopment Contract shall be the issuance of the Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, and full compliance with the terms specifically set forth Article III hereof and payment of TIF Revenues pledged pursuant to the Resolution. The Redeveloper releases the City and Authority from, agrees that neither the City nor Authority shall be liable for, and agrees to indemnify and hold the City and Authority harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project.

The Redeveloper will indemnify and hold each of the City and Authority and their respective elected officials, directors, officers, appointed officials, attorneys, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, excluding litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about that portion of the Project owned by the Redeveloper, during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, related to

Urban Island, LLC

activities of the Redeveloper or its agents during the construction of the public infrastructure or public right of ways in the Project.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract may be recorded in the office of the Register of Deeds of Hall County, Nebraska.

Section 7.02 Governing Law.

This Redevelopment Contract shall be governed by the laws of the State of Nebraska, including but not limited to the Act.

Section 7.03 Binding Effect: Amendment, Assignment.

This Redevelopment Contract shall be binding on the parties hereto and their respective successors and assigns. The Redevelopment Contract shall not be amended except by a writing signed by the party to be bound. The Redeveloper may assign its rights and obligations to a controlled entity which shall be bound by all the terms hereof.

Section 7.04 Effective Date and Implementation of Redevelopment Contract.

This Agreement is in full force and effect from and after the date of execution hereof by both the Redeveloper and the Authority.

Section 7.05 Notices to Parties.

Notices to Parties shall be mailed by U. S. Mail to the following addresses:

Redeveloper:

Urban Island, LLC
2016 West State Street
Grand Island, NE 68802

Authority and City:

Director
Grand Island Community Redevelopment Authority
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

Urban Island, LLC

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

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

ATTEST:

Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of 2017, by _____ and _____, Chairman and Secretary, respectively, of the Community Redevelopment Authority of the City of Grand Island, Nebraska, on behalf of the Authority.

Notary Public

Urban Island, LLC

Urban Island, LLC

By: _____
Manager

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by _____, Manager of Urban Island, LLC, on behalf of the limited liability company.

Notary Public

Urban Island, LLC

EXHIBIT A
DESCRIPTION OF REDEVELOPMENT AREA

North One Half Lot One (1) in Block Fifty-Five (55) in the Original Town, now City of Grand Island, Hall County, Nebraska.

Urban Island, LLC

EXHIBIT B
REDEVELOPMENT PLAN

[Attach copy of Redevelopment Plan Amendment]

Urban Island, LLC

EXHIBIT C

(FORM OF NOTE)

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

TAX INCREMENT DEVELOPMENT REVENUE NOTE
(URBAN ISLAND REDEVELOPMENT PROJECT), SERIES 2017

No. R-1

Up to \$164,181
(subject to reduction as described herein)

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2034	0.0%

REGISTERED OWNER: Urban Island, LLC

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

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

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA has caused this Note to be signed by the manual signature of the Chairman of the Authority, countersigned by the manual signature of the Secretary of the Authority, and the City's corporate seal imprinted hereon.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

[S E A L]

By: _____ (manual signature)
Chairman

Urban Island, LLC

By: _____ (manual signature)
Secretary

The **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues and other funds hereinafter specified, to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the “**Registrar**”), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in **Schedule 1** at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve, 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on June 1 and December 1 of each year until payment in full of such Principal Amount, beginning June 1, 2020, by check or draft mailed to the Registered Owner hereof as shown on the Note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable interest payment date occurs, at such Owner’s address as it appears on such Note registration books. The principal of this Note and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____ 2017, as from time to time amended and supplemented (the “**Resolution**”).

THE PRINCIPAL AMOUNT OF THIS NOTE IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS NOTE IS \$164,181.

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

Urban Island, LLC

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

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

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

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

Urban Island, LLC

thereof.

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

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

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

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

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

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Urban Island, LLC

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the Note register kept by the Registrar for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

By: _____
Title: _____

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Urban Island, LLC

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
URBAN ISLAND REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017**

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

Urban Island, LLC

Exhibit D
Project Costs

Redevelopment Project Costs

1. Renovation expenditures	\$164,181.00
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Urban Island, LLC

[DATE]

Community Redevelopment Authority of the City
of Grand Island, Nebraska
Grand Island, NE

Not to Exceed \$164,181
Community Redevelopment Authority of the City of Grand Island, Nebraska
Urban Island, LLC, Redevelopment Project
Tax Increment Development Revenue Note

Ladies and Gentlemen,

The undersigned agrees to purchase the Note issued by the Community Redevelopment Authority of the City of Grand Island (the "Issuer"), as specified on the attached Schedule I (the "Note") and for consideration received, the undersigned (the "Purchaser") hereby certifies as follows:

1. The Purchaser has based its decision to invest in the Note solely on its own review and negotiation of the documents providing for the issuance of the Note (the "Transaction Documents") and its own investigation, discussion, review, underwriting credit analysis and related undertakings with respect to the TIF Project.

2. It is understood that the Purchaser has undertaken to verify the accuracy, completeness and truth of any statements made concerning the transaction reflected in the Transaction Documents, including information regarding the business and financial condition of Urban Island, LLC (the "Company") and the TIF Project, and including, but not limited to, the circumstances under which the Note may be redeemed or defeased prior to its maturity, in whole or in part, and any credit or reinvestments risks associated with redemption or defeasing the Note, underwriting and analyzing the credit of the TIF Project, the Company and the credit risks associated with the sources of payments made on, or with respect to, the Note. The Purchaser has conducted its own investigation of the transaction reflected in the Transaction Documents, including information regarding the business and financial condition of the Company.

3. The Purchaser has met with the Company and/or its designated representatives and has been afforded the opportunity to ask such questions of them as the Purchaser has deemed necessary in making its investment decisions, including, but not limited to, the circumstances under which the Note may be redeemed or defeased, in whole or in part, prior to its maturity, and the credit and investment risks associated with redemption or defeasance of the Note.

4. The Purchaser is familiar with the condition, financial and otherwise, of the Company, and the Company has made available to the Purchaser the opportunity to request and obtain all of the information referred to in the Transaction Documents to evaluate the merits and risks of an investment in the Note.

5. The Purchaser has been offered copies of, or full access to, each of the Transaction Documents and all documents relating to the terms and conditions of the offering and the issuance of the

Urban Island, LLC

Note (including, but not limited to, information regarding payment, redemption, defeasance and security with respect to the Note, and all records, reports, financial statements and other information concerning the TIF Project, the Company and any third parties which is or may be pertinent to the source of payment redemption, defeasance and security for the Note) which, as a sophisticated and reasonable investor, the Purchaser has requested and to which, as a sophisticated and reasonable investor, the Purchaser would attach significance in making investment decisions.

6. The Purchaser is either a) a body politic and corporate and a political subdivision of the State of Nebraska, or b) a financial institution or other “accredited investor” as defined in Rule 501 of Regulation D of the United States Securities Exchange Commission and Section 8-1111(8) of the Securities Act of Nebraska. The Purchaser can bear the economic risk of its investment in the Note and has such knowledge and experience in business and financial matters, including purchase and ownership of municipal and other obligations, and the analysis of purchasing similar speculative, unrated, real-estate secured investments, as to be capable of evaluating the merits and risks of the investment represented by its investment in the Note and is aware of the intended use of the proceeds of the Note and the risks involved therein.

7. The Purchaser is duly and legally authorized to purchase obligations such as the Note and its investment in the Note is a lawful investment for it under all applicable laws.

8. The Note has been purchased for the account of the Purchaser for its own investment with its own unencumbered funds. The Purchaser has not borrowed funds or pledged any collateral (including, but not limited to, the Note) in connection with its purchase of the Note, and the Purchaser has not undertaken, has not agreed to undertake and neither does the Purchaser have the intention of undertaking, any distribution, securitization, hypothecation transfer, resale, pledge, collateralization or any other encumbrance on or disposal of the Note (or any portion thereof or interest therein) (any such action (whether before or after the purchase of the Note by the Purchaser) constituting a “Transfer of Note Interest”). The Purchaser holds, and intends to hold, the Note for its own account and for an indefinite period of time and does not intend to take any action which could constitute a Transfer of Note Interest. The Purchaser understands that any Transfer of Note Interest is restricted pursuant to the terms of this Purchase Letter. The Purchaser is not acting as an “underwriter” within the meaning of that term under federal or Nebraska state laws.

9. The Purchaser acknowledges and represents that it has been advised the Note is not registered under the Securities Act of 1933, as amended (the “1933 Act”), or any federal or state securities agency or commission, and that the Company is not presently required to register under Section 12 of the Securities and Exchange Act of 1934, as amended (the “1934 Act”) and that no trading market now exists for the Note. The Purchaser realizes that if the Purchaser undertakes any Transfer of Note Interest, there may not be available current business and financial information about the Company or the TIF Project. The Purchaser understands that any Transfer of Note Interest is restricted pursuant to the terms of this Purchase Letter, including, but not limited to, the requirement that prior to the date on which any such Transfer of Note Interest is to be completed, the transferee sign a Purchase Letter substantially identical to this Purchase Letter and otherwise in form satisfactory to the Issuer, and each of the conditions in paragraph 14 below shall have been satisfied. Accordingly, the Purchaser understands that it may need to bear risks of investment in the Note for an indefinite period of time since any Transfer of Note Interest prior to the maturity of the Note may not be possible or may be at a price below that which the Purchaser is paying for the Note.

Urban Island, LLC

10. The Purchaser acknowledges that the Note is being purchased in a direct private placement negotiated between the Issuer and the Purchaser in which no broker, dealer or municipal securities dealer has participated and is therefore not subject to any of the requirements of Rule 15c2-12 of the Securities and Exchange Commission requiring the providing of certain information upon issuance and certain additional information on a periodic basis.

11. The Purchaser acknowledges that the principal amount and debt service on the Note has been scheduled based upon estimates and assumptions provided by the Company (which may be optimistic or “best case” estimates or assumptions of the Company not in any respect verified or evaluated by the Issuer), and that such estimates and assumptions may vary materially; that tax increment revenues may be altered or eliminated entirely based upon future decisions of taxing and assessing authorities, the Nebraska Legislature or the voters of the State of Nebraska or by future court decisions, and that the lands within the development may or may not be developed in a manner sufficient to generate incremental tax revenues sufficient to pay debt service on the Note.

12. The Purchaser understands that the purchase price of the Note is in the form of an offset against the grant to the Purchaser provided in Section 3.02 of the Redevelopment Contract by and between the Issuer and the Company dated [REDACTED] 2017 (the “Redevelopment Contract”) and that such offset is at the request of the Purchaser.

13. The Purchaser acknowledges the information provided by the Company may contain forward looking statements. These forward looking statements, which in any event are not statements made by, or on behalf of, the Issuer, may involve risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward looking statements.

14. The Purchaser will not undertake any Transfer of Note Interest, except:

(a) in full good-faith compliance with all applicable state and federal securities and banking laws;

(b) with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s) to whom the Transfer of Note Interest is being made by the Purchaser (each, a “Transferee”);

(c) either under effective federal and state registration statements (which the Issuer shall not in any way be obligated to provide) or pursuant to exemptions from such registrations (as reflected in an opinion of nationally recognized securities counsel acceptable to the Issuer);

(d) only in authorized denominations (as defined in the Purchase Letter);

(e) to a Transferee delivering a purchase letter substantially identical to this Purchase Letter and otherwise in form and substance satisfactory to the Issuer;

(f) upon delivery to the Issuer of a certificate in form and substance satisfactory to the Issuer from the Purchaser, in its capacity as transferor, to the effect that, after due inquiry, the Purchaser, in its capacity as transferor, has reason to believe that the representations of the Transferee set

Urban Island, LLC

forth in its Purchaser Letter are accurate and, in its capacity as transferor, the Purchaser has disclosed to the Transferee such information and risks concerning the Note and related security as a reasonable investor would consider material.

15. The Purchaser acknowledges that stop transfer notations may be made on the Note or any other documents evidencing ownership of the Note to the effect that the Note has not been registered under the Securities Act of 1933 or the applicable “Blue Sky” laws and that no Transfer of Note Interest may be undertaken unless the Note is registered thereunder or such Transfer of Note Interest is pursuant to an exemption from such registration (as reflected in an opinion of nationally recognized securities counsel acceptable to the Issuer) and otherwise in accordance with this Purchase Letter.

16. The Purchaser understands that any liability of the Issuer to the Purchaser is limited to the Issuer’s interest in the Redevelopment Contract and any security with respect thereto delivered by, or on behalf of, the Company and the Purchaser shall look exclusively thereto for payment on the Note and that no recourse for the payment of any part of the principal of, premium, if any, or interest on the Note or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Note shall be had against the Issuer or any officer, director, member, agent or employee of the Issuer or the City of Grand Island, as such, all such liability being hereby expressly released and waived as a condition of and as a part of the consideration for the issuance of the Note.

17. The Purchaser understands that (a) the Note is not secured by any obligation or pledge of any moneys received or to be received from taxation or from the Issuer or the City of Grand Island or any political subdivision or taxing authority thereof, (b) the Note will never represent or constitute a general obligation, debt, bonded indebtedness or pecuniary obligation of the Issuer, the City of Grand Island or any political subdivision thereof, (c) no right will exist to have taxes levied by the Issuer or the City of Grand Island or any political subdivision thereof for the payment of principal of, premium, if any, or interest on the Note, and (d) the Note is a limited obligation of the Issuer, payable solely out of and secured by income and revenue related to the TIF Project, as pledged pursuant to the Redevelopment Contract.

18. The Purchaser understands that the Note and interest on the Note are not exempt from taxation for purposes of federal and Nebraska State taxation.

Very truly yours,

PURCHASER
Urban Island, LLC

By: _____
Its Manager

Urban Island, LLC

Received and Acknowledged by:

THE COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND ISLAND

Chair

ATTEST:

Secretary

Urban Island, LLC

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 261

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, TAX INCREMENT DEVELOPMENT REVENUE NOTE OR OTHER OBLIGATION, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$164,181 FOR THE PURPOSE OF (1) PAYING THE COSTS OF ACQUIRING, DEMOLISHING, CONSTRUCTING, RECONSTRUCTING, IMPROVING, EXTENDING, REHABILITATING, INSTALLING, EQUIPPING, FURNISHING AND COMPLETING CERTAIN IMPROVEMENTS WITHIN THE AUTHORITY'S URBAN ISLAND, LLC, REDEVELOPMENT PROJECT AREA, SPECIFICALLY INCLUDING SITE PURCHASE, PREPARATION, DEMOLITION, REHABILITATION, UTILITY EXTENSION AND (2) PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE NOTE OR OTHER OBLIGATION; PLEDGING CERTAIN TAX REVENUE AND OTHER REVENUE TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE OR OTHER OBLIGATION AS THE SAME BECOME DUE; LIMITING PAYMENT OF THE NOTE OR OTHER OBLIGATION TO SUCH TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; DELEGATING, AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO EXERCISE HIS OR HER INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING CERTAIN TERMS AND PROVISIONS OF THE NOTE OR OTHER OBLIGATION NOT SPECIFIED HEREIN; APPROVING A REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN; TAKING OTHER ACTIONS AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.

BE IT RESOLVED BY THE MEMBERS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. The Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "**Authority**") hereby find and determine as follows:

(a) The City of Grand Island, Nebraska (the "**City**"), pursuant to the Plan Resolution (hereinafter defined), approved the City of Grand Island Redevelopment Area #1 Plan Amendment October 2017 (the "**Redevelopment Plan**") under and pursuant to which the Authority shall undertake from time to time to redevelop and rehabilitate the Redevelopment Area (hereinafter defined).

(b) Pursuant to the Redevelopment Plan, the Authority has previously obligated itself and/or will hereafter obligate itself to provide a portion of the financing to acquire, construct, reconstruct, improve, extend, rehabilitate, install, equip, furnish and complete, at the cost and expense of the Redeveloper, a

Urban Island LLC

portion of the improvements (as defined in the Redevelopment Contract hereinafter identified) in the Redevelopment Area (the **“Project Costs”**), including, without limitation) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, and completing the acquisition of the Project Site (as defined in the Redevelopment Contract), (collectively, the **“Project”**), as more fully described in the Redevelopment Contract (hereinafter defined).

(c) The Authority is authorized by the Redevelopment Law (hereinafter defined) to issue tax allocation notes for the purpose of paying the costs and expenses of the Project, the principal of which is payable from certain tax revenues as set forth in the Redevelopment Law.

(d) In order to provide funds to pay a portion of the costs of the Project, it is necessary, desirable, advisable, and in the best interest of the Authority for the Authority to issue a Tax Increment Development Revenue Note or other obligation in a principal amount not to exceed \$164,181 (the **“Note”**).

(e) All conditions, acts and things required to exist or to be done precedent to the issuance of the Note do exist and have been done as required by law.

ARTICLE II

CERTAIN DEFINITIONS; COMPUTATIONS; CERTIFICATES AND OPINIONS; ORDERS AND DIRECTIONS

Section 2.1. Definitions of Special Terms. Unless the context clearly indicates some other meaning or may otherwise require, and in addition to those terms defined elsewhere herein, the terms defined in this **Section 2.1** shall, for all purposes of this Resolution, any Resolution or other instrument amendatory hereof or supplemental hereto, instrument or document herein or therein mentioned, have the meanings specified herein, with the following definitions to be equally applicable to both the singular and plural forms of any terms defined herein:

“Authority” means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

“City” means the City of Grand Island, Nebraska.

“Project Costs” means the redevelopment project costs (as defined in the Redevelopment Contract) in the Redevelopment Area, the costs of which are eligible to be paid from the proceeds of the Note.

“Assessor” means the Assessor of Hall County, Nebraska.

“Note” means the Urban Island, LLC, Redevelopment Project Tax Increment Development Revenue Note of the Authority, in a principal amount not to exceed \$164,181, issued pursuant to this Resolution, and shall include any note, including refunding note, interim certificate, debenture, or other obligation issued pursuant to the Redevelopment Law. At the option of the Owner of the Note, the titular designation of such Note may be revised to state note, interim certificate, debenture, obligation, or such other designation as is appropriate.

“Secretary” means the Secretary of the Authority.

“Cumulative Outstanding Principal Amount” means the aggregate principal amount of the Note issued and Outstanding from time to time in accordance with the provisions of this Resolution, as reflected in the records maintained by the Registrar as provided in this Resolution.

“Date of Original Issue” means the date the Note is initially issued, which shall be the date of the first allocation of principal on the Note as further described in **Section 3.2**.

“Debt Service” means, as of any particular date of computation, and with respect to any period, the amount to be paid or set aside as of such date or such period for the payment of the principal on the Note.

“Escrow Obligations” means (a) Government Obligations, (b) certificates of deposit issued by a bank or trust company which are (1) fully insured by the Federal Deposit Insurance Corporation or similar corporation chartered by the United States or (2) secured by a pledge of any Government Obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Registrar, or (c)(1) evidences of a direct ownership in future interest or principal on Government Obligations, which Government Obligations are held in a custody account by a custodian satisfactory to the Registrar pursuant to the terms of a custody agreement in form and substance acceptable to the Registrar and (2) obligations issued by any state of the United States or any political subdivision, public instrumentality or public authority of any state, which obligations are fully secured by and payable solely from Government Obligations, which Government Obligations are held pursuant to an agreement in form and substance acceptable to the Registrar and, in any such case, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient money to make the payment secured thereby.

“Finance Director” means the Treasurer/Finance Director or Acting Treasurer/Finance Director, as the case may be, of the City.

“Fiscal Year” means the twelve-month period established by the City or provided by law from time to time as its fiscal year.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Improvements” means the improvements to be constructed, reconstructed, acquired, improved, extended, rehabilitated, installed, equipped, furnished and completed in the Project Area in accordance with the Redevelopment Plan, including, but not limited to, the improvements constituting the Project (as defined in the Redevelopment Contract).

“Payment Date” means June 30 and December 31 of each year any Note is outstanding, commencing on the first Payment Date following the Date of Original Issue.

“Chairman” means the Chairman of the Authority.

“Outstanding” means when used with reference to any Note, as of a particular date, all Notes theretofore authenticated and delivered under this Resolution except:

- (a) Notes theretofore canceled by the Registrar or delivered to the Registrar for cancellation;
- (b) Notes which are deemed to have been paid in accordance with **Section 10.1** hereof;

(c) Notes alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in **Section 3.9** hereof; and

(d) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Resolution.

“Owner” means the person(s) identified as the owner(s) of the Note from time to time, as indicated on the books of registry maintained by the Registrar.

“Plan Resolution” means, Resolution No. _____ of the City, together with any other resolution providing for an amendment to the Redevelopment Plan.

“Project Area” means the area identified and referred to as the Project Site in the Redevelopment Contract.

“Record Date” means, for each Payment Date, the 15th day immediately preceding such Payment Date.

“Redeveloper” means the Redeveloper as defined in the Redevelopment Contract responsible for constructing, reconstructing, acquiring, improving, extending, rehabilitating, installing, equipping, furnishing and completing the Project.

“Redeveloper Note” means any Note that is owned by the Redeveloper according to the records of the Registrar.

“Redevelopment Contract” means the Community Redevelopment Authority of the City of Grand Island Redevelopment Contract Urban Island, LLC, Redevelopment Project, dated the date of its execution, between the Authority, and Urban Island, LLC, a Nebraska limited liability company, relating to the Project.

“Redevelopment Area” means the community redevelopment area described, defined or otherwise identified or referred to in the Redevelopment Plan.

“Redevelopment Law” means Article VIII, Section 12 of the Constitution of the State and Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended.

“Redevelopment Plan” means the “City of Grand Island Redevelopment Plan Amendment for Redevelopment Area #1 October 2017” passed, adopted and approved by the City pursuant to the Plan Resolution, and shall include any amendment of such Redevelopment Plan heretofore or hereafter made by the City pursuant to law.

“Refunding Notes” means the notes authorized to be issued pursuant to **Article V**.

“Registrar” means the Treasurer of the City of Grand Island, Nebraska, in its capacity as registrar and paying agent for the Note.

“Resolution” means this Resolution as from time to time amended or supplemented.

“Revenue” means the Tax Revenue.

“Special Fund” means the fund by that name created in **Section 7.1**.

“**State**” means the State of Nebraska.

“**Tax Revenue**” means, with respect to the Project Area, (a) those tax revenues referred to (1) in the last sentence of the first paragraph of Article VIII, Section 12 of the Constitution of the State and (2) in Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, and (b) all payments made in lieu thereof.

“**Treasurer**” means the Treasurer of Hall County, Nebraska.

Section 2.2. Definitions of General Terms. Unless the context clearly indicates otherwise or may otherwise require, in this Resolution words importing persons include firms, partnerships, associations, limited liability companies (public and private), public bodies and natural persons, and also include executors, administrators, trustees, receivers or other representatives.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution the terms “**herein**,” “**hereunder**,” “**hereby**,” “**hereto**,” “**hereof**” and any similar terms refer to this Resolution as a whole and not to any particular section or subdivision thereof.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution: (a) references to Articles, Sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding Articles, Sections or subdivisions of this Resolution as such Articles, Sections, or subdivisions may be amended or supplemented from time to time; and (b) the word “**heretofore**” means before the time of passage of this Resolution, and the word “**hereafter**” means after the time of passage of this Resolution.

Section 2.3. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Resolution shall be made on the assumption that the principal on the Note shall be paid as and when the same become due.

Section 2.4. Certificates, Opinions and Reports. Except as otherwise specifically provided in this Resolution, each certificate, opinion or report with respect to compliance with a condition or covenant provided for in this Resolution shall include: (a) a statement that the person making such certificate, opinion or report has read the pertinent provisions of this Resolution to which such covenant or condition relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate, opinion or report are based; (c) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with; and (e) an identification of any certificates, opinions or reports or other sources or assumptions relied on in such certificate, opinion or report.

Section 2.5. Evidence of Action by the Authority. Except as otherwise specifically provided in this Resolution, any request, direction, command, order, notice, certificate or other instrument of, by or from the City or the Authority shall be effective and binding upon the Authority, respectively, for the purposes of this Resolution if signed by the Chairman, the Vice Chairman, the Secretary, the Treasurer, the Finance Director, the Planning Director or by any other person or persons authorized to execute the same by statute, or by a resolution of the City or the Authority, respectively.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF THE NOTE; GENERAL TERMS AND PROVISIONS

Section 3.1. Authorization of Note. Pursuant to and in full compliance with the Redevelopment Law and this Resolution, and for the purpose of providing funds to pay (a) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing, and completing the Project, and (b) the costs of issuing the Note, the Authority shall issue the Note in a principal amount not to exceed \$164,181. The Note shall be designated as “Community Redevelopment Authority of the City of Grand Island, Nebraska, Urban Island, LLC, Redevelopment Project Tax Increment Development Revenue Note,” shall have an appropriate series designation as determined by the Finance Director, shall be dated the Date of Original Issue, shall mature, subject to right of prior redemption, not later than the December 31, 2034, and shall bear interest at an annual rate of 0.00%. The Note shall be issued as a single Note as further described in **Section 3.2**.

The Note is a special, limited obligation of the Authority payable solely from the Revenue and the amounts on deposit in the funds and accounts established by this Resolution. The Note shall not in any event be a debt of the Authority (except to the extent of the Revenue and other money pledged under this Resolution), the State, nor any of its political subdivisions, and neither the Authority (except to the extent of the Revenue and other money pledged under this Resolution), the City, the State nor any of its political subdivisions is liable in respect thereof, nor in any event shall the principal of or interest on the Note be payable from any source other than the Revenue and other money pledged under this Resolution. The Note does not constitute a debt within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority and does not impose any general liability upon the Authority. Neither any official of the Authority nor any person executing the Note shall be liable personally on the Note by reason of its issuance. The validity of the Note is not and shall not be dependent upon the completion of the Project or upon the performance of any obligation relative to the Project.

The Revenue and the amounts on deposit in the funds and accounts established by this Resolution are hereby pledged and assigned for the payment of the Note, and shall be used for no other purpose than to pay the principal of or interest on the Note, except as may be otherwise expressly authorized in this Resolution. The Note shall not constitute a debt of the Authority or the City within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority, and neither the Authority nor the City shall not be liable for the payment thereof out of any money of the Authority or the City other than the Tax Revenue and the other funds referred to herein.

Nothing in this Resolution shall preclude the payment of the Note from (a) the proceeds of future notes issued pursuant to law or (b) any other legally available funds. Nothing in this Resolution shall prevent the City or the Authority from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution.

Section 3.2. Details of Note; Authority of Finance Director.

(a) The Note shall be dated the Date of Original Issue and shall be issued to the purchaser thereof, as the Owner, in installments. The Note shall be delivered on the earlier of allocation of the maximum principal amount of the Note or upon the issuance of a certificate of occupancy of the building constituting the Project. The Note shall be issued as a single Note.

(b) Proceeds of the Note may be advanced and disbursed in the manner set forth below:

(1) There shall be submitted to the Finance Director a disbursement request in a form acceptable to the Finance Director (the “**Disbursement Request**”), executed by the City’s Planning Director and an authorized representative of the Redeveloper, (A) certifying that a portion of the Project has been substantially completed and (B) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(2) The Finance Director shall evidence such allocation in writing and inform the Owner of the Note of any amounts allocated to the Note.

(3) Such amounts shall be deemed proceeds of the Note and the Finance Director shall inform the Registrar in writing of the date and amount of such allocation. The Registrar shall keep and maintain a record of the amounts allocated to the note pursuant to the terms of this Resolution as “Principal Amount Advanced” and shall enter the aggregate principal amount then Outstanding as the “Cumulative Outstanding Principal Amount” on the Note and its records maintained for the Note. The aggregate amount endorsed as the Principal amount Advanced on the Note shall not exceed \$164,181.

The Authority shall have no obligation to pay any Disbursement Request unless such request has been properly approved as described above, and proceeds of the Note have been deposited by the Owner of the Note (if other than the Redeveloper) into the Project Fund.

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

(c) The Note shall be dated the Date of Original Issue, which shall be the initial date of a allocation of the Note.

(d) As of the Date of Original Issue of the Note, there shall be delivered to the Registrar the following:

(1) A signed investor’s letter in a form acceptable to the Finance Director and Note Counsel; and

(2) Such additional certificates and other documents as the special counsel for the Authority may require.

(e) The note shall bear zero percent interest on the Cumulative Outstanding Principal Amount of the Note from the Date of Original Issue.

(f) The principal of the Note shall be payable in any coin or currency of the United States of America from all funds held by the which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Payments on the Note due prior to maturity or earlier redemption and payment of any principal upon redemption price to maturity shall be made by check mailed by the Registrar on each Interest Payment Date to the Owners, at the Owners’ address as it appears on the books of registry maintained by the Registrar on the Record Date. The principal of the Note due at maturity or upon earlier redemption shall be payable upon presentation and surrender of the Note to the Registrar. When any portion of the Note shall have been duly called for redemption and payment thereof duly made or provided for,

interest thereon shall cease on the principal amount of such Note so redeemed from and after the date of redemption thereof.

(g) The Note shall be executed by the manual signatures of the Chairman and Secretary of the Authority. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if s/he had remained in office until such delivery, and the Note may be signed by such persons as at the actual time of the execution of such Note shall be the proper officers to sign such Note although at the date of such Note such persons may not have been such officers.

(h) The Finance Director is hereby authorized to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Resolution, (1) the Date of Original Issue, the principal amount of the Note in accordance with **Section 3.2(a)**, (2) the maturity date of the Note, which shall be not later than December 31, 2034, (3) the initial Payment Date and (4) any other term of the Note not otherwise specifically fixed by the provisions of this Resolution.

(i) Any Note issued upon transfer or exchange of any other Note shall be dated as of the Date of Original Issue.

(j) The Note shall be issued to such Owner as shall be mutually agreed between the Redeveloper and the Finance Director for a price equal to 100% of the principal amount thereof. No Note shall be delivered to any Owner unless the Authority shall have received from the Owner thereof such documents as may be required by the Finance Director to demonstrate compliance with all applicable laws, including without limitation compliance with **Section 3.6** hereof. The Authority may impose such restrictions on the transfer of any Note as may be required to ensure compliance with all requirements relating to any such transfer.

Section 3.3. Form of Note Generally. The Note shall be in a form to be registered with the registrar. The Note shall be in substantially the form set forth in **Article IX**, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and with such additional changes as the Finance Director may deem necessary or appropriate. The Note may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 3.4. Appointment of Registrar. The Finance Director is hereby appointed the registrar and paying agent for the Note. The Registrar shall specify its acceptance of the duties, obligations and trusts imposed upon it by the provisions of this Resolution by a written instrument deposited with the Authority prior to the Date of Original Issue of the initial Note. The Authority reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and the Note in its possession to the successor Registrar and shall deliver the note register to the successor Registrar. The Registrar shall have only such duties and obligations as are expressly stated in this Resolution and no other duties or obligations shall be required of the Registrar.

Section 3.5. Exchange of Note. Any Note, upon surrender thereof at the principal office of the Registrar, together with an assignment duly executed by the Owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar, may, at the option of the Owner thereof, be exchanged for another Note in a principal amount equal to the principal amount of the Note surrendered or exchanged, of

the same series and maturity and bearing interest at the same rate. The Authority shall make provision for the exchange of the Note at the principal office of the Registrar.

Section 3.6. Negotiability, Registration and Transfer of Note. The Registrar shall keep books for the registration and registration of transfer of the Note as provided in this Resolution. The transfer of the Note may be registered only upon the books kept for the registration and registration of transfer of the Note upon (a) surrender thereof to the Registrar, together with an assignment duly executed by the Owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar and (b) evidence acceptable to the Authority that the assignee is a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission. Prior to any transfer and assignment, the Owner will obtain and provide to the Authority, an investor's letter in form and substance satisfactory to the Authority evidencing compliance with the provisions of all federal and state securities laws, and will deposit with the Authority an amount to cover all reasonable costs incurred by the Authority, including legal fees, of accomplishing such transfer. A transfer of any Note may be prohibited by the Authority if (1) a default then exists under the Redevelopment Contract, (2) the assessed valuation of the Redeveloper Property (as defined in the Redevelopment Contract) is less than \$600,000, or (3) a protest of the valuation of the Redeveloper Property is ongoing. Upon any such registration of transfer the Authority shall execute and deliver in exchange for such Note a new Note, registered in the name of the transferee, in a principal amount equal to the principal amount of the Note surrendered or exchanged, of the same series and maturity and bearing interest at the same rate.

In all cases in which any Note shall be exchanged or a transfer of a Note shall be registered hereunder, the Authority shall execute at the earliest practicable time execute and deliver a Note in accordance with the provisions of this Resolution. The Note surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Registrar. Neither the Authority nor the Registrar shall make a charge for the first such exchange or registration of transfer of any Note by any Owner. The Authority or the Registrar, or both, may make a charge for shipping, printing and out-of-pocket costs for every subsequent exchange or registration of transfer of such Note sufficient to reimburse it or them for any and all costs required to be paid with respect to such exchange or registration of transfer. Neither the Authority nor the Registrar shall be required to make any such exchange or registration of transfer of any Note during the period between a Record Date and the corresponding Interest Payment Date.

Section 3.7. Ownership of Note. As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on such Note shall be made only to or upon the order of the Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

Section 3.8. Disposition and Destruction of Note. The Note, upon surrender to the Registrar for final payment, whether at maturity or upon earlier redemption, shall be canceled upon such payment by the Registrar and, upon written request of the Finance Director, be destroyed.

Section 3.9. Mutilated, Lost, Stolen or Destroyed Note. If any Note becomes mutilated or is lost, stolen or destroyed, the Authority shall execute and deliver a new Note of like date and tenor as the Note mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the Authority. In the case of any lost, stolen or destroyed Note, there first shall be furnished to the Authority evidence of such loss, theft or destruction satisfactory to the Authority, together with indemnity to the Authority satisfactory to the Authority. If any such Note has matured, is about to mature or has been called for redemption, instead of delivering a substitute Note, the Authority may pay the same without surrender thereof. Upon the issuance of any substitute Note, the Authority may require the payment of an amount by the Owner sufficient to reimburse the Authority for

any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 3.10. Non-presentment of Note. If any Note is not presented for payment when the principal thereof becomes due and payable as therein and herein provided, whether at the stated maturity thereof or call for optional or mandatory redemption or otherwise, if funds sufficient to pay such Note have been made available to the Registrar all liability of the Authority to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Registrar to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on their part under this Resolution or on, or with respect to, said Note. If any Note is not presented for payment within five years following the date when such Note becomes due, the Registrar shall repay to the Authority the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Authority, and the Registered Owner thereof shall be entitled to look only to the Authority for payment, and then only to the extent of the amount so repaid to it by the Registrar, and the Authority shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE IV

REDEMPTION OF NOTE

Section 4.1. Redemption of Note. The Note is subject to redemption at the option of the Authority prior to the maturity thereof at any time as a whole or in part from time to time in such principal amount as the Authority shall determine, at a redemption price equal to 100% of the principal amount then being redeemed plus accrued interest thereon to the date fixed for redemption.

Section 4.2. Redemption Procedures. The Finance Director is hereby authorized, without further action of the Council, to call all or any portion of the principal of the Note for payment and redemption prior to maturity on such date as the Finance Director shall determine, and shall deposit sufficient funds in the Debt Service Account from the Surplus Account to pay the principal being redeemed plus the accrued interest thereon to the date fixed for redemption. The Finance Director may effect partial redemptions of any Note without notice to the Owner and without presentation and surrender of such Note, but total redemption of any Note may only be effected with notice to the Owner and upon presentation and surrender of such Note to the Registrar. Notice of a total redemption of any Note shall be sent by the Registrar by first-class mail not less than five days prior to the date fixed for redemption to the Owner's address appearing on the books of registry maintained by the Registrar and indicate (a) the title and designation of the Note, (b) the redemption date, and (c) a recitation that the entire principal balance of such Note plus all accrued interest thereon is being called for redemption on the applicable redemption date.

Section 4.3. Determination of Outstanding Principal Amount of Note. Notwithstanding the amount indicated on the face of any Note, the principal amount of such Note actually Outstanding from time to time shall be determined and maintained by the Registrar. The Registrar shall make a notation in the books of registry maintained for each Note indicating the original principal advance of such Note as determined in accordance with **Section 3.2** and make such additional notations as are required to reflect any additional principal advances or redemptions of such Note from time to time, including on the Table of Cumulative Outstanding Principal Amount attached to each Note if it is presented to the Registrar for that purpose. Any Owner may examine the books of registry maintained by the Registrar upon request, and the Registrar shall grant such request as soon as reasonably practicable. Any failure of the Registrar to record a

principal advance or a redemption on the Table of Cumulative Outstanding Principal Amount shall not affect the Cumulative Outstanding Principal Amount shown on the records of the Registrar.

ARTICLE V

REFUNDING NOTES

Section 5.1. Refunding Notes. Refunding Notes may be issued at any time at the direction of the Finance Director for the purpose of refunding (including by purchase) any Note or any portion thereof, including amounts to pay principal to the date of maturity or redemption (or purchase) and the expenses of issuing the Refunding Notes and of effecting such refunding; provided that the Debt Service on all notes to be outstanding after the issuance of the Refunding Notes shall not be greater in any Fiscal Year than would have been the Debt Service in such Fiscal Year were such refunding not to occur.

ARTICLE VI

EFFECTIVE DATE OF PROJECT; PLEDGE OF REVENUE

Section 6.1. Effective Date of Project. For purposes of Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, the effective date of the Project shall be determined as set forth in the Redevelopment Contract. The Planning Director is hereby directed to notify the Assessor of the effective date of the Project on the form prescribed by the Property Tax Administrator.

Section 6.2. Collection of Revenue; Pledge of Revenue. As provided for in the Redevelopment Plan, and pursuant to the provisions of the Redevelopment Law, for the period contemplated thereby, the Tax Revenue collected in the Project Area shall be allocated to and, when collected, paid into the Special Fund under the terms of this Resolution to pay the principal on the Note. When the Note has been paid in accordance with this Resolution, the Redevelopment Plan and the Redevelopment Contract, the Tax Revenue shall be applied as provided for in the Redevelopment Law.

The Revenue is hereby allocated and pledged in its entirety to the payment of the principal on the Note and to the payment of the Project Costs (including the Project), until the principal on the Note has been paid (or until money for that purpose has been irrevocably set aside), and the Revenue shall be applied solely to the payment of the principal on the Note. Such allocation and pledge is and shall be for the sole and exclusive benefit of the Owner and shall be irrevocable.

Section 6.3. Potential Insufficiency of Revenue. Neither the Authority nor the City makes any representations, covenants, or warranties to the Owner that the Revenue will be sufficient to pay the principal of or interest on the Note. Payment of the principal of and interest on the Note is limited solely and exclusively to the Revenue pledged under the terms of this Resolution, and is not payable from any other source whatsoever.

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS; PAYMENTS THEREFROM

Section 7.1. Creation of Funds and Account. There is hereby created and established by the Authority the following funds and accounts which funds shall be held by the Finance Director of the City separate and apart from all other funds and moneys of the Authority and the City under her control a special trust fund called the “Urban Island, LLC, Redevelopment Project Tax Increment Special Fund” (the “**Special Fund**”).

So long as the Note remains unpaid, the money in the foregoing fund and accounts shall be used for no purpose other than those required or permitted by this Resolution, any Resolution supplemental to or amendatory of this Resolution and the Redevelopment Law.

Section 7.2. Special Fund. All of the Revenue shall be deposited into the Special Fund. The Revenue accumulated in the Special Fund shall be used and applied on the Business Day prior to each Payment Date (a) to make any payments to the Authority as may be required under the Redevelopment Contract and (b) to pay principal on the Note to the extent of any money then remaining the Special Fund on such Payment Date. Money in the Special Fund shall be used solely for the purposes described in this **Section 7.2**. All Revenues received through and including December 31, 2034 shall be used solely for the payments required by this **Section 7.2**.

ARTICLE VIII

COVENANTS OF THE AUTHORITY

So long as the Note is outstanding and unpaid, the Authority will (through its proper officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Resolution or in the Note, including the following covenants and agreements for the benefit of the Owner which are necessary, convenient and desirable to secure the Note and will tend to make them more marketable; provided, however, that such covenants do not require either the City or the Authority to expend any money other than the Revenue nor violate the provisions of State law with respect to tax revenue allocation.

Section 8.1. No Priority. The Authority covenants and agrees that it will not issue any obligations the principal of or interest on which is payable from the Revenue which have, or purport to have, any lien upon the Revenue prior or superior to or in parity with the lien of the Note; provided, however, that nothing in this Resolution shall prevent the Authority from issuing and selling notes or other obligations which have, or purport to have, any lien upon the Revenue which is junior to the Note and the Debt Service thereon, or from issuing and selling notes or other obligations which are payable in whole or in part from sources other than the Revenue.

Section 8.2. To Pay Principal of the Note. The Authority will duly and punctually pay or cause to be paid solely from the Revenue the principal of the Note on the dates and at the places and in the manner provided in the Note according to the true intent and meaning thereof and hereof, and will faithfully do and perform and fully observe and keep any and all covenants, undertakings, stipulations and provisions contained in the Note and in this Resolution.

Section 8.4. Books of Account; Financial Statements. The Authority covenants and agrees that it will at all times keep, or cause to be kept, proper and current books of account (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Project, the Revenue and other funds relating to the Project.

Section 8.5. Eminent Domain Proceeds. The Authority covenants and agrees that should all or any part of the Project be taken by eminent domain or other proceedings authorized by law for any public or other use under which the property will be exempt from ad valorem taxation, the net proceeds realized by the Authority therefrom shall constitute Project Revenue and shall be deposited into the Special Fund and used for the purposes and in the manner described in **Section 7.2.**

Section 8.6. Protection of Security. The Authority is duly authorized under all applicable laws to create and issue the Note and to adopt this Resolution and to pledge the Revenue in the manner and to the extent provided in this Resolution. The Revenue so pledged is and will be free and clear of any pledge, lien, charge, security interest or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Resolution, except as otherwise expressly provided herein, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Note is and will be a valid obligation of the Authority in accordance with its terms and the terms of this Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and security interest granted with respect to the Revenue pledged under this Resolution and all the rights of the Owner under this Resolution against all claims and demands of all persons whomsoever.

ARTICLE IX

FORM OF NOTE

Section 9.1. Form of Note. The Note shall be in substantially the following form:

(FORM OF NOTE)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND THIS NOTE MAY NOT BE TRANSFERRED UNLESS THE PROPOSED ASSIGNEE IS A BANK OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION AND THE OWNER HAS OBTAINED AND PROVIDED TO THE AUTHORITY, PRIOR TO SUCH TRANSFER AND ASSIGNMENT, AN INVESTOR'S LETTER IN FORM AND SUBSTANCE SATISFACTORY TO THE AUTHORITY EVIDENCING THE COMPLIANCE WITH THE PROVISIONS OF ALL FEDERAL AND STATE SECURITIES LAWS AND CONTAINING SUCH OTHER REPRESENTATIONS AS THE AUTHORITY MAY REQUIRE.

THIS NOTE MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN SECTION 3.6 OF RESOLUTION NO. _____ OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA.

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

URBAN ISLAND, LLC, REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017

No. R-1

Up to \$164,181
(subject to reduction as described herein)

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2034	0.00%

REGISTERED OWNER: Urban Island, LLC

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

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

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA has caused this Note to be signed by the manual signature of the Chairman of the Authority, countersigned by the manual signature of the Secretary of the Authority.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

[S E A L]

By: _____ (manual signature)
Chairman

By: _____ (manual signature)
Secretary

The COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA (the "Authority") acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the "Registrar"), payable semiannually on June 30 and December 31 of each year until payment in full of

such Principal Amount, beginning June 30, 2020, by check or draft mailed to the Registered Owner hereof as shown on the note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable payment date occurs, at such Owner's address as it appears on such note registration books. The principal of this Note is payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____, 2017, as from time to time amended and supplemented (the "**Resolution**").

THE PRINCIPAL AMOUNT OF THIS NOTE IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS NOTE IS \$164,181.

This Note has been issued by the Authority for the purpose of financing the costs of constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing and completing certain improvements within the area identified and referred to as the City of Grand Island Redevelopment Plan Amendment for Redevelopment Area #1 June 2017, (Urban Island, LLC, Project) which is more specifically described in the Resolution, and to carry out the Authority's corporate purposes and powers in connection therewith.

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

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

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

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

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

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

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

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

This note shall be registered with the registrar and is being issued without coupons. This note is subject to exchange as provided in the Resolution.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note have happened,

do exist and have been performed in regular and due time, form and manner; that this Note does not exceed any constitutional, statutory or charter limitation on indebtedness; and that provision has been made for the payment of the principal of and interest on this Note as provided in this Resolution.

[The remainder of this page intentionally left blank]

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the note register kept by the Registrar for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within note in every particular.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

By: _____
Title: _____

[The remainder of this page intentionally left blank]

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
URBAN ISLAND, LLC, REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017**

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

ARTICLE X

**DEFEASANCE; MONEY HELD FOR PAYMENT OF
DEFEASED NOTE**

Section 10.1. Discharge of Liens and Pledges; Note No Longer Outstanding Hereunder. The obligations of the Authority under this Resolution, including any Resolutions, resolutions or other proceedings supplemental hereto, and the liens, pledges, charges, trusts, assignments, covenants and agreements of the Authority herein or therein made or provided for, shall be fully discharged and satisfied as to the Note or any portion thereof, and the Note or any portion thereof shall no longer be deemed to be outstanding hereunder and thereunder,

- (a) when the any Note or portion thereof shall have been canceled, or shall have been surrendered for cancellation or is subject to cancellation, or shall have been purchased from money in any of the funds held under this Resolution, or
- (b) if the Note or portion thereof is not canceled or surrendered for cancellation or subject to cancellation or so purchased, when payment of the principal of the Note or any portion

thereof, plus interest on such principal to the due date thereof, either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Registrar for the Note, in trust and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Escrow Obligations maturing as to principal in such amount and at such times as will insure the availability of sufficient money to make such payment.

Provided that, with respect to any total redemption of any Note, notice of redemption shall have been duly given or provision satisfactory to the Registrar shall have been made therefor, or waiver of such notice, satisfactory in form, shall have been filed with the Registrar.

At such time as any Note or portion thereof shall no longer be outstanding hereunder, and, except for the purposes of any such payment from such money or such Escrow Obligations, such Note or portion thereof shall no longer be secured by or entitled to the benefits of this Resolution.

Any such money so deposited with the Registrar for any Note or portion thereof as provided in this **Section 10.1** may at the direction of the Finance Director also be invested and reinvested in Escrow Obligations, maturing in the amounts and times as hereinbefore set forth. All income from all Escrow Obligations in the hands of the Registrar which is not required for the payment of such Note or portion thereof with respect to which such money shall have been so deposited, shall be paid to the Authority and deposited in the Special Fund as and when realized and collected for use and application as is other money deposited in that fund.

Anything in this Resolution to the contrary notwithstanding, if money or Escrow Obligations have been deposited or set aside with the Registrar pursuant to this **Section 10.1** for the payment of any Note and such Note shall not have in fact been actually paid in full, no amendment to the provisions of this **Section 10.1** shall be valid as to or binding upon the Owner thereof without the consent of such Owner.

Section 10.2. Certain Limitations After Due Date. If sufficient money or Escrow Obligations shall have been deposited in accordance with the terms hereof with the Registrar in trust for the purpose of paying the Notes or any portion thereof when the same becomes due, whether at maturity or upon earlier redemption, all liability of the Authority for such payment shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Registrar to hold such money or Escrow Obligations, without liability to the Owners, in trust for the benefit of the Owners, who thereafter shall be restricted exclusively to such money or Escrow Obligations for any claim for such payment of whatsoever nature on his part.

Notwithstanding the provisions of the preceding paragraph of this **Section 10.2**, money or Escrow Obligations held by the Registrar in trust for the payment and discharge of the principal of on any Note which remain unclaimed for five years after the date on which such payment shall have become due and payable, either because the Notes shall have reached their maturity date or because the entire principal balance of the Notes shall have been called for redemption, if such money was held by the Registrar or such paying agent at such date, or for five years after the date of deposit of such money, if deposited with the Registrar after the date when such Note became due and payable, shall, at the written request of the Authority be repaid by the Registrar to the Authority as the Authority's property and free from the trust created by this Resolution, and the Registrar shall thereupon be released and discharged with respect thereto, and the Owner thereof shall look only to the Authority for the payment thereof.

ARTICLE XI

AMENDING AND SUPPLEMENTING OF RESOLUTION

Section 11.1. Amending and Supplementing of Resolution Without Consent of Owner. The Authority may at any time without the consent or concurrence of the Owner of the Note adopt a resolution amendatory hereof or supplemental hereto if the provisions of such supplemental Resolution do not materially adversely affect the rights of the Owner of the Note, for any one or more of the following purposes:

(a) To make any changes or corrections in this Resolution as to which the Authority shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Resolution, or to insert in this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing payment of the Note;

(c) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Resolution;

(d) To confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution; and

(e) To grant to or confer upon the Owner of the Note any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them.

The Authority shall not adopt any supplemental Resolution authorized by the foregoing provisions of this **Section 11.1** unless in the opinion of counsel the adoption of such supplemental Resolution is permitted by the foregoing provisions of this **Section 11.1** and the provisions of such supplemental Resolution do not materially and adversely affect the rights of the Owner of the Note.

Section 11.2. Amending and Supplementing of Resolution with Consent of Owner. With the consent of the Owners of the Note, the Authority from time to time and at any time may adopt a resolution amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Resolution, or modifying or amending the rights and obligations of the Authority under this Resolution, or modifying or amending in any manner the rights of the Owner of the Note; provided, however, that, without the specific consent of the Owner of the Note, no supplemental Resolution amending or supplementing the provisions hereof shall: (a) change the fixed maturity date for the payment or the terms of the redemption thereof, or reduce the principal amount of the Note or the rate of interest thereon or the Redemption Price payable upon the redemption or prepayment thereof; (b) authorize the creation of any pledge of the Tax Revenues and other money and securities pledged hereunder, prior, superior or equal to the pledge of and lien and charge thereon created herein for the payment of the Note except to the extent provided in **Articles III and V**; or (c) deprive the Owner of the Note in any material respect of the security afforded by this Resolution. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the Owner of the Note of the adoption of any supplemental Resolution authorized by the provisions of **Section 11.1**.

It shall not be necessary that the consents of the Owner of the Note approve the particular form of wording of the proposed amendment or supplement or of the proposed supplemental Resolution effecting such amendment or supplement, but it shall be sufficient if such consents approve the substance of the proposed amendment or supplement. After the Owner of the Note shall have filed its consent to the amending or supplementing hereof pursuant to this Section, the Authority may adopt such supplemental Resolution.

Section 11.3. Effectiveness of Supplemental Resolution. Upon the adoption (pursuant to this Article XI and applicable law) by the Authority of any supplemental Resolution amending or supplementing the provisions of this Resolution or upon such later date as may be specified in such supplemental Resolution, (a) this Resolution and the Note shall be modified and amended in accordance with such supplemental Resolution, (b) the respective rights, limitations of rights, obligations, duties and immunities under this Resolution and the Owner of the Note shall thereafter be determined, exercised and enforced under this Resolution subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental Resolution shall be a part of the terms and conditions of the Note and of this Resolution for any and all purposes.

ARTICLE XII

MISCELLANEOUS

Section 12.1. General and Specific Authorizations; Ratification of Prior Actions. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby (a) authorizes and directs the Chairman, Finance Director, Secretary, Planning Director and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the Authority and such other actions as they, or any of them, in consultation with Special Counsel, the Owner and its counsel shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, including without limitation the execution and delivery of all related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Finance Director the right, power and authority to exercise his independent judgment and absolute discretion in (1) determining and finalizing all terms and provisions to be carried by the Note not specifically set forth in this Resolution and (2) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Note. The execution and delivery by the Finance Director or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Authority's and their approval of the terms, provisions and contents thereof and of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Authority and the authorization, approval and ratification by the Authority of the documents, instruments, certifications and opinions so executed and the actions so taken.

All actions heretofore taken by the Finance Director and all other officers, officials, employees and agents of the Authority, including without limitation the expenditure of funds and the selection, appointment and employment of Special Counsel and financial advisors and agents, in connection with issuance and sale of the Note, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 12.2. Proceedings Constitute Contract; Enforcement Thereof. The provisions of this Resolution shall constitute a contract between the Authority and the Owner and the provisions thereof shall be enforceable by the Owner by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is presently or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. Such contract is made under and is to be construed in accordance with the laws of the State.

After the issuance and delivery of any Note, this Resolution and any supplemental Resolution shall not be repealable, but shall be subject to modification or amendment to the extent and in the manner provided in this Resolution, but to no greater extent and in no other manner.

Section 12.3. Benefits of Resolution Limited to the Authority and the Owner. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or should be construed to confer upon or give to any person other than the Authority and the Owner of the Note any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Authority and the Owner from time to time of the Note as herein and therein provided.

Section 12.4. No Personal Liability. No officer or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest on the Note. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 12.5. Effect of Saturdays, Sundays and Legal Holidays. Whenever this Resolution requires any action to be taken on a Saturday, Sunday or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Resolution the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 12.6. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Resolution on the part of the City, the Authority or the Registrar to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Resolution and the invalidity thereof shall in no way affect the validity of the other provisions of this Resolution or of the Note, but the Owner of the Note shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 12.7. Law and Place of Enforcement of this Resolution. The Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State except to the extent necessary

for enforcement, by any trustee or receiver appointed by or pursuant to the provisions of this Resolution, or remedies under this Resolution.

Section 12.8. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 12.9. Repeal of Inconsistent Resolution. Any Resolution of the City, or the Authority and any part of any resolution, inconsistent with this Resolution is hereby repealed to the extent of such inconsistency.

Section 12.10. Publication and Effectiveness of this Resolution. This Resolution shall take effect and be in full force from and after its passage by the Community Redevelopment Authority of the City.

Section 12.11 Authority to Execute Redevelopment Contract and Approve Plan. The Chairman and Secretary are authorized and directed to execute the Redevelopment Contract, in the form presented with such changes as the Chairman, in his discretion deems proper. The Plan is approved and adopted.

PASSED AND ADOPTED: _____, 2017.

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA**

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Secretary



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item I3

Redevelopment Contract - Mendez

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

August 17, 2017

Business Name: Mendez Enterprises
Address: 2404 West Lincoln Hwy
Telephone No.: 308-398-0580
Contact: Vince Mendez

Brief Description of Applicant's Business:

Mendez Enterprises is a limited liability company

Present Ownership of Proposed Development Site:

Personal Automotive & Mendez Enterprises plus various Owners of select properties of the three city block redevelopment area.

Proposed Project:

The redevelopment areas of the three city block area is proposed to be transformed from a dilapidated residential and industrial area into a vibrant mixed use campus with offices, diner, automotive repair, ATV repair, computer center, Trampoline Park, educational center, and residential uses. The existing buildings will all receive exterior improvements plus updated to meet code requirements. Mendez Enterprises will execute a two phase plan for the renovation and additions of existing buildings plus development of a new Sky Zone Trampoline Park.

Community outreach and education is the heart and soul that drives our vision for this project. We are extremely passionate about reaching out to children and families in our community and we believe that with our hard work and dedication, this venture can be one of great success. Essentially, this will be a "two-part process," in which we will be continuing to clean up a blighted, low income, underdeveloped area; redeveloping portions of our three city block "campus" by removing any hazards, contaminates, and undesirable/unattractive conditions; and remodeling the existing structures - with our ultimate goal of producing a thriving campus, full of exciting amenities and accommodations and a high end, professional education center.

This finished project will be a campus-like atmosphere, complete with a Sky Zone Trampoline Park right next door (as a place to enjoy extracurricular activities), a fully modernized education center (Grand Island Technical Institute) complete with hands-on

learning opportunities, an already developed automotive/powersports/diesel shop (current business) where kids can utilize their training and apply it to “real life on the job” experiences, and a diner across the street to grab a bite to eat. This layout encompasses our ultimate goal of providing a clean, unified look within the 3 block area.

PHASE I

Mendez Enterprises proposes to continue what was started in 2012 with the development of Personal Auto, Diesel, Power Sports & Computers with a complete renovation of three existing buildings:

- Auto parts storage to Diner – 990 sq ft.
- Dilapidated Residential to Office Space – 1000 sq ft, &
- Vacant Building (previously Midwest Heating & Air) to Educational Occupancy (Grand Island Technical Institute) – 9120 sq ft.

The projects all include new exterior windows, canopies, signage, exterior doors, new façade treatments, HVAC, plumbing, electrical, interior finish improvements throughout, sidewalks, parking lots, and site beautification construction to convert the structures to a revitalized and modern campus environment. Phase I is also proposed to be completed by the development of a 15,000 sq ft Sky Zone Trampoline Park with off street parking which will be built on an acquired surface storage vacant lot and an adjacent rental house property. Site beautification improvements will also be part of the new Sky Zone Trampoline Park project.

PHASE II

Mendez Enterprises proposes to acquire and improve a Body Shop, Welding Shop, & a Detailing Shop. The properties will all receive exterior and interior improvements.

Estimated Project Costs: Phase I

Acquisition Costs:

A. Land:	\$ 285,000
B. Buildings:	\$1,000,000

Construction Costs:

A. Renovation or Building Costs:	\$ 993,100
B. On Site Improvements:	\$ 742,940

Soft Costs:

A. Architectural & Engineering Costs:	\$ 45,000
B. Financing Fees:	\$ 8,000
C. Legal/Audit Fees:	\$ 94,300
D. Contingency Reserves:	\$ 479,044
E. Personal Property:	<u>\$ 892,347</u>

TOTAL \$5,277,479

Estimated Market Value at Completion of Phase I: \$3,237,168

Estimated Project Costs: Phase II

Acquisition Costs:

A. Land:	\$ 187,429
B. Buildings:	\$ 475,000

Construction Costs:

A. Renovation or Building Costs:	\$ 474,000
B. On Site Improvements:	\$ 239,400

Soft Costs:

A. Architectural & Engineering Costs:	\$ 5,000
B. Financing Fees:	\$ 6,000
C. Legal/Audit Fees:	\$ 4,300
D. Contingency Reserves:	\$ 245,157
E. Personal Property:	<u>\$1,060,443</u>

TOTAL \$2,696,729

Estimated Market Value at Completion of Phase II: \$1,123,361

Estimated Project Costs for Phases I & II: \$7,974,208

Total Estimated Market Value at Project Completion: \$4,396,529

Source of Financing:

A. Developer Equity:	\$1,594,842
B. Commercial Bank Loan:	\$5,192,401
C. Historic Tax Credits:	\$ 0
D. Tax Increment Assistance:	\$ 886,965
E. Other (CRA Façade Grant)	<u>\$ 300,000</u>
Total:	\$7,974,208

IX. Name & Address of Architect, Engineer and General Contractor:

Master Builder Associates
Kenn Frederick AIA
602 W 6th Street PO Box 433
Doniphan, NE 68832

Estimated Real Estate Taxes on Project Site Upon Completion of Project:
(See Tax Valuation Spreadsheet)

Phase I

Base:	\$1,057,768	
Expected Value:	\$3,237,168	
Annual Tax Increment:		\$ 46,301
15 Years Taxes:		\$ 694,515

Phase II

Base:	\$ 507,936	
Expected Value:	\$1,123,361	
Annual Tax Increment:		\$ 12,830
15 Years Taxes:		\$ 192,450

Project Construction Schedule:

Construction Start Date:	<u>Phase I - November 2017</u>
	<u>Phase II - 2018</u>
Construction Completion Date:	<u>Phase I - 2018</u>
	<u>Phase II - 2019</u>

Tax Increment Financing Request Information

Describe Amount and Purpose for Which Tax Improvement Financing is Requested:

Mendez Enterprises is requesting tax increment financing in the amount of \$886,965 over 15 years. The purpose is to purchase, renovate and develop selected properties in a three block area as described.

Statement Identifying Financial Gap and Necessity for use of TIF for proposed project:

Due to the underutilization and poor condition of the existing buildings and properties, financial analysis has determined without TIF, the property acquisition costs, demolition, renovation, and new construction costs would be too high to support a reasonable Return on Investment on the project.

Municipal and Corporate References (if applicable):

Please attached Applicants Corporate/Business Annual Financial Statements for the Last Three Years:

Since Mendez Enterprises is a new LLC set up on April 21, 2017 for the purposes of buying and developing property there are no financial statements available for the last 3 years.

Attachments

- Site Development Plan (Existing and Proposed)
- Mendez Enterprises LLC – Current and Proposed Property Values with Estimated Taxes
- Phase I & II Projects

MELENZ ENTERPRISES PHASE I PROJECTS

	MWHA - Machine Shop Tech Center	Diner/Café	Existing Body Shop	House/Office	PHASE I TOTALS
Façade Improvements					
Siding/Masonry/Windows/Ext.Paint	\$41,789	\$13,000	\$15,000	\$5,000	\$74,789
Other/Signage	\$55,000	\$10,000	\$10,000	\$2,500	\$77,500
Doors/Awnings	\$112,500	\$10,211	\$20,000	\$5,000	\$147,711
TOTAL Façade	\$209,289	\$33,211	\$45,000	\$12,500	\$300,000
TIF Improvements					
Interior (Remodel/Structures)	\$98,350	\$46,139	\$20,000	\$3,400	\$167,889
Plumbing/Electrical	\$89,000	\$78,000	\$20,000	\$5,000	\$192,000
Concrete Paving	\$45,200	\$0	\$9,450	\$39,093	\$93,743
Other Building Improvements	\$9,000	\$5,000	\$7,000	\$2,000	\$23,000
Shingles/Roofing	\$8,400	\$3,500	\$5,200	\$5,000	\$22,100
Landscaping	\$10,000	\$2,000	\$5,000	\$20,000	\$37,000
Architectural Fees	\$5,500	\$1,500	\$500	\$1,500	\$9,000
Acquisition	\$300,000	\$51,120	\$250,000	\$37,000	\$638,120
TOTAL TIF	\$565,450	\$187,259	\$317,150	\$112,993	\$1,182,852
TOTAL Phase I Estimated Costs	\$774,739	\$220,470	\$362,150	\$125,493	\$1,482,852

MELENZ ENTERPRISES PHASE II PROJECTS

	Current ATV/Computers	Woody's Welding Shop	Dan's Machine Shop	Sky Zone	Current Diesel	Current Automotive	Current Tire & Alignment	PHASE II TOTALS
Façade Improvements								
Siding/Masonry/Windows/Ext.Paint	\$25,000	\$22,000	\$12,000		\$30,000	\$35,000	\$30,000	\$154,000
Other/Signage	\$10,000	\$10,000	\$10,000		\$5,000	\$0	\$5,000	\$40,000
Doors/Awnings	\$10,474	\$30,000	\$8,500		\$19,769	\$10,442	\$16,474	\$95,659
TOTAL Façade	\$45,474	\$62,000	\$30,500	\$0	\$54,769	\$45,442	\$51,474	\$289,659
TIF Improvements								
Interior (Remodel/Structures)	\$5,000	\$100,000	\$10,000	\$114,000	\$9,000	\$0	\$9,000	\$247,000
Plumbing/Electrical	\$30,000	\$70,000	\$34,000	\$155,000	\$15,000	\$0	\$15,000	\$319,000
Concrete Paving	\$13,050	\$20,000	\$13,000	\$79,000	\$48,000	\$21,440	\$17,900	\$212,390
Other Building Improvements	\$5,000	\$20,000	\$5,000	\$856,000	\$22,000	\$0	\$5,000	\$913,000
Shingles/Roofing	\$7,000	\$6,500	\$4,300	\$0	\$6,500	\$0	\$6,500	\$30,800
Landscaping	\$7,000	\$10,000	\$5,000	\$8,000	\$7,000	\$3,000	\$7,000	\$47,000
Architectural Fees	\$500	\$500	\$500	\$120,000	\$500	\$0	\$500	\$122,500
Acquisition	\$182,000	\$550,000	\$160,000	\$215,000	\$220,000	\$303,880	\$339,000	\$1,969,880
TOTAL TIF	\$249,550	\$777,000	\$231,800	\$1,547,000	\$328,000	\$328,320	\$399,900	\$3,861,570
TOTAL Phase II Estimated Costs	\$295,024	\$839,000	\$262,300	\$1,547,000	\$382,769	\$373,762	\$451,374	\$4,151,229

TOTAL Estimated Costs \$5,634,081

**Redevelopment Plan Amendment
Grand Island CRA Area 6
September 2017**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 6 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 6.

**Executive Summary:
Project Description**

THE REDEVELOPMENT OF PROPERTY LOCATED ALONG OLD LINCOLN HIGHWAY BETWEEN WALDO AVENUE AND CAREY AVENUE INCLUDING ACQUISITION OF PROPERTY, RENOVATION OF EXISTING BUILDINGS FOR COMMERCIAL AND EDUCATIONAL USES ALLOWED IN THE DISTRICT AND CONSTRUCTION OF NEW BUILDINGS ON VACANT PROPERTY WITHIN THE AREA BY THE DEVELOPER. ELIGIBLE REDEVELOPMENT COSTS ARE ANTICIPATED TO INCLUDE: ACQUISITION OF PROPERTY, RENOVATION OF EXISTING BUILDINGS, SITE PREPARATION, DEMOLITION, UTILITY IMPROVEMENTS, AND PARKING IMPROVEMENTS.

The use of Tax Increment Financing (“TIF”) for this project is to aid in the acquisition of property, demolition and renovation of existing structures, necessary site work and installation of public utilities and street improvements necessary to redevelop this site. The use of TIF makes it feasible to complete all of the phases of the proposed project within the timeline presented. This project could not be completed without the use of TIF.

The acquisition of property, renovation, demolition, site work and construction of all improvements will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2019 towards the allowable costs and associated financing for the acquisition, demolition, renovation and site work as outlined.

TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

This property is located at the north of the Union Pacific Railroad and south of George Street between Waldo Avenue and Carey Avenue (Not all properties in this area are included in the plan) in central Grand Island including the attached map identifies the subject properties and the surrounding land uses:

Legal Descriptions

PACKER & BARR'S SECOND ADDITION LOTS 4,5, 6 & 7 BLOCK 44, LOTS 8, 9, &10 BLOCK 39, LOTS 5, 9 & 10 BLOCK 38, LOTS 4,5, 6 & 7 BLOCK 45, WEST'S SECOND SUBDIVISION LOTS 1 & 2, WEST'S SUBDIVISION FRACTIONAL LOT 8, BLOCK 1, LOTS 1,2, FRACTIONAL LOTS 3 & 8 BLOCK 2, VACATED CLARENCE STREET ADJACENT TO LOTS ABOVE AND STREET RIGHT OF WAY FOR OLD LINCOLN HIGHWAY, WALDO AVENUE, GRACE AVENUE, CAREY AVENUE AND GEORGE STREET WHERE THEY ABUT THE PROPERTIES ABOVE.

- **It is anticipated that the tax increment will be captured for the tax years the payments for which become delinquent in years 2020 through 2034 inclusive. Changes to these years may be approved within the TIF agreement.**

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from the construction of new commercial space on this property.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2019 or such date as stated in an approved TIF agreement.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

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

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

Redevelopment Plan Amendment Complies with the Act:

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

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on October 9, 2007.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to acquire property, rehabilitate existing structures and provide for the necessary site work and utilities for the construction of a permitted use on this property. The Hall County Regional Planning Commission held a public hearing at their meeting on October 11, 2017 and passed resolution 2018-03 confirming that this project is consistent with the Comprehensive Plan for Grand Island.

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

a. Land Acquisition:

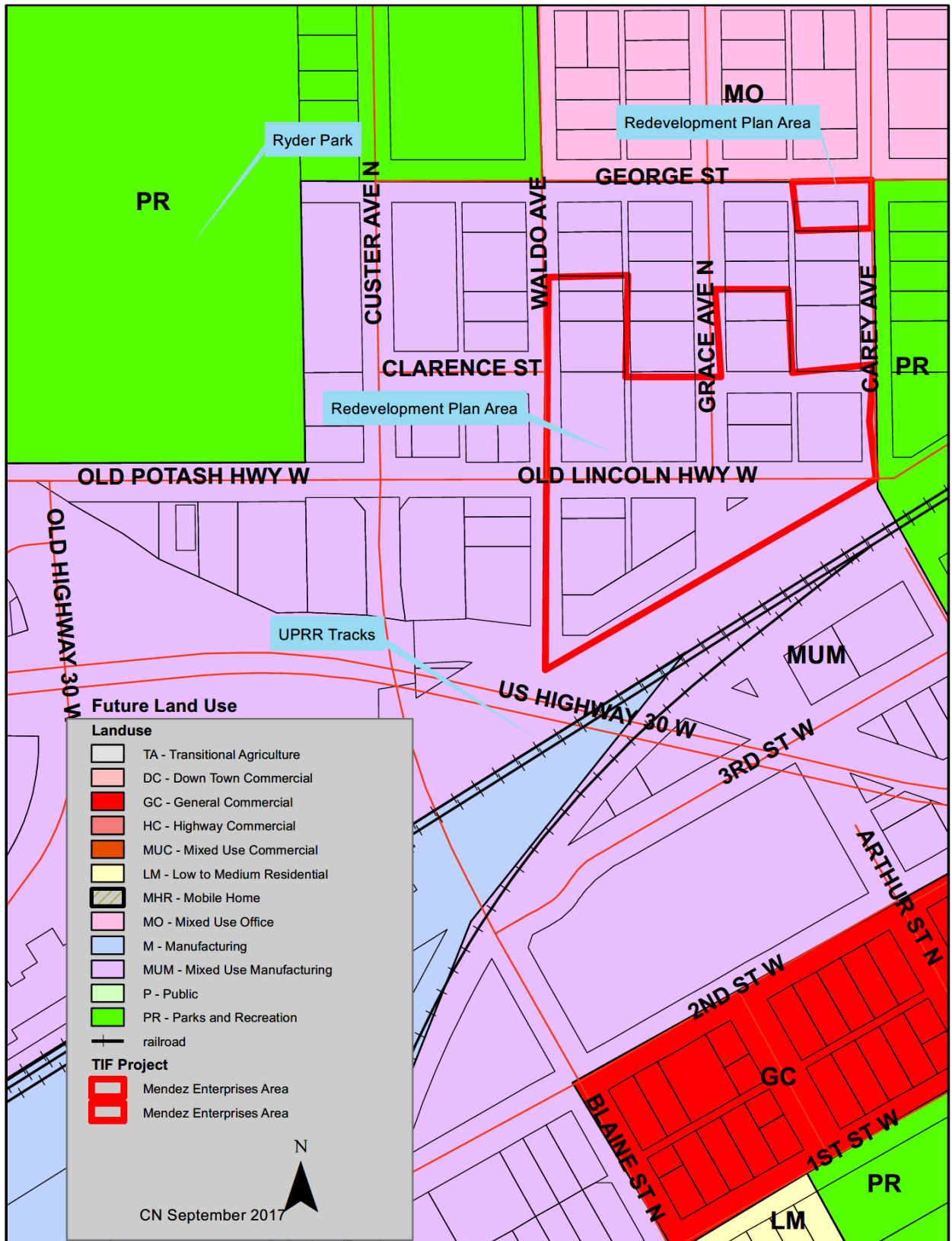
The Redevelopment Plan for Area 6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. The applicant will be acquiring the property from the current owner.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does allow for the demolition of structures within the area to provide for new construction.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned M3- Mixed Use Manufacturing zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing renovate several structures on the site, move utilities and construct the Sky Zone trampoline center on the subject property in two phases. The property is zoned M3 and could accommodate buildings covering of up to 65% of each property [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. New water and sewer services may be required for this building.

Electric lines will need to be relocated to facilitate this development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This amendment does not provide for acquisition of any residences and therefore, no relocation is contemplated. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer owns some of this property and is proposing to other portions (specifically those owned by Woody's Welding) for redevelopment for \$662,479 in the next year provided that TIF is available for the project as defined. The cost of property acquisition is being included as a TIF eligible expense. Costs for site preparation, rehabilitation, demolition, utility improvements and parking improvements are included as a TIF eligible expenses. It is estimated based on the proposed increased valuation of \$2,830,825 will result in \$886,965 of increment generated over a 15 year period, substantially less than the TIF allowable expenses.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$886,965 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2022 through December 2034 or as agreed to in the TIF agreement.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs,

promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of and redevelopment of commercial lots. This will not significantly impact at this location. New and renovated commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. The proposed private education facility will provide opportunities for local youth to enhance their career choices within the community. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

Development of phase one of this project (including construction of the Sky Zone and educational facility) is anticipated to be completed between November of 2017 and December of 2018. Phase two of the project will begin in 2018 and be completed by the end of 2019. Excess valuation should be available for this project for 15 years beginning with the 2019 and 2020 tax years.

9. Justification of Project

This location along Old Lincoln Highway has been a manufacturing and mixed use commercial center since the earliest days of the City of Grand Island. Several transportation projects including closing the railroad crossing at the east edge of this property and the construction of the Highway 30 overpass have impacted the property in a negative manner cutting it off and blanketing it in shadow. The proposed changes will bring more people into the area and highlight properties that are visible from above while traveling on Highway 30. The cleanup, repairs and new investment in the area will enhance and protect the property values and tax base in this central area of the community.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Mendez Enterprises LLC Redevelopment Project, including:

Project Sources and Uses. Approximately \$1,887,000 in public funds from tax increment financing and grant funds provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$6,049,495 in private sector financing; a private investment of \$3.20 for every TIF and grant dollar investment by the CRA.

Use of Funds Phase 1.			
Description	TIF Funds	Private Funds	Total
Site Acquisition		\$1,285,000	\$1,285,000
Site preparation	\$155,236	\$587,704	\$742,940
Legal and Plan	\$60,000	\$79,300	\$139,300
Building Costs		\$993,100	\$993,100
Personal Property		\$892,347	\$892,347
Soft Costs		\$487,044	\$487,044
TOTALS	\$215,236	\$4,324,495	\$4,539,731

Use of Funds Phase 2			
Description	TIF Funds	Private Funds	Total
Site Acquisition	\$662,429		\$662,429
Site preparation		\$239,400	\$239,400
Legal and Plan	\$9,300		\$9,300
Building Costs		\$474,000	\$474,000
Personal Property		\$1,060,443	\$1,060,443
Soft Costs		\$251,157	\$251,157
TOTALS	\$671,729	\$2,025,000	\$2,696,729

Use of Funds Total			
Description	TIF Funds	Private Funds	Total
Phase 1	\$215,236	\$4,324,495	\$4,539,731
Phase 2	\$671,729	\$2,025,000	\$2,696,729
TOTALS	\$886,965	\$6,349,495	\$7,236,460

Tax Revenue. The property to be redeveloped in Phase 1 is anticipated to have a January 1, 2018, valuation of approximately \$1,057,768. Based on the 2017 levy this would result in a real property tax of approximately \$21,897. It is anticipated that the assessed value will increase by \$2,215,400, upon full completion, as a result of the site redevelopment. This development will

result in an estimated tax increase of over \$46,300 annually, resulting in \$694,514 of increment over the 15 year period.

The property to be redeveloped in Phase 2 is anticipated to have a January 1, 2019, valuation of approximately \$507,936. Based on the 2017 levy this would result in a real property tax of approximately \$10,575.58. It is anticipated that the assessed value will increase by \$615,425 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$12,830 annually, resulting in \$192,452 of increment over the 15 year period. The total increment expected across both phase 1 and 2 of the project is \$886,955.

The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2018 assessed value both phases	\$ 1,565,704
Estimated value after completion	\$ 4,396,629
Increment value	\$ 2,830,825
Annual TIF generated (estimated)	\$ 59,131
TIF bond issue	\$ 886,965

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$1,565,704. The proposed acquisition rehabilitation demolition, and site work at this location will result in an additional \$2,830,825 of taxable valuation based on an analysis by the Hall County Assessor's office. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

This project will protect and enhance the existing employment within the Project Area by maintaining and expanding business opportunities at this location. The proposed educational facility may result in additional skilled workers to fill positions within the community. Temporary construction employment will increase during the construction. The construction period is expected to exceed 12 months.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This facility could draw employees from other similar facilities within the City. The educational facilities if successful will provide additional skilled employees for the labor market, benefiting other employers with an increased employee base.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This will provide appropriate development at this location in Grand Island. This location has struggled since the change in traffic patterns that resulted from the closing of the at-grade crossing across the Union Pacific Railroad.

Personal property in the project is subject to current property tax rates. Personal property for the Project is estimated at \$1,900,000. Personal property tax is not subject to TIF and will be paid to the normal taxing entities. There will additionally be more city sales taxes paid to the city of Grand Island as a result of new taxable sales at the restaurant and Sky Zone.

Time Frame for Development

Development of phase 1 of this project is anticipated to be completed between November 2017 and December of 2018. The base tax year should be calculated on the value of the property as of January 1, 2018. Excess valuation should be available for this project for 15 years beginning with the 2019 tax year. Excess valuation will be used to pay the TIF indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$886,965 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the purchase price of the property and estimates of the expenses of renovation activities and associated engineering fees, the developer will spend more than \$1,500,000 on TIF eligible activities.

See Attached Site Plan and Interior Renovation Plan



REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2017, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and Mendez Enterprises, LLC, a Nebraska limited liability company ("Redeveloper").

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended (collectively the "Act"), has designated an area within the City as blighted and substandard;

WHEREAS, the Authority has adopted, after approval by the Mayor and Council of the City, that redevelopment plan amendment entitled " Redevelopment Plan Amendment Grand Island CRA Area #6 September 2017" (the "Redevelopment Plan");

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract in order to implement the Redevelopment Plan and provide for the redevelopment of lots and lands located in a blighted and substandard area;

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Contract, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

"Act" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2012, as amended, and acts amendatory thereof and supplemental thereto.

"Authority" means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

"City" means the City of Grand Island, Nebraska.

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

"Holder(s)" means the registered owner or owners of Indebtedness issued by the Authority from time to time outstanding.

"Indebtedness" means any notes, loans, and advances of money or other indebtedness, including interest and premium, if any, thereon, incurred by the Authority pursuant to the Resolution and Article III hereof to provide financing for a portion of the Project Costs and secured in whole or in part by TIF Revenues. The Indebtedness as initially issued by the Authority shall consist of the Authority's Tax Increment Development Revenue Note (Mendez Enterprises Development Project), Series 2017, to be issued in an amount not to exceed \$204,945 in substantially the form set forth on Exhibit C and purchased by the Redeveloper as set forth in Section 3.04 of this Redevelopment Contract.

"Liquidated Damages Amount" means the amounts to be repaid to Authority by Redeveloper pursuant to Section 6.02 of this Redevelopment Contract.

"Project" means the improvements to the Redevelopment Project Area, as further described in Exhibit B and includes the acquisition of a portion of the real estate described on Exhibit "A" attached hereto and incorporated herein by reference.

"Project Cost Certification" means a statement prepared and signed by the Redeveloper verifying the Redeveloper has paid the Project Costs identified on Exhibit D.

"Project Costs" means only costs or expenses incurred by Redeveloper for the purposes set forth in §18-2103(12)(a) through (f), inclusive, including the providing for such costs by the exercise of the powers set forth in §18-2107(4) of the Act, all as identified on Exhibit D. Project Costs shall include, acquisition of the Redevelopment Project Area and costs of the Authority for legal and plan preparation, all as described in Section 3.04 of this Redevelopment Contract.

"Redeveloper" means Mendez Enterprises, LLC, a Nebraska limited liability company.

"Redevelopment Project Area" means that certain real property situated in the City of Grand Island, Hall County, Nebraska which has been declared blighted and substandard by the City pursuant to the Act, and which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference. All such legal descriptions are subject to change based upon any re-platting requested by the Redeveloper and approved by the City.

"Redevelopment Project Property" means all of the Redevelopment Project Area which is the site for the improvements constituting the Project, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

"Redevelopment Contract" means this redevelopment contract between the Authority and Redeveloper with respect to the Project.

"Redevelopment Plan" means the Redevelopment Plan Amendment (also defined in the recitals hereto) for the Redevelopment Project Area related to the Project, as attached hereto as Exhibit B, prepared by the Authority, approved by the City and adopted by the Authority pursuant to the Act.

"Resolution" means the Resolution of the Authority authorizing the issuance of the Indebtedness, as supplemented from time to time, and also approving this Redevelopment Contract.

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

Section 1.02 Construction and Interpretation.

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

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

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

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

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

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

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

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

ARTICLE II FINDINGS AND REPRESENTATIONS

Section 2.01 Findings of Authority.

The Authority makes the following findings:

(a) The Authority is a duly organized and validly existing community Redevelopment Authority under the Act.

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

(c) The Authority deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

(d) The Redevelopment Project is expected to achieve the public purposes of the Act by among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening blighted and substandard conditions in the Redevelopment Project Area and other purposes set forth in the Act.

(e) (1) The Redevelopment Plan is feasible and in conformity with the general plan for the development of the City as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(2) Based on representations made by the Redeveloper and information provided to the Authority:

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

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

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

(g) The Authority has determined that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purpose of

accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development: including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations, or conditions of blight.

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is a Nebraska limited liability company having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract. Prior to the execution and delivery of this Redevelopment Contract, the Redeveloper has delivered to the Authority a certificate of good standing, a certified copy of the Redeveloper's operating agreement and a certified copy of the resolution or consent of all members authorizing the execution and delivery of this Redevelopment Contract.

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

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

(d) The Project would not be economically feasible without the use of tax increment financing.

(e) The Project would not occur in the Redevelopment Project Area without the use of tax-increment financing.

ARTICLE III
OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution, the Authority hereby provides that any ad valorem tax on any Lot or Lots located in the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date (the "Effective Date"), as described in Section 18-2147 (1) of the Act, which Effective Date shall be the January 1, 2019. Said taxes shall be divided as follows:

(a) That portion of the ad valorem tax on the real estate located in the Redevelopment Project Area which is produced by levy at the rate fixed each year by or for each public body upon the "redevelopment project valuation" (as defined in the Act) of the Redevelopment Project Area shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That portion of the ad valorem tax on real property in the Redevelopment Project Area in excess of such amount (the "Incremental Ad Valorem Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority (designated in the Resolution as the "Note Fund") to pay the principal of, the interest on, and any premium due in connection with the Indebtedness. When such Indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Phase shall be paid into the funds of the respective public bodies.

Section 3.02 Issuance of Indebtedness

The Authority shall authorize the issuance of the Indebtedness in the form and stated principal amount and bearing interest and being subject to such terms and conditions as are specified in the Resolution and this Redevelopment Contract; provided, at all times the maximum amount of the Indebtedness shall be limited to the lesser of (i) the stated face amount of the Indebtedness, or (ii) the sum of all Project Costs incurred by the Redeveloper as set forth on Exhibit D. No Indebtedness will be issued until Redeveloper has acquired fee title to all the Redevelopment Project Property and become obligated for construction of the additions and improvements forming a part of the Project as described in the Plan.

Subject to the foregoing, prior to March 15, 2018, the Authority shall issue one Tax Increment Development Revenue Note, in one taxable series, in a maximum principal amount of \$204,945, in substantially the form shown on the attached Exhibit C ("TIF Note"), for net funds available to be purchased by Redeveloper ("TIF Note Purchaser"), in a written form acceptable to Authority's attorney, and receive Note proceeds from the TIF Note Purchaser in said amount. At the option of the Authority, the Authority shall make a grant to Redeveloper in such amount, and such grant shall offset TIF Note Purchaser's obligation to purchase the TIF Note. Subject to the terms of this Agreement and the Resolution, the Authority's Treasurer on behalf of the Authority

shall have the authority to determine the timing of issuing the Indebtedness and all the other necessary details of the Indebtedness.

The Redeveloper agrees to purchase the Indebtedness at a price equal to the principal amount thereof, in a private placement satisfactory to the Authority as to its terms and participants (including any pledgee thereof). Neither the Authority nor the City shall have any obligation to provide for the sale of the Indebtedness. It is the sole responsibility of the Redeveloper to effect the sale of the Indebtedness by purchasing the Indebtedness in accordance with the terms of this Redevelopment Contract and the Resolution. Redeveloper acknowledges that it is its understanding and the Authority's understanding that interest on the Indebtedness will be includable in gross income for federal income tax purposes and subject to Nebraska State income taxation.

Section 3.03 Pledge of Revenues.

Under the terms of the Resolution, the Authority pledges 100% of the available annual TIF Revenues derived from the Redevelopment Project Property as security for and to provide payment of the Indebtedness as the same fall due (including payment of any mandatory redemption amounts set for the Indebtedness in accordance with the terms of the Resolution).

Section 3.04 Purchase and Pledge of Indebtedness/Grant of Net Proceeds of Indebtedness.

The Redeveloper has agreed to purchase the Indebtedness from the Authority for a price equal to the principal amount thereof, payable as provided in Section 3.02 and this Section 3.04. The Redevelopment Plan provides for the Redeveloper to receive a grant under this Redevelopment Contract. In accordance with the terms of the Redevelopment Plan the Redeveloper is to receive a grant sufficient to pay the costs of site acquisition, demolition and rehabilitation expenditures, all improvements related to Project public infrastructure costs, site preparation costs, utility extensions and costs of the Authority for legal and plan preparation including those items described on Exhibit D (the "Project Costs"), in the aggregate maximum amount not to exceed \$204,945. Notwithstanding the foregoing, the aggregate amount of the Indebtedness and the grant shall not exceed the amount of Project Costs as certified pursuant to Section 4.02 of this Redevelopment Contract. Such grant shall be made to the Redeveloper upon certification of Project Costs as set forth herein and in the Resolution, and payment purchase of the Indebtedness as provided in Section 3.02, unless Redeveloper elects to offset the payment of the purchase of the Indebtedness with the grant proceeds as provided herein and in the Resolution. The Authority shall have no obligation to provide grant funds from any source other than as set forth in the Resolution and this Redevelopment Contract.

Section 3.05 Creation of Funds.

In the Resolution, the Authority has provided for the creation of the following funds and accounts which funds shall be held by the Authority separate and apart from all other funds and moneys of the Authority and the City:

(a) a special trust fund called the “Mendez Enterprises Redevelopment Project Note Fund” (the “Note Fund”). All of the TIF Revenues shall be deposited into the Note Fund. The TIF Revenues accumulated in the Note Fund shall be used and applied on the Business Day prior to each Interest Payment Date (i) to make any payments to the City or the Authority as may be required under the Redevelopment Contract and (ii) to pay principal of or interest on the Note to the extent of any money then remaining the Note Fund on such Interest Payment Date. Money in the Note Fund shall be used solely for the purposes described herein and in the Resolution. All Revenues received through and including December 31, 2035 shall be used solely for the payments required herein and by the Resolution; and

(b) a special trust fund called the “Mendez Enterprises Redevelopment Project Fund” (the “Project Fund”) The Authority shall disburse any money on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for the Project Costs in each case within 5 Business Days after completion of the steps set forth herein and in the Resolution. If a sufficient amount to pay a properly completed Disbursement Request (as defined in Section 4.02) is not in the Project Fund at the time of the receipt by the Authority of such request, the Authority shall notify the owner of the Note and such owner may deposit an amount sufficient to pay such request with the Authority for such payment. As set forth in the Resolution, if the Redeveloper is the owner of the Note and the Redeveloper so elects, the Authority shall make a grant to Redeveloper in the amount of an approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Note.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Note; Insurance.

(a) Redeveloper will acquire the Project, demolish and rehabilitate structures on the site, prepare the site for redevelopment, install all required utilities and improvements in the public right-of-way in accordance with the plans and specifications provided to the Authority. Redeveloper will coordinate with the City for the City’s design and construction required for the installation of all public infrastructure improvements and right-of-way improvements. The Redeveloper shall provide and pay for infrastructure installation.

Redeveloper shall pay for the costs of site acquisition, site preparation, demolition and rehabilitation, utility extension, public infrastructure and costs of the Authority as set forth on Exhibit D, from the grant provided in Section 3.04 hereof. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the

Project. Until construction of the Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of the Project. Such reports shall include actual expenditures incurred as described on Exhibit D.

(b) Any general contractor chosen by the Redeveloper shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations and a penal bond as required by the Act or as is otherwise required by law. The City, the Authority and the Redeveloper shall be named as additional insureds. Any contractor chosen by the Redeveloper or the Redeveloper itself, as owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include 'All Risk' insurance for physical loss or damage. The contractor with respect to any specific contract or the Redeveloper shall also carry insurance on all stored materials. The contractor or the Redeveloper, as the case may be, shall furnish the Authority and the City with a Certificate of Insurance evidencing policies as required above. Such certificates shall state that the insurance companies shall give the Authority prior written notice in the event of cancellation of or material change in any of any of the policies.

(c) Notwithstanding any provision herein to the contrary, in the event Redeveloper has not acquired fee simple title to the Redevelopment Project Area on or before July 1, 2018, this Redevelopment Contract shall be null and void and of no force or effect effective as of the date of execution hereof, and neither party shall have any liability or obligation to the other party with respect hereto.

(d) The Redeveloper shall provide a payment and performance bond from a bond company doing business in the state of Nebraska in the total amount of all Redevelopment Project Costs or such other amount as shall be approved by the Authority. The City and Authority shall be named as beneficiaries under such bond.

Section 4.02 Cost Certification & Disbursement of Note Proceeds.

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

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

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

(c) Upon notification from the Authority as described in Section 4.02(b), deposits to the accounts in the Project Fund may be made from time to time from funds received by the Authority from the owner of the Note (if other than the Redeveloper) in the amounts necessary to pay amounts requested in properly completed, signed and approved written Disbursement Requests as described herein. Such amounts shall be proceeds of the Note and the Treasurer of the Authority shall inform the Registrar (as defined in the Note Resolution) in writing of the date and amount of such deposits. At the option of the Redeveloper, if the Redeveloper is the owner of the Note, the Authority shall make a grant to Redeveloper in the amount of the approved Disbursement Request; in such event, the approved Disbursement Request amount shall offset funding of the Note. The Registrar shall keep and maintain a record of the amounts deposited into the Project Fund from Note proceeds pursuant to the terms of this Resolution as "Principal Amount Advanced" and shall enter the aggregate principal amount then Outstanding as the "Cumulative Outstanding Principal Amount" on its records maintained for the Note. The aggregate amount deposited into the Project Fund from proceeds of the Note shall not exceed \$204,945.

Section 4.03 No Discrimination.

Redeveloper agrees and covenants for itself its successors and assigns that it will not discriminate against any person or group of persons on account of race, sex, color, religion, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Project. Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance. Redeveloper will comply with all applicable federal, state and local laws related to the Project.

Section 4.04 Assignment or Conveyance.

This Redevelopment Contract shall not be assigned by the Redeveloper without the written consent of the Authority. Such consent shall not be unreasonably withheld. Redeveloper agrees that it shall not convey any Lot or any portion thereof or any structures thereon to any person or entity that would be exempt from payment of real estate taxes, and that it will not make application for any structure, or any portion thereof, to be taxed separately from the underlying land of any Lot.

Section 4.50 Payment of Authority Costs.

Redeveloper shall pay to the Authority the following sums upon execution hereof:

- a. \$3,600 for legal expenses of Authority
- b. \$1,000 for City and Authority administrative accounting of incremental tax payments.

**ARTICLE V
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES**

Section 5.01 Financing

Redeveloper shall pay all costs related to the redevelopment of the Redevelopment Project Area and the Redevelopment Project Property which are in excess of the amounts paid from the proceeds of the grant provided from the proceeds of the Indebtedness and granted to Redeveloper. Redeveloper shall timely pay all costs, expenses, fees, charges and other amounts associated with the Project.

ARTICLE VI

DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations. The Redeveloper hereby acknowledges and agrees that the Authority shall have completed its required performances and satisfied all of its obligations under this Redevelopment Contract upon the issuance of the Indebtedness and the subsequent payment of grant amounts to the Redeveloper as set forth in Article III hereof and by complying with the obligations of all Redevelopment Contract Amendments.

Section 6.02 Additional Remedies of Authority

In the event that (each such event an "event of default"):

(a) the Redeveloper, or its successor in interest, shall fail to commence the construction of the improvements included in the Project Costs on or before May 1, 2018, or shall abandon construction work related to the Project Costs, once commenced, for any period of 180 days, excepting delays caused by inclement weather,

(b) the Redeveloper, shall fail to pay real estate taxes or assessments on the Redevelopment Project Property owned by the Redeveloper or any part thereof when due;

(c) there is a violation of any other provision of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 90 days following written notice from Authority, then the Redeveloper shall be in default of this Redevelopment Contract; and

In the event of such failure to perform, breach or default occurs and is not cured in the period herein provided, the parties agree that the damages caused to the Authority would be difficult to determine with certainty and that a reasonable estimation of the amount of damages that could be incurred is the amount of the grant to Redeveloper pursuant to Section 3.04 of this Redevelopment Contract, less any reductions in the principal amount of the Indebtedness, plus interest on such amounts as provided herein (the "**Liquidated Damages Amount**"). Upon the occurrence of an event of default, the Liquidated Damages Amount shall be paid by Redeveloper to Authority within 30 days of demand from Authority given to the Redeveloper.

Interest shall accrue on the Liquidated Damages Amount at the rate of three percent (3%) per annum and interest shall commence from the date that the Authority gives notice to the Redeveloper demanding payment.

Payment of the Liquidated Damages Amount shall not relieve Redeveloper of its obligation to pay real estate taxes or assessments with respect to the Redevelopment Project Property and the Project.

Redeveloper, on or before contracting for work included within the Project Costs, shall furnish to the Authority copies of labor and materials payment bonds and performance bonds for each contract entered into by Redeveloper related to Project Costs. Each such bond shall show the Authority and the City as well as the Redeveloper as beneficiary of any such bond, as and to the extent commercially obtainable (as determined in the discretion of the Authority). In addition, the Redeveloper shall provide a penal bond with good and sufficient surety to be approved by the Authority, conditioned that the Redeveloper shall at all times promptly make payments of all amounts lawfully due to all persons supplying or furnishing to any contractor or his or her subcontractors (for each contract entered into by Redeveloper related to Project Costs) with labor or materials performed or used in the prosecution of the work provided for in such contract, and will indemnify and save harmless the Authority to the extent of any payments in connection with the carrying out of such contracts which the Authority may be required to make under the law.

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event the Redeveloper fails to perform any other provisions of this Redevelopment Contract (other than those specific provisions contained in Section 6.02), the Redeveloper shall be in default. In such an instance, the Authority may seek to enforce the terms of this Redevelopment Contract or exercise any other remedies that may be provided in this Redevelopment Contract or by applicable law; provided, however, that any defaults covered by this Section shall not give rise to a right or rescission on termination of this Redevelopment Contract, and shall not be covered by the Liquidated Damages Amount.

Section 6.04 Forced Delay Beyond Party's Control.

For the purposes of any of the provisions of this Redevelopment Contract, neither the Authority nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the conveyance or preparation of the Redevelopment Area or any part thereof for redevelopment, or the beginning and completion of construction of the Project, or progress in respect thereto, in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Authority or of the Redeveloper with respect to construction of the Project, as the case may be, shall be extended for the period of the forced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other party thereto in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.05 Limitations of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the City, the Authority, nor their respective elected officials, officers, directors, appointed officials, employees, attorneys, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Authority under this Redevelopment Contract shall be the issuance of the Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, and full compliance with the terms specifically set forth Article III hereof and payment of TIF Revenues pledged pursuant to the Resolution. The Redeveloper releases the City and Authority from, agrees that neither the City nor Authority shall be liable for, and agrees to indemnify and hold the City and Authority harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project.

The Redeveloper will indemnify and hold each of the City and Authority and their respective elected officials, directors, officers, appointed officials, attorneys, agents, employees

and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, excluding litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about that portion of the Project owned by the Redeveloper, during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, related to activities of the Redeveloper or its agents during the construction of the public infrastructure or public right of ways in the Project.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract may be recorded in the office of the Register of Deeds of Hall County, Nebraska.

Section 7.02 Governing Law.

This Redevelopment Contract shall be governed by the laws of the State of Nebraska, including but not limited to the Act.

Section 7.03 Binding Effect: Amendment, Assignment.

This Redevelopment Contract shall be binding on the parties hereto and their respective successors and assigns. The Redevelopment Contract shall not be amended except by a writing signed by the party to be bound. The Redeveloper may assign its rights and obligations to a controlled entity which shall be bound by all the terms hereof.

Section 7.04 Effective Date and Implementation of Redevelopment Contract.

This Agreement is in full force and effect from and after the date of execution hereof by both the Redeveloper and the Authority.

Section 7.05 Notices to Parties.

Notices to Parties shall be mailed by U. S. Mail to the following addresses:
Redeveloper:
Mendez Enterprises, LLC
2404 West Lincoln Hwy.
Grand Island, NE 68803

Authority and City:
Director
Grand Island Community Redevelopment Authority
Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

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

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

ATTEST:

Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____ 2017, by _____ and _____, Chairman and Secretary, respectively, of the Community Redevelopment Authority of the City of Grand Island, Nebraska, on behalf of the Authority.

Notary Public

Mendez Enterprises, LLC

By: _____
Manager

STATE OF NEBRASKA)
) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by _____, Manager of Mendez Enterprises, LLC, on behalf of the limited liability company.

Notary Public

EXHIBIT A
DESCRIPTION OF REDEVELOPMENT AREA

2406 Old Lincoln Highway (Shed)

Lots Four (4) and Five (5) in, Block Forty Five (45), in Packer and Barr's Second Addition, in the City of Grand Island, Hall County, Nebraska, and Packer and Barr's Annex and vacated part of Clarence Street as shown more particularly described in Ordinance No. 5006 recorded in Book 21, Page 570.

Subject to easements and restrictions of record.

2323 W. Old Lincoln Highway (Little House)

Part of fractional Lot Eight (8) in fractional Block One (1) of West's Subdivision, an Addition to the City of Grand Island, Hall County, Nebraska, more particularly described as follows: Commencing at the Northwest corner of Fractional Lot Eight (8), above described and proceeding in a Southerly direction a distance of 33.9 Feet to a point on the West line of Fractional Lot Eight (8), thence Northeasterly at a 60°35' angle for a distance of 64.17 Feet to a point on the North line of Fractional Lot Eight (8), thence proceeding in a Westerly direction along and upon the North line of Fractional Lot Eight (8) a distance of 55.95 Feet to the place of beginning.

2304 W. Old Lincoln Highway (Midwest Heating and Air Building)

Lot Four (4) and Five (5), in Block Forty-four (44), Packer & Barr's Second Addition to the City of Grand Island, Hall County, Nebraska, together with the complement of said Lot Four (4), being a track of land 8.9 feet wide by 120 feet long lying immediately south of and adjacent to the south line of said Lot Four (4), Block Forty-four (44), Packer & Barr's Second Addition, said complement as known as Lot Ten (10), Block Forty-four (44), Packer & Barr's Annex; together with the half of vacated Clarence Street lying north of the adjacent to the north line of Lot Five (5), Block Forty-four (44), Packer & Barr's Second addition, *said street having been vacated by Ordinance No. 6005*

136 N. Carey/2315 W George (Body Shop) TO BE ACQUIRED AS PART OF THE REDEVELOPMENT PROJECT:

Lot Five (5), Block Thirty Eight (38), in Packer & Barr's Second Addition to the City of Grand Island, Hall County, Nebraska

EXHIBIT B
REDEVELOPMENT PLAN

[Attach copy of Redevelopment Plan Amendment]

EXHIBIT C
(FORM OF NOTE)

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

TAX INCREMENT DEVELOPMENT REVENUE NOTE
(MENDEZ ENTERPRISES REDEVELOPMENT PROJECT), SERIES 2017

No. R-1

Up to \$204,945
(subject to reduction as described herein)

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2035	0.0%

REGISTERED OWNER: Mendez Enterprises, LLC

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

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

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA has caused this Note to be signed by the manual signature of the Chairman of the Authority, countersigned by the manual signature of the Secretary of the Authority, and the City's corporate seal imprinted hereon.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

[S E A L]

By: _____ (manual signature)
Chairman

By: _____ (manual signature)
Secretary

The **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues and other funds hereinafter specified, to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the “**Registrar**”), and in like manner to pay interest on the Cumulative Outstanding Principal Amount reflected in **Schedule 1** at the Rate of Interest stated above, calculated on the basis of a 360-day year consisting of twelve, 30-day months, from the Date of Original Issue stated above, or the most recent interest payment date to which interest has been paid or duly provided for, as specified below, to maturity or earlier redemption, payable semiannually on June 1 and December 1 of each year until payment in full of such Principal Amount, beginning June 1, 2020, by check or draft mailed to the Registered Owner hereof as shown on the Note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable interest payment date occurs, at such Owner’s address as it appears on such Note registration books. The principal of this Note and the interest hereon are payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____ 2017, as from time to time amended and supplemented (the “**Resolution**”).

THE PRINCIPAL AMOUNT OF THIS NOTE IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS NOTE IS \$204,945.

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

Reference is hereby made to the Resolution for the provisions, among others, with respect to the collection and disposition of certain tax and other revenues, the special funds charged with and pledged to the payment of the principal of and interest on this Note, the nature and extent of

the security thereby created, the terms and conditions under which this Note has been issued, the rights and remedies of the Registered Owner of this Note, and the rights, duties, immunities and obligations of the City and the Authority. By the acceptance of this Note, the Registered Owner assents to all of the provisions of the Resolution.

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

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

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

This Note is subject to redemption prior to maturity, at the option of the Authority, in

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

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

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

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

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

[The remainder of this page intentionally left blank]

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the Note register kept by the Registrar for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

By: _____
Title: _____

[The remainder of this page intentionally left blank]

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT
COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
MENDEZ ENTERPRISES REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

Exhibit D
Project Costs

Redevelopment Project Costs

Acquisition of Property \$204,945

Lot Five (5), Block Thirty Eight (38), in Packer & Barr's Second Addition to the City of Grand Island, Hall County, Nebraska

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 257

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, TAX INCREMENT DEVELOPMENT REVENUE NOTE OR OTHER OBLIGATION, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$887,000 FOR THE PURPOSE OF (1) PAYING THE COSTS OF ACQUIRING, DEMOLISHING, CONSTRUCTING, RECONSTRUCTING, IMPROVING, EXTENDING, REHABILITATING, INSTALLING, EQUIPPING, FURNISHING AND COMPLETING CERTAIN IMPROVEMENTS WITHIN THE AUTHORITY’S MENDEZ ENTERPRISES, LLC, REDEVELOPMENT PROJECT AREA, SPECIFICALLY INCLUDING SITE PURCHASE, PREPARATION, DEMOLITION, REHABILITATION, UTILITY EXTENSION AND (2) PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE NOTE OR OTHER OBLIGATION; PLEDGING CERTAIN TAX REVENUE AND OTHER REVENUE TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE OR OTHER OBLIGATION AS THE SAME BECOME DUE; LIMITING PAYMENT OF THE NOTE OR OTHER OBLIGATION TO SUCH TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; DELEGATING, AUTHORIZING AND DIRECTING THE FINANCE DIRECTOR TO EXERCISE HIS OR HER INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING CERTAIN TERMS AND PROVISIONS OF THE NOTE OR OTHER OBLIGATION NOT SPECIFIED HEREIN; APPROVING A REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN; TAKING OTHER ACTIONS AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS.

BE IT RESOLVED BY THE MEMBERS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1. Findings and Determinations. The Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the “**Authority**”) hereby find and determine as follows:

(a) The City of Grand Island, Nebraska (the “**City**”), pursuant to the Plan Resolution (hereinafter defined), approved the City of Grand Island Redevelopment Area #6 Plan Amendment September 2017 (the “**Redevelopment Plan**”) under and pursuant to which the Authority shall undertake from time to time to redevelop and rehabilitate the Redevelopment Area (hereinafter defined).

(b) Pursuant to the Redevelopment Plan, the Authority has previously obligated itself and/or will hereafter obligate itself to provide a portion of the financing to acquire, construct, reconstruct, improve, extend, rehabilitate, install, equip, furnish and complete, at the cost and expense of the Redeveloper, a

Mendez Enterprises

portion of the improvements (as defined in the Redevelopment Contract hereinafter identified) in the Redevelopment Area (the “**Project Costs**”), including, without limitation) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, and completing the acquisition of the Project Site (as defined in the Redevelopment Contract), (collectively, the “**Project**”), as more fully described in the Redevelopment Contract (hereinafter defined).

(c) The Authority is authorized by the Redevelopment Law (hereinafter defined) to issue tax allocation notes for the purpose of paying the costs and expenses of the Project, the principal of which is payable from certain tax revenues as set forth in the Redevelopment Law.

(d) In order to provide funds to pay a portion of the costs of the Project, it is necessary, desirable, advisable, and in the best interest of the Authority for the Authority to issue a Tax Increment Development Revenue Note or other obligation in a principal amount not to exceed \$887,000 (the “**Note**”).

(e) All conditions, acts and things required to exist or to be done precedent to the issuance of the Note do exist and have been done as required by law.

ARTICLE II

CERTAIN DEFINITIONS; COMPUTATIONS; CERTIFICATES AND OPINIONS; ORDERS AND DIRECTIONS

Section 2.1. Definitions of Special Terms. Unless the context clearly indicates some other meaning or may otherwise require, and in addition to those terms defined elsewhere herein, the terms defined in this **Section 2.1** shall, for all purposes of this Resolution, any Resolution or other instrument amendatory hereof or supplemental hereto, instrument or document herein or therein mentioned, have the meanings specified herein, with the following definitions to be equally applicable to both the singular and plural forms of any terms defined herein:

“**Authority**” means the Community Redevelopment Authority of the City of Grand Island, Nebraska.

“**City**” means the City of Grand Island, Nebraska.

“**Project Costs**” means the redevelopment project costs (as defined in the Redevelopment Contract) in the Redevelopment Area, the costs of which are eligible to be paid from the proceeds of the Note.

“**Assessor**” means the Assessor of Hall County, Nebraska.

“**Note**” means the Mendez Enterprises, LLC, Redevelopment Project Tax Increment Development Revenue Note of the Authority, in a principal amount not to exceed \$887,000, issued pursuant to this Resolution, and shall include any note, including refunding note, interim certificate, debenture, or other obligation issued pursuant to the Redevelopment Law. At the option of the Owner of the Note, the titular designation of such Note may be revised to state note, interim certificate, debenture, obligation, or such other designation as is appropriate.

“**Secretary**” means the Secretary of the Authority.

“Cumulative Outstanding Principal Amount” means the aggregate principal amount of the Note issued and Outstanding from time to time in accordance with the provisions of this Resolution, as reflected in the records maintained by the Registrar as provided in this Resolution.

“Date of Original Issue” means the date the Note is initially issued, which shall be the date of the first allocation of principal on the Note as further described in **Section 3.2**.

“Debt Service” means, as of any particular date of computation, and with respect to any period, the amount to be paid or set aside as of such date or such period for the payment of the principal on the Note.

“Escrow Obligations” means (a) Government Obligations, (b) certificates of deposit issued by a bank or trust company which are (1) fully insured by the Federal Deposit Insurance Limited liability company or similar limited liability company chartered by the United States or (2) secured by a pledge of any Government Obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Registrar, or (c)(1) evidences of a direct ownership in future interest or principal on Government Obligations, which Government Obligations are held in a custody account by a custodian satisfactory to the Registrar pursuant to the terms of a custody agreement in form and substance acceptable to the Registrar and (2) obligations issued by any state of the United States or any political subdivision, public instrumentality or public authority of any state, which obligations are fully secured by and payable solely from Government Obligations, which Government Obligations are held pursuant to an agreement in form and substance acceptable to the Registrar and, in any such case, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient money to make the payment secured thereby.

“Finance Director” means the Treasurer/Finance Director or Acting Treasurer/Finance Director, as the case may be, of the City.

“Fiscal Year” means the twelve-month period established by the City or provided by law from time to time as its fiscal year.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Improvements” means the improvements to be constructed, reconstructed, acquired, improved, extended, rehabilitated, installed, equipped, furnished and completed in the Project Area in accordance with the Redevelopment Plan, including, but not limited to, the improvements constituting the Project (as defined in the Redevelopment Contract).

“Payment Date” means June 1 and December 1 of each year any Note is outstanding, commencing on the first Payment Date following the Date of Original Issue.

“Chairman” means the Chairman of the Authority.

“Outstanding” means when used with reference to any Note, as of a particular date, all Notes theretofore authenticated and delivered under this Resolution except:

- (a) Notes theretofore canceled by the Registrar or delivered to the Registrar for cancellation;

(b) Notes which are deemed to have been paid in accordance with **Section 10.1** hereof;

(c) Notes alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in **Section 3.9** hereof; and

(d) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Resolution.

“Owner” means the person(s) identified as the owner(s) of the Note from time to time, as indicated on the books of registry maintained by the Registrar.

“Plan Resolution” means, Resolution No. 2017-304 of the City, together with any other resolution providing for an amendment to the Redevelopment Plan.

“Project Area” means the area identified and referred to as the Project Site in the Redevelopment Contract.

“Record Date” means, for each Payment Date, the 15th day immediately preceding such Payment Date.

“Redeveloper” means the Redeveloper as defined in the Redevelopment Contract responsible for constructing, reconstructing, acquiring, improving, extending, rehabilitating, installing, equipping, furnishing and completing the Project.

“Redeveloper Note” means any Note that is owned by the Redeveloper according to the records of the Registrar.

“Redevelopment Contract” means the City of Grand Island Redevelopment Contract Mendez Enterprises, LLC, Redevelopment Project, dated the date of its execution, between the Authority, and Mendez Enterprises, LLC, a Nebraska limited liability company, relating to the Project.

“Redevelopment Area” means the community redevelopment area described, defined or otherwise identified or referred to in the Redevelopment Plan.

“Redevelopment Law” means Article VIII, Section 12 of the Constitution of the State and Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended.

“Redevelopment Plan” means the “City of Grand Island Redevelopment Plan Amendment for Redevelopment Area #6 September 2017” passed, adopted and approved by the City pursuant to the Plan Resolution, and shall include any amendment of such Redevelopment Plan heretofore or hereafter made by the City pursuant to law.

“Refunding Notes” means the notes authorized to be issued pursuant to **Article V**.

“Registrar” means the Treasurer of the City of Grand Island, Nebraska, in its capacity as registrar and paying agent for the Note.

“Resolution” means this Resolution as from time to time amended or supplemented.

“Revenue” means the Tax Revenue.

“Special Fund” means the fund by that name created in **Section 7.1**.

“State” means the State of Nebraska.

“Tax Revenue” means, with respect to the Project Area, (a) those tax revenues referred to (1) in the last sentence of the first paragraph of Article VIII, Section 12 of the Constitution of the State and (2) in Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, and (b) all payments made in lieu thereof.

“Treasurer” means the Treasurer of Hall County, Nebraska.

Section 2.2. Definitions of General Terms. Unless the context clearly indicates otherwise or may otherwise require, in this Resolution words importing persons include firms, partnerships, associations, limited liability companies, limited liability companies (public and private), public bodies and natural persons, and also include executors, administrators, trustees, receivers or other representatives.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Resolution as a whole and not to any particular section or subdivision thereof.

Unless the context clearly indicates otherwise or may otherwise require, in this Resolution: (a) references to Articles, Sections and other subdivisions, whether by number or letter or otherwise, are to the respective or corresponding Articles, Sections or subdivisions of this Resolution as such Articles, Sections, or subdivisions may be amended or supplemented from time to time; and (b) the word “heretofore” means before the time of passage of this Resolution, and the word “hereafter” means after the time of passage of this Resolution.

Section 2.3. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Resolution shall be made on the assumption that the principal on the Note shall be paid as and when the same become due.

Section 2.4. Certificates, Opinions and Reports. Except as otherwise specifically provided in this Resolution, each certificate, opinion or report with respect to compliance with a condition or covenant provided for in this Resolution shall include: (a) a statement that the person making such certificate, opinion or report has read the pertinent provisions of this Resolution to which such covenant or condition relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate, opinion or report are based; (c) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with; and (e) an identification of any certificates, opinions or reports or other sources or assumptions relied on in such certificate, opinion or report.

Section 2.5. Evidence of Action by the Authority. Except as otherwise specifically provided in this Resolution, any request, direction, command, order, notice, certificate or other instrument of, by or from the City or the Authority shall be effective and binding upon the Authority, respectively, for the purposes of this Resolution if signed by the Chairman, the Vice Chairman, the Secretary, the Treasurer, the Finance Director, the Planning Director or by any other person or persons authorized to execute the same by statute, or by a resolution of the City or the Authority, respectively.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF THE NOTE; GENERAL TERMS AND PROVISIONS

Section 3.1. Authorization of Note. Pursuant to and in full compliance with the Redevelopment Law and this Resolution, and for the purpose of providing funds to pay (a) the cost of acquiring, constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing, and completing the Project, and (b) the costs of issuing the Note, the Authority shall issue the Note in a principal amount not to exceed \$887,000. The Note shall be designated as “Community Redevelopment Authority of the City of Grand Island, Nebraska, Mendez Enterprises, LLC, Redevelopment Project Tax Increment Development Revenue Note,” shall have an appropriate series designation as determined by the Finance Director, shall be dated the Date of Original Issue, shall mature, subject to right of prior redemption, not later than the December 31, 2035, and shall bear interest at an annual rate of 0.00%. The Note shall be issued as a single Note as further described in **Section 3.2**.

The Note is a special, limited obligation of the Authority payable solely from the Revenue and the amounts on deposit in the funds and accounts established by this Resolution. The Note shall not in any event be a debt of the Authority (except to the extent of the Revenue and other money pledged under this Resolution), the State, nor any of its political subdivisions, and neither the Authority (except to the extent of the Revenue and other money pledged under this Resolution), the City, the State nor any of its political subdivisions is liable in respect thereof, nor in any event shall the principal of or interest on the Note be payable from any source other than the Revenue and other money pledged under this Resolution. The Note does not constitute a debt within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority and does not impose any general liability upon the Authority. Neither any official of the Authority nor any person executing the Note shall be liable personally on the Note by reason of its issuance. The validity of the Note is not and shall not be dependent upon the completion of the Project or upon the performance of any obligation relative to the Project.

The Revenue and the amounts on deposit in the funds and accounts established by this Resolution are hereby pledged and assigned for the payment of the Note, and shall be used for no other purpose than to pay the principal of or interest on the Note, except as may be otherwise expressly authorized in this Resolution. The Note shall not constitute a debt of the Authority or the City within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority, and neither the Authority nor the City shall not be liable for the payment thereof out of any money of the Authority or the City other than the Tax Revenue and the other funds referred to herein.

Nothing in this Resolution shall preclude the payment of the Note from (a) the proceeds of future notes issued pursuant to law or (b) any other legally available funds. Nothing in this Resolution shall prevent the City or the Authority from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution.

Section 3.2. Details of Note; Authority of Finance Director.

(a) The Note shall be dated the Date of Original Issue and shall be issued to the purchaser thereof, as the Owner, in installments. The Note shall be delivered on the earlier of allocation of the

maximum principal amount of the Note or upon the issuance of a certificate of occupancy of the building constituting the Project. The Note shall be issued as a single Note.

(b) Proceeds of the Note may be advanced and disbursed in the manner set forth below:

(1) There shall be submitted to the Finance Director a disbursement request in a form acceptable to the Finance Director (the “**Disbursement Request**”), executed by the City’s Planning Director and an authorized representative of the Redeveloper, (A) certifying that a portion of the Project has been substantially completed and (B) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(2) The Finance Director shall evidence such allocation in writing and inform the Owner of the Note of any amounts allocated to the Note.

(3) Such amounts shall be deemed proceeds of the Note and the Finance Director shall inform the Registrar in writing of the date and amount of such allocation. The Registrar shall keep and maintain a record of the amounts allocated to the note pursuant to the terms of this Resolution as “Principal Amount Advanced” and shall enter the aggregate principal amount then Outstanding as the “Cumulative Outstanding Principal Amount” on the Note and its records maintained for the Note. The aggregate amount endorsed as the Principal amount Advanced on the Note shall not exceed \$887,000.

The Authority shall have no obligation to pay any Disbursement Request unless such request has been properly approved as described above, and proceeds of the Note have been deposited by the Owner of the Note (if other than the Redeveloper) into the Project Fund.

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

(c) The Note shall be dated the Date of Original Issue, which shall be the initial date of a allocation of the Note.

(d) As of the Date of Original Issue of the Note, there shall be delivered to the Registrar the following:

(1) A signed investor’s letter in a form acceptable to the Finance Director and Note Counsel; and

(2) Such additional certificates and other documents as the special counsel for the Authority may require.

(e) The note shall bear zero percent interest on the Cumulative Outstanding Principal Amount of the Note from the Date of Original Issue.

(f) The principal of the Note shall be payable in any coin or currency of the United States of America from all funds held by the which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Payments on the Note due prior to maturity or earlier redemption and payment of any principal upon redemption price to maturity shall be made by check mailed by the Registrar on each Interest Payment Date to the Owners, at the Owners’ address as it appears on the books of registry maintained by the Registrar on the Record Date. The principal of the Note due at maturity or upon earlier

redemption shall be payable upon presentation and surrender of the Note to the Registrar. When any portion of the Note shall have been duly called for redemption and payment thereof duly made or provided for, interest thereon shall cease on the principal amount of such Note so redeemed from and after the date of redemption thereof.

(g) The Note shall be executed by the manual signatures of the Chairman and Secretary of the Authority. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if s/he had remained in office until such delivery, and the Note may be signed by such persons as at the actual time of the execution of such Note shall be the proper officers to sign such Note although at the date of such Note such persons may not have been such officers.

(i) The Finance Director is hereby authorized to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Resolution, (1) the Date of Original Issue, the principal amount of the Note in accordance with **Section 3.2(a)**, (2) the maturity date of the Note, which shall be not later than December 31, 2035, (3) the initial Payment Date and (4) any other term of the Note not otherwise specifically fixed by the provisions of this Resolution.

(j) Any Note issued upon transfer or exchange of any other Note shall be dated as of the Date of Original Issue.

(k) The Note shall be issued to such Owner as shall be mutually agreed between the Redeveloper and the Finance Director for a price equal to 100% of the principal amount thereof. No Note shall be delivered to any Owner unless the Authority shall have received from the Owner thereof such documents as may be required by the Finance Director to demonstrate compliance with all applicable laws, including without limitation compliance with **Section 3.6** hereof. The Authority may impose such restrictions on the transfer of any Note as may be required to ensure compliance with all requirements relating to any such transfer.

Section 3.3. Form of Note Generally. The Note shall be issued in registered form. The Note shall be in substantially the form set forth in **Article IX**, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and with such additional changes as the Finance Director may deem necessary or appropriate. The Note may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 3.4. Appointment of Registrar. The Finance Director is hereby appointed the registrar and paying agent for the Note. The Registrar shall specify its acceptance of the duties, obligations and trusts imposed upon it by the provisions of this Resolution by a written instrument deposited with the Authority prior to the Date of Original Issue of the initial Note. The Authority reserves the right to remove the Registrar upon 30 days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar shall deliver all cash and the Note in its possession to the successor Registrar and shall deliver the note register to the successor Registrar. The Registrar shall have only such duties and obligations as are expressly stated in this Resolution and no other duties or obligations shall be required of the Registrar.

Section 3.5. Exchange of Note. Any Note, upon surrender thereof at the principal office of the Registrar, together with an assignment duly executed by the Owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar, may, at the option of the Owner thereof, be exchanged for another Note in a principal amount equal to the principal amount of the Note surrendered or exchanged, of

the same series and maturity and bearing interest at the same rate. The Authority shall make provision for the exchange of the Note at the principal office of the Registrar.

Section 3.6. Negotiability, Registration and Transfer of Note. The Registrar shall keep books for the registration and registration of transfer of the Note as provided in this Resolution. The transfer of the Note may be registered only upon the books kept for the registration and registration of transfer of the Note upon (a) surrender thereof to the Registrar, together with an assignment duly executed by the Owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar and (b) evidence acceptable to the Authority that the assignee is a bank or a qualified institutional buyer as defined in Rule 144A promulgated by the Securities and Exchange Commission. Prior to any transfer and assignment, the Owner will obtain and provide to the Authority, an investor's letter in form and substance satisfactory to the Authority evidencing compliance with the provisions of all federal and state securities laws, and will deposit with the Authority an amount to cover all reasonable costs incurred by the Authority, including legal fees, of accomplishing such transfer. A transfer of any Note may be prohibited by the Authority if (1) a default then exists under the Redevelopment Contract, (2) the assessed valuation of the Redeveloper Property (as defined in the Redevelopment Contract) is less than \$1,300,000, or (3) a protest of the valuation of the Redeveloper Property is ongoing. Upon any such registration of transfer the Authority shall execute and deliver in exchange for such Note a new Note, registered in the name of the transferee, in a principal amount equal to the principal amount of the Note surrendered or exchanged, of the same series and maturity and bearing interest at the same rate.

In all cases in which any Note shall be exchanged or a transfer of a Note shall be registered hereunder, the Authority shall execute at the earliest practicable time execute and deliver a Note in accordance with the provisions of this Resolution. The Note surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Registrar. Neither the Authority nor the Registrar shall make a charge for the first such exchange or registration of transfer of any Note by any Owner. The Authority or the Registrar, or both, may make a charge for shipping, printing and out-of-pocket costs for every subsequent exchange or registration of transfer of such Note sufficient to reimburse it or them for any and all costs required to be paid with respect to such exchange or registration of transfer. Neither the Authority nor the Registrar shall be required to make any such exchange or registration of transfer of any Note during the period between a Record Date and the corresponding Interest Payment Date.

Section 3.7. Ownership of Note. As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on such Note shall be made only to or upon the order of the Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

Section 3.8. Disposition and Destruction of Note. The Note, upon surrender to the Registrar for final payment, whether at maturity or upon earlier redemption, shall be canceled upon such payment by the Registrar and, upon written request of the Finance Director, be destroyed.

Section 3.9. Mutilated, Lost, Stolen or Destroyed Note. If any Note becomes mutilated or is lost, stolen or destroyed, the Authority shall execute and deliver a new Note of like date and tenor as the Note mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the Authority. In the case of any lost, stolen or destroyed Note, there first shall be furnished to the Authority evidence of such loss, theft or destruction satisfactory to the Authority, together with indemnity to the Authority satisfactory to the Authority. If any such Note has matured, is about to mature or has been called for redemption, instead of delivering a substitute Note, the Authority may pay the same without surrender thereof. Upon the issuance of any substitute Note, the Authority may require the payment of an amount by the Owner sufficient to reimburse the Authority for

any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 3.10. Non-presentment of Note. If any Note is not presented for payment when the principal thereof becomes due and payable as therein and herein provided, whether at the stated maturity thereof or call for optional or mandatory redemption or otherwise, if funds sufficient to pay such Note have been made available to the Registrar all liability of the Authority to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Registrar to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on their part under this Resolution or on, or with respect to, said Note. If any Note is not presented for payment within five years following the date when such Note becomes due, the Registrar shall repay to the Authority the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Authority, and the Registered Owner thereof shall be entitled to look only to the Authority for payment, and then only to the extent of the amount so repaid to it by the Registrar, and the Authority shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

ARTICLE IV

REDEMPTION OF NOTE

Section 4.1. Redemption of Note. The Note is subject to redemption at the option of the Authority prior to the maturity thereof at any time as a whole or in part from time to time in such principal amount as the Authority shall determine, at a redemption price equal to 100% of the principal amount then being redeemed plus accrued interest thereon to the date fixed for redemption.

Section 4.2. Redemption Procedures. The Finance Director is hereby authorized, without further action of the Council, to call all or any portion of the principal of the Note for payment and redemption prior to maturity on such date as the Finance Director shall determine, and shall deposit sufficient funds in the Debt Service Account from the Surplus Account to pay the principal being redeemed plus the accrued interest thereon to the date fixed for redemption. The Finance Director may effect partial redemptions of any Note without notice to the Owner and without presentation and surrender of such Note, but total redemption of any Note may only be effected with notice to the Owner and upon presentation and surrender of such Note to the Registrar. Notice of a total redemption of any Note shall be sent by the Registrar by first-class mail not less than five days prior to the date fixed for redemption to the Owner's address appearing on the books of registry maintained by the Registrar and indicate (a) the title and designation of the Note, (b) the redemption date, and (c) a recitation that the entire principal balance of such Note plus all accrued interest thereon is being called for redemption on the applicable redemption date.

Section 4.3. Determination of Outstanding Principal Amount of Note. Notwithstanding the amount indicated on the face of any Note, the principal amount of such Note actually Outstanding from time to time shall be determined and maintained by the Registrar. The Registrar shall make a notation in the books of registry maintained for each Note indicating the original principal advance of such Note as determined in accordance with **Section 3.2** and make such additional notations as are required to reflect any additional principal advances or redemptions of such Note from time to time, including on the Table of Cumulative Outstanding Principal Amount attached to each Note if it is presented to the Registrar for that purpose. Any Owner may examine the books of registry maintained by the Registrar upon request, and the Registrar shall grant such request as soon as reasonably practicable. Any failure of the Registrar to record a

principal advance or a redemption on the Table of Cumulative Outstanding Principal Amount shall not affect the Cumulative Outstanding Principal Amount shown on the records of the Registrar.

ARTICLE V

REFUNDING NOTES

Section 5.1. Refunding Notes. Refunding Notes may be issued at any time at the direction of the Finance Director for the purpose of refunding (including by purchase) any Note or any portion thereof, including amounts to pay principal to the date of maturity or redemption (or purchase) and the expenses of issuing the Refunding Notes and of effecting such refunding; provided that the Debt Service on all notes to be outstanding after the issuance of the Refunding Notes shall not be greater in any Fiscal Year than would have been the Debt Service in such Fiscal Year were such refunding not to occur.

ARTICLE VI

EFFECTIVE DATE OF PROJECT; PLEDGE OF REVENUE

Section 6.1. Effective Date of Project. For purposes of Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, the effective date of the Project shall be determined as set forth in the Redevelopment Contract. The Planning Director is hereby directed to notify the Assessor of the effective date of the Project on the form prescribed by the Property Tax Administrator.

Section 6.2. Collection of Revenue; Pledge of Revenue. As provided for in the Redevelopment Plan, and pursuant to the provisions of the Redevelopment Law, for the period contemplated thereby, the Tax Revenue collected in the Project Area shall be allocated to and, when collected, paid into the Special Fund under the terms of this Resolution to pay the principal on the Note. When the Note has been paid in accordance with this Resolution, the Redevelopment Plan and the Redevelopment Contract, the Tax Revenue shall be applied as provided for in the Redevelopment Law.

The Revenue is hereby allocated and pledged in its entirety to the payment of the principal on the Note and to the payment of the Project Costs (including the Project), until the principal on the Note has been paid (or until money for that purpose has been irrevocably set aside), and the Revenue shall be applied solely to the payment of the principal on the Note. Such allocation and pledge is and shall be for the sole and exclusive benefit of the Owner and shall be irrevocable.

Section 6.3. Potential Insufficiency of Revenue. Neither the Authority nor the City makes any representations, covenants, or warranties to the Owner that the Revenue will be sufficient to pay the principal of or interest on the Note. Payment of the principal of and interest on the Note is limited solely and exclusively to the Revenue pledged under the terms of this Resolution, and is not payable from any other source whatsoever.

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS; PAYMENTS THEREFROM

Section 7.1. Creation of Funds and Account. There is hereby created and established by the Authority the following funds and accounts which funds shall be held by the Finance Director of the City separate and apart from all other funds and moneys of the Authority and the City under her control a special trust fund called the "Mendez Enterprises, LLC, Redevelopment Project Tax Increment Special Fund" (the "**Special Fund**").

So long as the Note remains unpaid, the money in the foregoing fund and accounts shall be used for no purpose other than those required or permitted by this Resolution, any Resolution supplemental to or amendatory of this Resolution and the Redevelopment Law.

Section 7.2. Special Fund. All of the Revenue shall be deposited into the Special Fund. The Revenue accumulated in the Special Fund shall be used and applied on the Business Day prior to each Payment Date (a) to make any payments to the Authority as may be required under the Redevelopment Contract and (b) to pay principal on the Note to the extent of any money then remaining the Special Fund on such Payment Date. Money in the Special Fund shall be used solely for the purposes described in this **Section 7.2**. All Revenues received through and including December 31, 2035 shall be used solely for the payments required by this **Section 7.2**.

ARTICLE VIII

COVENANTS OF THE AUTHORITY

So long as the Note is outstanding and unpaid, the Authority will (through its proper officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in this Resolution or in the Note, including the following covenants and agreements for the benefit of the Owner which are necessary, convenient and desirable to secure the Note and will tend to make them more marketable; provided, however, that such covenants do not require either the City or the Authority to expend any money other than the Revenue nor violate the provisions of State law with respect to tax revenue allocation.

Section 8.1. No Priority. The Authority covenants and agrees that it will not issue any obligations the principal of or interest on which is payable from the Revenue which have, or purport to have, any lien upon the Revenue prior or superior to or in parity with the lien of the Note; provided, however, that nothing in this Resolution shall prevent the Authority from issuing and selling notes or other obligations which have, or purport to have, any lien upon the Revenue which is junior to the Note and the Debt Service thereon, or from issuing and selling notes or other obligations which are payable in whole or in part from sources other than the Revenue.

Section 8.2. To Pay Principal of the Note. The Authority will duly and punctually pay or cause to be paid solely from the Revenue the principal of the Note on the dates and at the places and in the manner provided in the Note according to the true intent and meaning thereof and hereof, and will faithfully do and perform and fully observe and keep any and all covenants, undertakings, stipulations and provisions contained in the Note and in this Resolution.

Section 8.4. Books of Account; Financial Statements. The Authority covenants and agrees that it will at all times keep, or cause to be kept, proper and current books of account (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Project, the Revenue and other funds relating to the Project.

Section 8.5. Eminent Domain Proceeds. The Authority covenants and agrees that should all or any part of the Project be taken by eminent domain or other proceedings authorized by law for any public or other use under which the property will be exempt from ad valorem taxation, the net proceeds realized by the Authority therefrom shall constitute Project Revenue and shall be deposited into the Special Fund and used for the purposes and in the manner described in **Section 7.2.**

Section 8.6. Protection of Security. The Authority is duly authorized under all applicable laws to create and issue the Note and to adopt this Resolution and to pledge the Revenue in the manner and to the extent provided in this Resolution. The Revenue so pledged is and will be free and clear of any pledge, lien, charge, security interest or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Resolution, except as otherwise expressly provided herein, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Note is and will be a valid obligation of the Authority in accordance with its terms and the terms of this Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and security interest granted with respect to the Revenue pledged under this Resolution and all the rights of the Owner under this Resolution against all claims and demands of all persons whomsoever.

ARTICLE IX

FORM OF NOTE

Section 9.1. Form of Note. The Note shall be in substantially the following form:

(FORM OF NOTE)

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND THIS NOTE MAY NOT BE TRANSFERRED UNLESS THE PROPOSED ASSIGNEE IS A BANK OR A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION AND THE OWNER HAS OBTAINED AND PROVIDED TO THE AUTHORITY, PRIOR TO SUCH TRANSFER AND ASSIGNMENT, AN INVESTOR'S LETTER IN FORM AND SUBSTANCE SATISFACTORY TO THE AUTHORITY EVIDENCING THE COMPLIANCE WITH THE PROVISIONS OF ALL FEDERAL AND STATE SECURITIES LAWS AND CONTAINING SUCH OTHER REPRESENTATIONS AS THE AUTHORITY MAY REQUIRE.

THIS NOTE MAY BE TRANSFERRED ONLY IN THE MANNER AND ON THE TERMS AND CONDITIONS AND SUBJECT TO THE RESTRICTIONS STATED IN SECTION 3.6 OF RESOLUTION NO. _____ OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA.

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL**

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA**

**MENDEZ ENTERPRISES, LLC, REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017**

No. R-1

**Up to \$887,000
(subject to reduction as described herein)**

<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>
	December 31, 2035	0.00%

REGISTERED OWNER: Mendez Enterprises, LLC

PRINCIPAL AMOUNT: SEE SCHEDULE 1 ATTACHED HERETO

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

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA has caused this Note to be signed by the manual signature of the Chairman of the Authority, countersigned by the manual signature of the Secretary of the Authority.

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA**

[S E A L]

By: _____ (manual signature)
Chairman

By: _____ (manual signature)
Secretary

The **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the "Authority") acknowledges itself indebted to, and for value received hereby promises to pay, but solely from certain specified tax revenues to the Registered Owner named above, or registered assigns, on the Date of Maturity stated above (or earlier as hereinafter referred to), the Principal Amount on Schedule 1 attached hereto upon presentation and surrender hereof at the office of the registrar and paying agent herefor, the Treasurer of the City of Grand Island, Nebraska (the "Registrar"), payable semiannually on June 1 and December 1 of each year until payment in full of such

Principal Amount, beginning June 1, 2020, by check or draft mailed to the Registered Owner hereof as shown on the note registration books maintained by the Registrar on the 15th day of the month preceding the month in which the applicable payment date occurs, at such Owner's address as it appears on such note registration books. The principal of this Note is payable in any coin or currency which on the respective dates of payment thereof is legal tender for the payment of debts due the United States of America.

This Note is issued by the Authority under the authority of and in full compliance with the Constitution and statutes of the State of Nebraska, including particularly Article VIII, Section 12 of the Nebraska Constitution, Sections 18-2101 to 18-2153, inclusive, Reissue Revised Statutes of Nebraska, as amended, and under and pursuant to Resolution No. _____ duly passed and adopted by the Authority on _____, 2017, as from time to time amended and supplemented (the "**Resolution**").

THE PRINCIPAL AMOUNT OF THIS NOTE IS SET FORTH IN SCHEDULE 1 ATTACHED HERETO. THE MAXIMUM PRINCIPAL AMOUNT OF THIS NOTE IS \$887,000.

This Note has been issued by the Authority for the purpose of financing the costs of constructing, reconstructing, improving, extending, rehabilitating, installing, equipping, furnishing and completing certain improvements within the area identified and referred to as the City of Grand Island Redevelopment Plan Amendment for Redevelopment Area #6 September 2017, (Mendez Enterprises, LLC, Project) which is more specifically described in the Resolution, and to carry out the Authority's corporate purposes and powers in connection therewith.

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

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

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

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

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

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

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

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

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

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note have happened,

do exist and have been performed in regular and due time, form and manner; that this Note does not exceed any constitutional, statutory or charter limitation on indebtedness; and that provision has been made for the payment of the principal of and interest on this Note as provided in this Resolution.

[The remainder of this page intentionally left blank]

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the note register kept by the Registrar for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within note in every particular.

Signature Guaranteed By:

Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

By: _____
Title: _____

[The remainder of this page intentionally left blank]

SCHEDULE 1

TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT

**COMMUNITY REDEVELOPMENT AUTHORITY OF
THE CITY OF GRAND ISLAND, NEBRASKA
MENDEZ ENTERPRISES, LLC, REDEVELOPMENT PROJECT
TAX INCREMENT DEVELOPMENT REVENUE NOTE, SERIES 2017**

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

ARTICLE X

**DEFEASANCE; MONEY HELD FOR PAYMENT OF
DEFEASED NOTE**

Section 10.1. Discharge of Liens and Pledges; Note No Longer Outstanding Hereunder. The obligations of the Authority under this Resolution, including any Resolutions, resolutions or other proceedings supplemental hereto, and the liens, pledges, charges, trusts, assignments, covenants and agreements of the Authority herein or therein made or provided for, shall be fully discharged and satisfied as to the Note or any portion thereof, and the Note or any portion thereof shall no longer be deemed to be outstanding hereunder and thereunder,

(a) when the any Note or portion thereof shall have been canceled, or shall have been surrendered for cancellation or is subject to cancellation, or shall have been purchased from money in any of the funds held under this Resolution, or

(b) if the Note or portion thereof is not canceled or surrendered for cancellation or subject to cancellation or so purchased, when payment of the principal of the Note or any portion

thereof, plus interest on such principal to the due date thereof, either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Registrar for the Note, in trust and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Escrow Obligations maturing as to principal in such amount and at such times as will insure the availability of sufficient money to make such payment.

Provided that, with respect to any total redemption of any Note, notice of redemption shall have been duly given or provision satisfactory to the Registrar shall have been made therefor, or waiver of such notice, satisfactory in form, shall have been filed with the Registrar.

At such time as any Note or portion thereof shall no longer be outstanding hereunder, and, except for the purposes of any such payment from such money or such Escrow Obligations, such Note or portion thereof shall no longer be secured by or entitled to the benefits of this Resolution.

Any such money so deposited with the Registrar for any Note or portion thereof as provided in this **Section 10.1** may at the direction of the Finance Director also be invested and reinvested in Escrow Obligations, maturing in the amounts and times as hereinbefore set forth. All income from all Escrow Obligations in the hands of the Registrar which is not required for the payment of such Note or portion thereof with respect to which such money shall have been so deposited, shall be paid to the Authority and deposited in the Special Fund as and when realized and collected for use and application as is other money deposited in that fund.

Anything in this Resolution to the contrary notwithstanding, if money or Escrow Obligations have been deposited or set aside with the Registrar pursuant to this **Section 10.1** for the payment of any Note and such Note shall not have in fact been actually paid in full, no amendment to the provisions of this **Section 10.1** shall be valid as to or binding upon the Owner thereof without the consent of such Owner.

Section 10.2. Certain Limitations After Due Date. If sufficient money or Escrow Obligations shall have been deposited in accordance with the terms hereof with the Registrar in trust for the purpose of paying the Notes or any portion thereof when the same becomes due, whether at maturity or upon earlier redemption, all liability of the Authority for such payment shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Registrar to hold such money or Escrow Obligations, without liability to the Owners, in trust for the benefit of the Owners, who thereafter shall be restricted exclusively to such money or Escrow Obligations for any claim for such payment of whatsoever nature on his part.

Notwithstanding the provisions of the preceding paragraph of this **Section 10.2**, money or Escrow Obligations held by the Registrar in trust for the payment and discharge of the principal of on any Note which remain unclaimed for five years after the date on which such payment shall have become due and payable, either because the Notes shall have reached their maturity date or because the entire principal balance of the Notes shall have been called for redemption, if such money was held by the Registrar or such paying agent at such date, or for five years after the date of deposit of such money, if deposited with the Registrar after the date when such Note became due and payable, shall, at the written request of the Authority be repaid by the Registrar to the Authority as the Authority's property and free from the trust created by this Resolution, and the Registrar shall thereupon be released and discharged with respect thereto, and the Owner thereof shall look only to the Authority for the payment thereof.

ARTICLE XI

AMENDING AND SUPPLEMENTING OF RESOLUTION

Section 11.1. Amending and Supplementing of Resolution Without Consent of Owner. The Authority may at any time without the consent or concurrence of the Owner of the Note adopt a resolution amendatory hereof or supplemental hereto if the provisions of such supplemental Resolution do not materially adversely affect the rights of the Owner of the Note, for any one or more of the following purposes:

(a) To make any changes or corrections in this Resolution as to which the Authority shall have been advised by counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or omission or mistake or manifest error contained in this Resolution, or to insert in this Resolution such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing payment of the Note;

(c) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Resolution;

(d) To confirm as further assurance any lien, pledge or charge, or the subjection to any lien, pledge or charge, created or to be created by the provisions of this Resolution; and

(e) To grant to or confer upon the Owner of the Note any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them.

The Authority shall not adopt any supplemental Resolution authorized by the foregoing provisions of this **Section 11.1** unless in the opinion of counsel the adoption of such supplemental Resolution is permitted by the foregoing provisions of this **Section 11.1** and the provisions of such supplemental Resolution do not materially and adversely affect the rights of the Owner of the Note.

Section 11.2. Amending and Supplementing of Resolution with Consent of Owner. With the consent of the Owners of the Note, the Authority from time to time and at any time may adopt a resolution amendatory hereof or supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Resolution, or modifying or amending the rights and obligations of the Authority under this Resolution, or modifying or amending in any manner the rights of the Owner of the Note; provided, however, that, without the specific consent of the Owner of the Note, no supplemental Resolution amending or supplementing the provisions hereof shall: (a) change the fixed maturity date for the payment or the terms of the redemption thereof, or reduce the principal amount of the Note or the rate of interest thereon or the Redemption Price payable upon the redemption or prepayment thereof; (b) authorize the creation of any pledge of the Tax Revenues and other money and securities pledged hereunder, prior, superior or equal to the pledge of and lien and charge thereon created herein for the payment of the Note except to the extent provided in **Articles III** and **V**; or (c) deprive the Owner of the Note in any material respect of the security afforded by this Resolution. Nothing in this paragraph contained, however, shall be construed as making necessary the approval of the Owner of the Note of the adoption of any supplemental Resolution authorized by the provisions of **Section 11.1**.

It shall not be necessary that the consents of the Owner of the Note approve the particular form of wording of the proposed amendment or supplement or of the proposed supplemental Resolution effecting such amendment or supplement, but it shall be sufficient if such consents approve the substance of the proposed amendment or supplement. After the Owner of the Note shall have filed its consent to the amending or supplementing hereof pursuant to this Section, the Authority may adopt such supplemental Resolution.

Section 11.3. Effectiveness of Supplemental Resolution. Upon the adoption (pursuant to this Article XI and applicable law) by the Authority of any supplemental Resolution amending or supplementing the provisions of this Resolution or upon such later date as may be specified in such supplemental Resolution, (a) this Resolution and the Note shall be modified and amended in accordance with such supplemental Resolution, (b) the respective rights, limitations of rights, obligations, duties and immunities under this Resolution and the Owner of the Note shall thereafter be determined, exercised and enforced under this Resolution subject in all respects to such modifications and amendments, and (c) all of the terms and conditions of any such supplemental Resolution shall be a part of the terms and conditions of the Note and of this Resolution for any and all purposes.

ARTICLE XII

MISCELLANEOUS

Section 12.1. General and Specific Authorizations; Ratification of Prior Actions. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby (a) authorizes and directs the Chairman, Finance Director, Secretary, Planning Director and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the Authority and such other actions as they, or any of them, in consultation with Special Counsel, the Owner and its counsel shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, including without limitation the execution and delivery of all related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Finance Director the right, power and authority to exercise his independent judgment and absolute discretion in (1) determining and finalizing all terms and provisions to be carried by the Note not specifically set forth in this Resolution and (2) the taking of all actions and the making of all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Note. The execution and delivery by the Finance Director or by any such other officers, officials, employees or agents of the City of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Authority's and their approval of the terms, provisions and contents thereof and of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Authority and the authorization, approval and ratification by the Authority of the documents, instruments, certifications and opinions so executed and the actions so taken.

All actions heretofore taken by the Finance Director and all other officers, officials, employees and agents of the Authority, including without limitation the expenditure of funds and the selection, appointment and employment of Special Counsel and financial advisors and agents, in connection with issuance and sale of the Note, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

Section 12.2. Proceedings Constitute Contract; Enforcement Thereof. The provisions of this Resolution shall constitute a contract between the Authority and the Owner and the provisions thereof shall be enforceable by the Owner by mandamus, accounting, mandatory injunction or any other suit, action or proceeding at law or in equity that is presently or may hereafter be authorized under the laws of the State in any court of competent jurisdiction. Such contract is made under and is to be construed in accordance with the laws of the State.

After the issuance and delivery of any Note, this Resolution and any supplemental Resolution shall not be repealable, but shall be subject to modification or amendment to the extent and in the manner provided in this Resolution, but to no greater extent and in no other manner.

Section 12.3. Benefits of Resolution Limited to the Authority and the Owner. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Note is intended or should be construed to confer upon or give to any person other than the Authority and the Owner of the Note any legal or equitable right, remedy or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement or provision herein contained. The Resolution and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Authority and the Owner from time to time of the Note as herein and therein provided.

Section 12.4. No Personal Liability. No officer or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest on the Note. Nothing herein contained shall, however, relieve any such officer or employee from the performance of any duty provided or required by law.

Section 12.5. Effect of Saturdays, Sundays and Legal Holidays. Whenever this Resolution requires any action to be taken on a Saturday, Sunday or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Resolution the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 12.6. Partial Invalidity. If any one or more of the covenants or agreements or portions thereof provided in this Resolution on the part of the City, the Authority or the Registrar to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Resolution and the invalidity thereof shall in no way affect the validity of the other provisions of this Resolution or of the Note, but the Owner of the Note shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

If any provisions of this Resolution shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 12.7. Law and Place of Enforcement of this Resolution. The Resolution shall be construed and interpreted in accordance with the laws of the State. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State except to the extent necessary

for enforcement, by any trustee or receiver appointed by or pursuant to the provisions of this Resolution, or remedies under this Resolution.

Section 12.8. Effect of Article and Section Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Resolution.

Section 12.9. Repeal of Inconsistent Resolution. Any Resolution of the City, or the Authority and any part of any resolution, inconsistent with this Resolution is hereby repealed to the extent of such inconsistency.

Section 12.10. Publication and Effectiveness of this Resolution. This Resolution shall take effect and be in full force from and after its passage by the Community Redevelopment Authority of the City.

Section 12.11 Authority to Execute Redevelopment Contract and Approve Plan. The Chairman and Secretary are authorized and directed to execute the Redevelopment Contract, in the form presented with such changes as the Chairman, in his discretion deems proper. The Plan is approved and adopted.

PASSED AND ADOPTED: _____, 2017.

**COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA**

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Secretary



Community Redevelopment Authority (CRA)

Wednesday, December 13, 2017
Regular Meeting

Item X1

Take Flight referral

Staff Contact: Chad Nabity

Resolution Number 2018-05

HALL COUNTY REGIONAL PLANNING COMMISSION

A RESOLUTION RECOMMENDING APPROVAL OF A SITE SPECIFIC REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA; AND APPROVAL OF RELATED ACTIONS

WHEREAS, the Chairman and Board of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority"), referred the Redevelopment Plan for 209 W Third St. by Take Flight Investments LLC to the Hall County Regional Planning Commission, (the "Commission") for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to Section 18-2112 of the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "Act"); and

WHEREAS, the Commission has reviewed said Redevelopment Plan as to its conformity with the general plan for the development of the City of Grand Island, Hall County;

NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:

Section 1. The Commission hereby recommends approval of the Redevelopment Plan.

Section 2. All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 3. This resolution shall be in full force and effect from and after its passage as provided by law.

DATED: December 6, 2017.

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: 
Chair

By: 
Secretary

Redevelopment Plan Amendment
Grand Island CRA Area 1
November 2017

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 1 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 1.

Executive Summary:

Project Description

THE REDEVELOPMENT OF THE BUILDING LOCATED AT 209 W. THIRD STREET FOR COMMERCIAL AND RESIDENTIAL USES, INCLUDING FIRE/LIFE SAFETY IMPROVEMENTS AND BUILDING REHABILITATION AND REMODELING.

The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of the of 209 W Third Street into a mixed use building containing two apartments and retail tenant space. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in renovating this downtown building into a combination of commercial space and market rate residential units. The addition of the residential units is consistent with the downtown redevelopment plan and priorities to add 50 residential units downtown by 2019. This project would not be possible without the use of TIF.

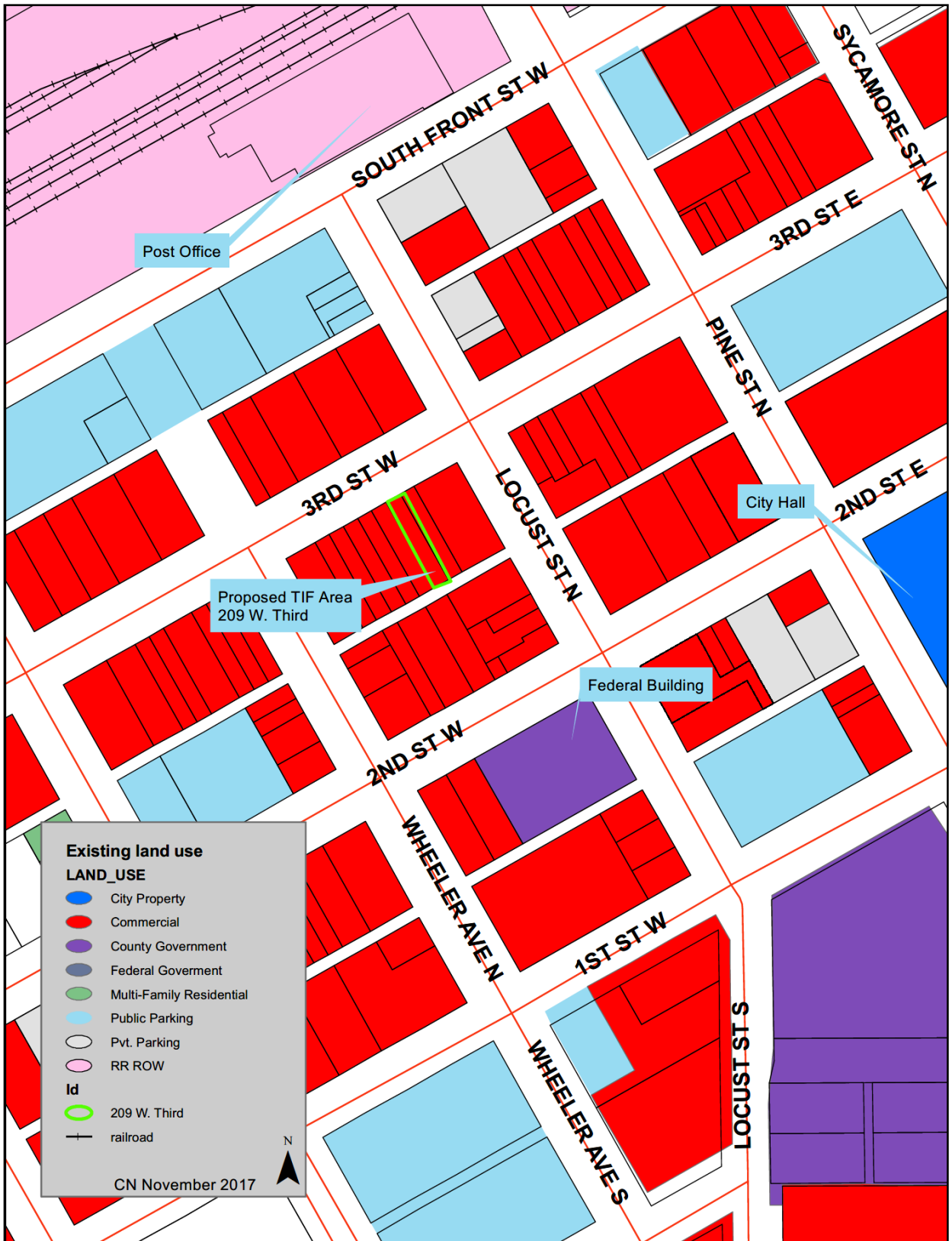
Take Flight Investments LLC is the owner of the property. Take Flight Investments purchased this property in March of 2017. The purchase price is not included as an eligible TIF activity. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the remodeling and rehabilitation of this building. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2019 towards the allowable costs and associated financing for rehabilitation.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

209 W. Third Street in Grand Island Nebraska

Legal Descriptions: The Center 1/3 of Lot Two (2) in Block Sixty-Five (65) in the Original Town, now City of Grand Island, Hall County, Nebraska.



Existing Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2020 through 2034 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of this building for commercial and residential uses as permitted in the B-3 Heavy Business Zoning District.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

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

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

Redevelopment Plan Amendment Complies with the Act:

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

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on December 19, 2000.[§18-2109] Such

declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations. **The Hall County Regional Planning Commission held a public hearing at their meeting on December 6, 2017 and passed Resolution 2018-0? confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island.** The Grand Island Public School District has submitted a formal request to the Grand Island CRA to notify the District any time a TIF project involving a housing subdivision and/or apartment complex is proposed within the District. The school district was notified of this plan amendment at the time it was submitted to the CRA for initial consideration.

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

a. Land Acquisition:

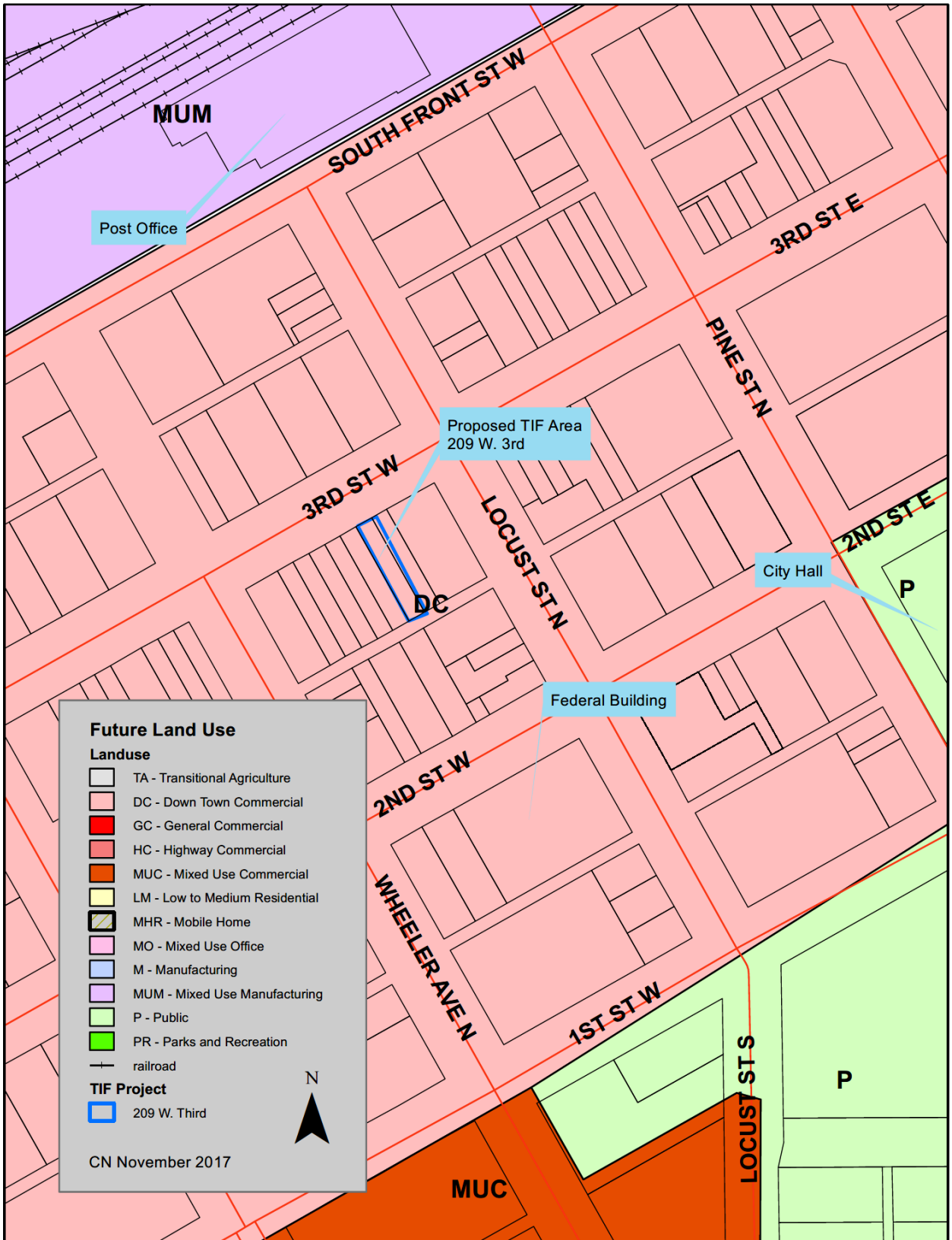
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does not provide for the demolition and removal any structures on this property.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for Downtown Commercial development; this includes housing and commercial uses within the same structure. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned B3-Heavy Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is rehabilitating the existing building. The developer is not proposing to increase the size of the building and current building meets the applicable regulations regarding site coverage and intensity of use. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. The developer will be required to extend a water line capable of providing sufficient water for the sprinkler system required to convert this building in a multifamily apartment building.

Electric utilities are sufficient for the proposed use of this building.

No other utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property, owned by the developer, is vacant and has been vacant for more than 1 year; no relocation is contemplated or necessary. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106] No members of the authority or staff of the CRA have any interest in this property.

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer owns this property and acquisition is not part of the request for tax increment financing. The estimated costs of rehabilitation of this property is \$281,000

planning related expenses for Architectural and Engineering services of \$3,500 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$7,500 are included as TIF eligible expense. The total of eligible expenses for this project exceeds \$292,000. The CRA has been asked to grant \$35,000 to this project to offset the cost of life safety improvements. The total eligible expenses for this project less other grant funds by the CRA is \$267,000. The developers have also invested \$78,500 in acquisition of the property.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$99,200 from the proceeds of the TIF. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2020 through December 2034.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions. This will accomplish the goal of both the Downtown Business Improvement District and the Grand Island City Council of increasing the number of residential units available in the Downtown area.

8. Time Frame for Development

Development of this project is anticipated to be completed between December 2017 and October of 2018. Excess valuation should be available for this project for 15 years beginning with the 2020 tax year.

9. Justification of Project

This is an historic building in downtown Grand Island that will be preserved with this project. The addition of a new upper story residential unit is consistent with goals to build 50 new residential units in downtown Grand Island by 2019 and with the goals of the 2014 Grand Island housing study and Grow Grand Island. The main floor will be used for commercial tenant space.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$99,200 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This property has requested a life/safety grant of \$35,000. This investment by the Authority will leverage \$236,989 in private sector financing; a private investment of \$1.77 for every TIF and grant dollar investment.

Use of Funds Description	Source of Funds.			Total
	TIF Funds	Other Grants	Private Funds	
Site Acquisition			\$78,500	\$78,500
Legal and Plan*			\$7,500	\$7,500
Engineering/Arch			\$3,500	\$3,500
Renovation	\$99,200		\$124,944	\$224,144
Life/Safety		\$35,000		\$35,000
Facade				
Developer/Audit Fees				\$
Contingency			\$22,545	\$22,545
TOTALS	\$99,200	\$35,000	\$236,989	\$371,189

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2018, valuation of approximately \$110,564. Based on the 2016 levy this would result in a real property tax of approximately \$2,403. It is anticipated that the assessed value will increase by \$304,325 upon full completion, as a result of the site redevelopment. This

development will result in an estimated tax increase of over \$6,613 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2018 assessed value:	\$ 110,564
Estimated value after completion	\$ 414,889
Increment value	\$ 304,325
Annual TIF generated (estimated)	\$ 6,613
TIF bond issue	\$ 99,200

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$110,564. The proposed redevelopment will create additional valuation of \$304,325. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools in any significant way. Fire and police protection are available and should not be negatively impacted by this development. The addition of life safety elements to this building including fire sprinklers actually reduces the chances of negative impacts to the fire department.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

This will provide additional housing options in the downtown area consistent with the planned development in Downtown Grand Island.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This project will not have a negative impact on other employers in any manner different from any other expanding business within the Grand Island area. This will provide housing options for employees of Downtown businesses that wish to live Downtown.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This project is consistent the goals of the Council, the Downtown BID, the CRA, and Grow Grand Island to create additional housing units in downtown Grand Island.

Time Frame for Development

Development of this project is anticipated to be completed during between December of 2017 and October of 2018. The base tax year should be calculated on the value of the property as of January 1, 2018. Excess valuation should be available for this project for 15 years beginning in 2019 with taxes due in 2020. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$99,200 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the rehabilitation the developer will spend at least \$270,000 on TIF eligible activities in excess of other grants given. The CRA will reserve the right to issue additional debt for this project upon notification by the developer of sufficient expenses and valuation to support such debt in the form of a second or third bond issuance.