



Community Redevelopment Authority (CRA)

**Wednesday, June 13, 2018
Regular Meeting**

Item I1

**Approval of Redevelopment Plan and Contracts and Bond
Resolution for Copper Creek Phase 2**

Staff Contact:

MASTER REDEVELOPMENT CONTRACT
COPPER CREEK PHASE 2

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2018, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and The Guarantee Group, L.L.C., 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 to 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 entitled "Redevelopment Plan Amendment CRA Area #12 April 2018 (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 by the installation of required infrastructure and the construction of houses;

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 bonds, 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 (The Guarantee Group Development Project), Series 2018, to be issued in an amount not to exceed \$4,754,848.00 in substantially the form set forth on Exhibit C and the various Redevelopment Contract Amendments, 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.

"Lot" or "Lots" shall mean the separately platted and subdivided lots within the Redevelopment Project Area as described Exhibit A attached hereto as platted and subdivided from time to time.

"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. The Project shall include improvements related to Project Infrastructure Costs and site preparation costs, all as described in Section 3.04 of this Redevelopment Contract.

"Project Cost Certification" means a statement prepared and signed by the Redeveloper (and, if required by the Authority, certified by a qualified consulting engineer or accountant) verifying the Redeveloper has been legally obligated for the payment of 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.

"Redeveloper" means The Guarantee Group, L.L.C., 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 platting or re-platting requested by the Redeveloper and approved by the City.

"Redevelopment Project Property" means that part 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, as the same may be amended from time to time, including, without limitation, by Redevelopment Contract Amendments executed from time to time in connection with the separate Phases of the Project.

"Redevelopment Contract Amendment" shall mean an amendment to this Redevelopment Contract, for the purpose of establishing the effective date for the division of *ad valorem* taxes pursuant to section 18-2147 of the Act as to each Phase, as defined in Section 3.01 hereof, of lots in the Redevelopment Project Area. The form of the Redevelopment Contract Amendment is attached hereto as Exhibit F.

"Redevelopment Plan" means the Redevelopment Plan Amendment CRA Area #12 April 2018 (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 Section 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 solely on representations made by the Redeveloper:

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

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

(iii) 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.

(f) 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 company 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 bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance 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.

(f) The Redeveloper hereby certifies:

(1) the Redeveloper has not filed and does not intend to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act for a project located or to be located within the Redevelopment Project area;

(2) no application for incentives of any kind will include a refund of the city's local option sales tax revenue; and

(3) no Redeveloper application has been approved under the Nebraska Advantage Act.

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 identified from time to time by the Redeveloper (such Lot or Lots being referred to herein as a "Phase") as identified in a written notice from the Redeveloper to the Authority in substantially the form attached hereto as Exhibit F (each, a "Redevelopment Contract Amendment Notice") for the benefit of any public body be divided for a period of fifteen years after the effective date of the provision as set forth in the Redevelopment Contract Amendment Notice and reflected in a Redevelopment Contract Amendment, consistent with the Redevelopment Plan. Said taxes shall be divided as follows:

(a) That portion of the ad valorem tax on real property in each Phase 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 Lots within such Phase 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 each Phase 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.

Provided a Redevelopment Contract Amendment Notice (together with a Redevelopment Contract Amendment in form satisfactory to the Authority and signed by the Redeveloper, and a proposed form of "Notice to Divide Tax for Community Redevelopment Project", all prepared in accordance with this Redevelopment Contract and the Act) is delivered to the Authority no later than July 1 of any year, the Authority shall: (a) execute the Redevelopment Contract Amendment, and (b) file before August 1 of such year a "Notice to Divide Tax for Community Redevelopment Project" for such Phase with the office of the Hall County Treasurer and Hall County Assessor, without requirement of additional hearings or public notice. No Redevelopment Contract Amendment providing for the division of taxes pursuant to this Redevelopment Contract and Section 18-2147 of the Act shall be made after January 1, [REDACTED].

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 December 15, 2018, the Authority shall issue one Tax Increment Revenue Note, in one taxable series, in a maximum principal amount of Four Million Seven Hundred Fifty Four Thousand Eight Hundred Forty Eight and no/100 Dollars (\$4,754,848), 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 Redeveloper's attorney, and receive Note proceeds from the TIF Note Purchaser in said amount. At the option of the Redeveloper, 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. 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 for reimbursement of site acquisition, including easements, site and preparation costs and utilities for including only those items as described on Exhibit D (the "Project Costs"), in the aggregate maximum amount of \$4,754,848.00, as and to the extent that the Project will support the issuance of additional indebtedness. Notwithstanding the foregoing, the aggregate amount of the grant advances shall not exceed the amount of Project Costs as certified pursuant to Section 4.02 of this Redevelopment Contract. Such grant(s) shall be made to the Redeveloper upon execution of this Redevelopment Contract and payment purchase of the Indebtedness as provided in Section 3.02, but limited to the net proceeds of Indebtedness issued from time to time which may be reasonably calculated to be repaid from the division of taxes mentioned in Section 18-2147 of the Act and generated by the Project. The Authority shall have no obligation to provide grant funds from any source other than the purchase price paid to the Authority for the Indebtedness.

Section 3.05 Creation of Fund.

In the Resolution, the Authority has provided for the creation of a 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 “The Guarantee Group 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, [REDACTED] shall be used solely for the payments required herein and by the Resolution; and

(b) a special trust fund called the “The Guarantee Group 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 Authority 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; Insurance.

(a) Redeveloper will complete the Project and install all infrastructure, improvements, buildings, fixtures, equipment and furnishings necessary to operate the Project. 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. Promptly after completion by the Redeveloper of each Phase of the Project, the Redeveloper shall furnish to the Authority a Certificate of Completion (supported by such architect's or engineer's certificates as are required under the terms of the contract documents) for such Phase, including each structure or element of infrastructure completed in such Phase.

(b) Any general contractor chosen by the Redeveloper or the Redeveloper itself 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 or bonds 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.

Section 4.02 Cost Certification.

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 City's Clerk and an authorized representative of the Redeveloper, (i) certifying that a portion of the Project has been substantially completed and (ii) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(b) If the costs requested for reimbursement under the Disbursement Request are currently reimbursable under Exhibit D of 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 Authority, 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 \$4,754,848.

Section 4.03 Authority Costs

Redeveloper shall reimburse the Authority (and the City, as applicable) on the date of the closing of the purchase of the Indebtedness for legal fees and costs incurred or expected to be incurred in connection with this Redevelopment Contract and the issuance of the Indebtedness.

Section 4.04 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 4.05 Real Estate Tax Base; Payments in Lieu of Taxes.

Redeveloper agrees to make payments in lieu of taxes, immediately upon receipt of notice from City or the Authority, if for any reason at any time TIF Revenues are not sufficient to pay principal and interest on the Indebtedness when due. This payment in lieu of tax obligation may be represented by a note or other evidence of indebtedness.

Section 4.06 Assignment or Conveyance.

This Redevelopment Contract shall not be assigned by the Redeveloper without the written consent of the Authority. Any transfer (including any lease for a term longer than one year) or conveyance of the any portion of the Redevelopment Project Property, except for individual lot sales, prior to the termination of the 15 year period commencing on the last effective date specified in Section 3.01 hereof by the Redeveloper shall be subject to the terms and conditions of this Redevelopment Contract. 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 4.07 Federal Immigration Verification System.

The Redeveloper agrees that Redeveloper and any contractor for the improvements to be reimbursed as a part of the Project Infrastructure Costs shall be required to agree to use a federal immigration verification system (as defined in §4-114, R.R.S. 2012) to determine the work eligibility status of new employees physically performing services on the Project and to comply with all applicable requirements of §4-114, R.R.S., 2012.

Section 4.08 Public Right-of-Way.

All streets with within the Redevelopment Project Area boundaries shall be public streets and dedicated to the public as part of the re-platting of the Redevelopment Project Area.

Section 4.09 Records.

Redeveloper agrees that it shall retain all records related to invoices for Project Cost Certification for a period of 18 years after the last effective date provided in the last Redevelopment Contract Amendment executed pursuant to this Contract. Such records shall be made available to the Authority upon request.

**ARTICLE V
FINANCING REDEVELOPMENT PROJECT**

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 for from the proceeds of the Indebtedness and granted to Redeveloper. Prior to issuance of the Indebtedness, Redeveloper shall provide Authority with evidence satisfactory to the Authority that private funds have been committed to the Redeveloper in amounts sufficient to complete all portions of the Project included in the Project Infrastructure Costs. 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 Section 3.04.

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 Public Infrastructure Costs for the first Phase of the Redevelopment Project on or before December 1, 2018, or shall abandon construction work related to the Public Infrastructure Costs and housing construction, 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; 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 seven percent (7%) 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 Public Infrastructure 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 Public Infrastructure 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 Public Infrastructure 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, 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, as specifically set forth in Sections 3.02 and 3.04 and payment of TIF Revenues pledged pursuant to the Resolution. The obligation of the City and Authority on any Indebtedness shall be limited solely to the payment of the TIF Revenues and other funds pledged on the Indebtedness as set forth in the Resolution. Specifically, but without limitation, neither the City nor Authority shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. 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, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, including 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 the Project during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, whether or not related to the Project, or resulting from or in any way connected with specified events, the Project, or in any way related to the enforcement of this Redevelopment Contract or any other cause pertaining to the Project.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Governing Law.

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

Section 7.02 Binding Effect: Amendment.

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.

Section 7.03 Notices to Parties.

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

Redeveloper:

The Guarantee Group, LLC

P.O. Box 5916

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

IN WITNESS WHEREOF, Authority 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

THE GUARANTEE GROUP, L.L.C.

By: _____
Manager

STATE OF NEBRASKA)

) SS

COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____ 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

STATE OF NEBRASKA)

) SS

COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by _____ Manager of The Guarantee Group, L.L.C., on behalf of the limited liability company.

Notary Public

EXHIBIT A
DESCRIPTION OF REDEVELOPMENT AREA

EXHIBIT B
REDEVELOPMENT PLAN

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
(THE GUARANTEE GROUP REDEVELOPMENT PROJECT), SERIES 2018

No. R-1

Up to \$4,754,848
(subject to reduction as described herein)

Date of
Original Issue

Date of
Maturity

Rate of
Interest

December 31, [REDACTED]

[REDACTED] %

REGISTERED OWNER: The Guarantee Group, 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 _____ 2018, 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 \$4,754,848.

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 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.

[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]

Exhibit D
Project Costs

Redevelopment Project Costs

Infrastructure	\$3,646,248.00
Fill (Site Prep)	\$ 586,500.00
Planning (Arch & Eng)	\$ 245,000.00
Authority legal fees	\$ 2,100.00
Legal, Const. Management	\$ 275,000.00
 TOTAL	 \$4,754,848.00

EXHIBIT F

REDEVELOPMENT CONTRACT AMENDMENT NOTICE

Notice is hereby given by The Guarantee Group, LLC, ("Redeveloper") to the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to Section 3.01 of that certain Redevelopment Contract between Redeveloper and Authority dated _____, 2018 as follows:

Amendment: Redeveloper hereby presents to Authority a proposed amendment to the Redevelopment Contract ("Redevelopment Contract Amendment"), which is attached hereto and incorporated herein by this reference.

Notice: As required in the Redevelopment Contract, Redeveloper hereby gives notice to Authority of the following information related to such Redevelopment Contract Amendment (capitalized terms used herein and not defined have the same meaning as set forth in the Redevelopment Contract):

(a) The Redevelopment Contract Amendment incorporates a new Phase to the Project which shall include the following Lot(s) in the Redevelopment Project Area:

[identification of such Lot(s) including the legal description of each]

(b) The effective date of the Redevelopment Contract Amendment shall be _____, 20__.

(c) The division date for the applicable Phase shall be _____, 20__; and a proposed form of Notice of Division is attached hereto and incorporated herein by this reference.

(d) The base year valuation for such Phase shall be 20__.

(e) The initial sale price for each lot with a completed house is set forth hereafter.

Lot description	House model	Sale price
-----------------	-------------	------------

Dated _____

The Guarantee Group, LLC

Manager

**Redevelopment Plan Amendment
Grand Island CRA Area #12
April 2018**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to approve a Redevelopment Plan for Area #12 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 #12.

**Executive Summary:
Project Description**

THE ORIGINAL PLAN FOR THIS DEVELOPMENT CALLED FOR THE COSTRUCTION OF UP TO 620 UNITS OF SINGLE FAMILY HOUSING WITH UP TO 239 WITH THE FIRST PHASE TO BE DEVELOPED AT MARKET DEMAND ESTIMATED AT 15 TO 30 UNITS PER YEAR. THE FINAL COUNT OF THE FIRST PHASE WILL BE 208 INSTEAD OF 239 AS THE LOT SIZES WERE INCREASED SLIGHTLY. AS OF APRIL 1, 2018 PERMITS HAVE BEEN PULLED FOR 193 HOUSES IN THIS PROJECT, 15 MORE LOTS ARE AVAILABLE AS PART OF THE FIRST PHASE. THE SECOND PHASE OF THIS DEVELOPMENT ANTICIPATES THE USE OF TAX INCREMENT FINANCING FOR THE NEXT 80 UNITS OF SINGLE FAMILY HOUSING. IT WAS ANTICIPATED AT THE BEGINNING OF THIS PROJECT THAT THERE WOULD BE ADDITIONAL PHASES THAT WOULD NEED APPROVAL. THE DEVELOPER HAS INDICATED THAT

THE CONSTRUCTION OF 80 UNITS OF SINGLE FAMILY HOMES. THE HOMES TO BE CONSTRUCTED WILL HAVE AN INTIAL SALE PRICE \$185,000 FOR THE BASE LEVEL HOME IN 2018 THAT MEETS THESE MINIMUM SPECIFICATIONS:

1300 SQUARE FEET FINISHED FIRST FLOOR, FULL UNFINISHED BASEMENT, 2 CAR ATTACHED GARAGE, KITCHEN APPLIANCES, CENTRAL HEATING AND AIR CONDITIONING, LANDSCAPING AND SPRINKLED LAWN.

THE HOUSES WILL BE CONSTRUCTED WITHIN THE COPPER CREEK SUBDIVISION LOCATED SOUTH OF OLD POTASH HIGHWAY AND EAST OF ENGLEMAN ROAD. THE PROJECT WILL INCLUDE THE PUBLIC IMPROVEMENTS NECESSARY TO SUPPORT THIS DEVELOPMENT INCLUDING BUT NOT LIMITED TO INSTALLATION OF STREET, STORMWATER FACILITIES, WATER AND SANITARY SEWER UTILITIES, ENGINEERING, SURVENYING, LANDSCAPING AND OTHER IMPROVEMENTS AS NECESSARY. THE CONSTRUCTION OF ADDITIONAL UNITS AND ANY AD VALORUM REVENUE GENERATED BY THOSE ADDITIONAL UNITS SHALL BE SUBJECT TO APPROVAL OF THE CITY AND SUBSEQUENT CONTRACTS BETWEEN THE CRA AND THE DEVELOPER.

The developer intends to use Tax Increment Financing to aid in site development including necessary site work, installation of streets, storm sewer, sanitary sewer, water, other utilities and engineering, surveying and other consultant costs associated with and necessary for the redevelopment of this property. The developer intends to build single family homes ranging from 1300 to 1500 square feet with an attached garage on each lot. The 2018 sale price of these homes will be \$185,000. The developer expects to build 80 units with five phases of development. The original approved preliminary plat for this project anticipated 620 homes. Some changes have been made to the proposed development. Phase 1 was reduced from 239 homes (plus the 5 house from the first attempt at developing this property) to 213 homes by increasing the lot sizes. Phase two anticipates 80 additional lots, the water tower site has reduced the number of lots in the southwest corner. The current approved preliminary plat shows plat an additional 244 lots that could be developed. The total number of lots based on current plans in the development is 537 lots for homes, 2 lots for utility purposes, 1 lot for detention and 1 for on-site storage of campers and boats belonging to residents of the subdivision.

The developer intends to install the infrastructure for phase two of this project in five intervals to create the 80 additional lots south of the existing streets. The second phase is designed to serve the next 80 lots and set the property up for development of up to 244 additional lots in the future. The tax increment from the new home construction will be used to make necessary site improvements and utility extensions to support this development. This project would not be possible in an affordable manner without the use of TIF.

The site is owned by Guarantee Group, LLC. All site work, demolition, streets and utilities will be paid for by the developer. The developer is responsible for and will provide evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work, engineering, surveying and utility and street infrastructure. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated beginning January 1, 2019 towards the allowable costs and associated financing for the acquisition, site work, streets and utility infrastructure. The CRA also intends to continue pledging ad valorem taxes generated by future phases of this development in future contracts for Tax Increment Financing during the life of this project.

TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:

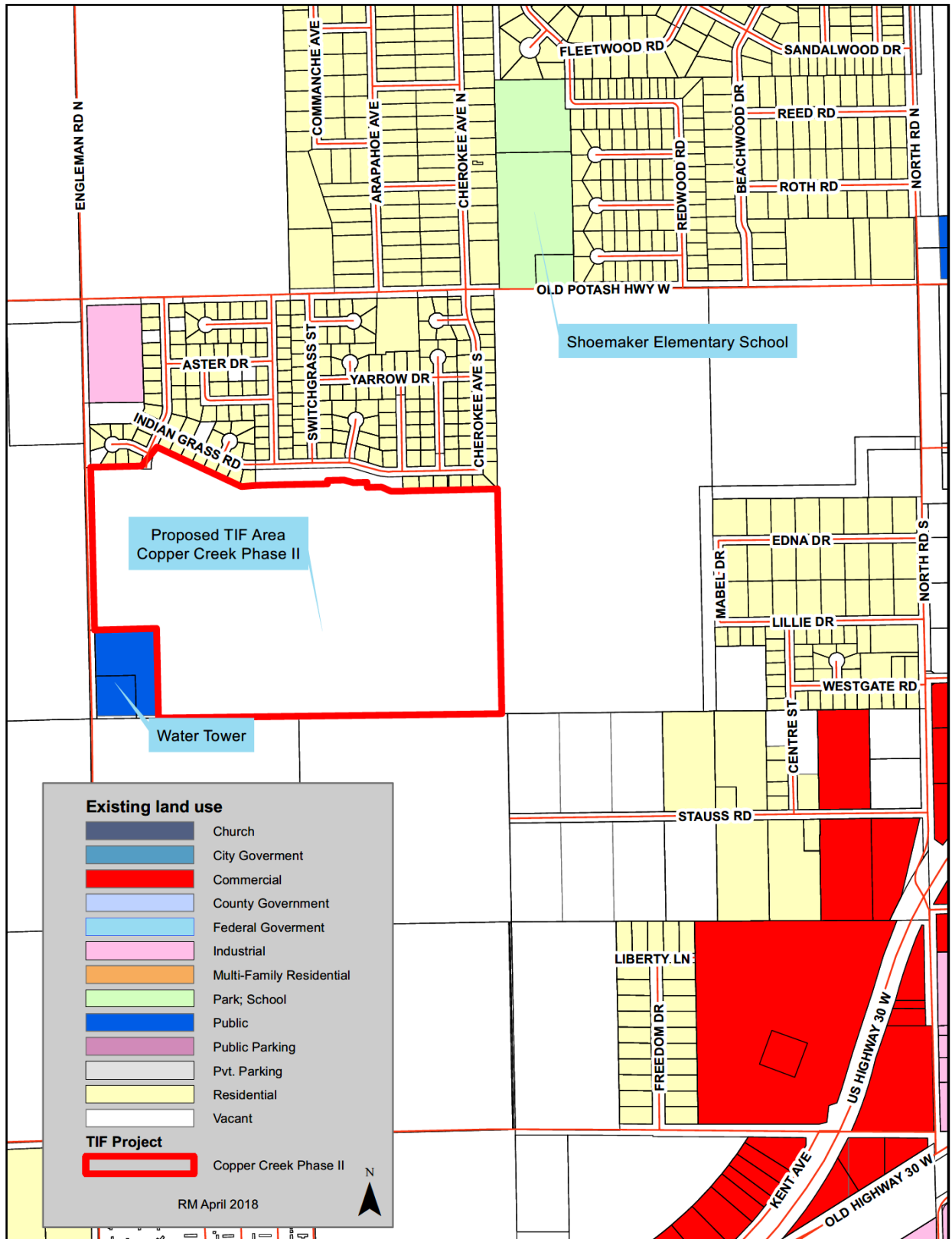
Property Description (the “Redevelopment Project Area”)

This property is located south of Old Potash Highway and east of Engleman Road in northwest Grand Island. The attached map identifies the subject property and the surrounding land uses:

Legal Descriptions

A TRACT LOCATED IN PART OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 11 NORTH, RANGE 23 WEST OF THE 6TH PM, IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT A POINT 1,059.29' FEET SOUTH OF THE NORTHWEST CORNER OF SECTION 23 TOWNSHIP 11 NORTH, RANGE 10 WEST, HALL COUNTY, NEBRASKA ALSO BEING THE SOUTHWEST CORNER OF COPPER CREEK ESTATES EIGHTH SUBDIVISION; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID COPPER CREEK ESTATES EIGHTH SUBDIVISION TO THE SOUTHEAST CORNER OF LOT 17, COPPER CREEK ESTATES EIGHTH SUBDIVISION; THENCE NORTH ALONG THE EASTERLY LINE OF SAID LOT 17 TO THE NORTHEAST CORNER OF LOT 17, COPPER CREEK ESTATES SUBDIVISION, ALSO BEING A POINT ON THE SOUTH LINE OF INDIAN GRASS ROAD AND THE SOUTH WEST CORNER OF COPPER CREEK ESTATES SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF SAID INDIAN GRASS ROAD TO THE NORTHWEST CORNER OF LOT 1, COPPER CREEK ESTATES SUBDIVISION; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1, TO THE SOUTHWEST CORNER OF LOT 1 COPPER CREEK SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF LOTS 1-7 OF SAID COPPER CREEK ESTATES SUBDIVISION TO THE SOUTHEAST CORNER OF LOT 7 COPPER CREEK SUBDIVISION; THENCE SOUTH PARALLEL AND 35' WESTERLY OF THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23 TOWNSHIP 11 NORTH RANGE 10 WEST TO A POINT ON THE SOUTH LINE OF SAID NORTHWEST QUARTER AND 35' FEET WESTERLY OF THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE WESTERLY TO THE SOUTHEAST CORNER OF LOT 2, COPPER CREEK ESTATES NINTH SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF LOTS 1 & 2, COPPER CREEK ESTATES NINTH SUBDIVISION AND THE SOUTH LINE OF SAID NORTHWEST QUARTER TO SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF SECTION 23; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID NORTHWEST QUARTER TO THE PLACE OF BEGINNING. LESS AND EXCEPT ALL OF COPPER CREEK NINTH SUBDIVISION.



The tax increment will be captured for the tax years the payments for which become delinquent beginning in years 2020 and ending upon expiration of the final contract for construction of affordable housing.

The increase will come from the development single family homes on this property. Increases are anticipated from the next 80 houses to be building. The anticipated taxable valuation of this project at completion of the phase two 80 homes is \$18,400,000. The actual final valuation will be subject to appreciation and inflationary forces over the course of the development timeframe.

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 and the effective date of each subsequent contract and or contract amendment associated with this redevelopment plan.

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 May 14, 2013. [§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 install the required public infrastructure needed to develop the property in a manner consistent with the comprehensive plan and previously approved development plans.

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

a. Land Acquisition:

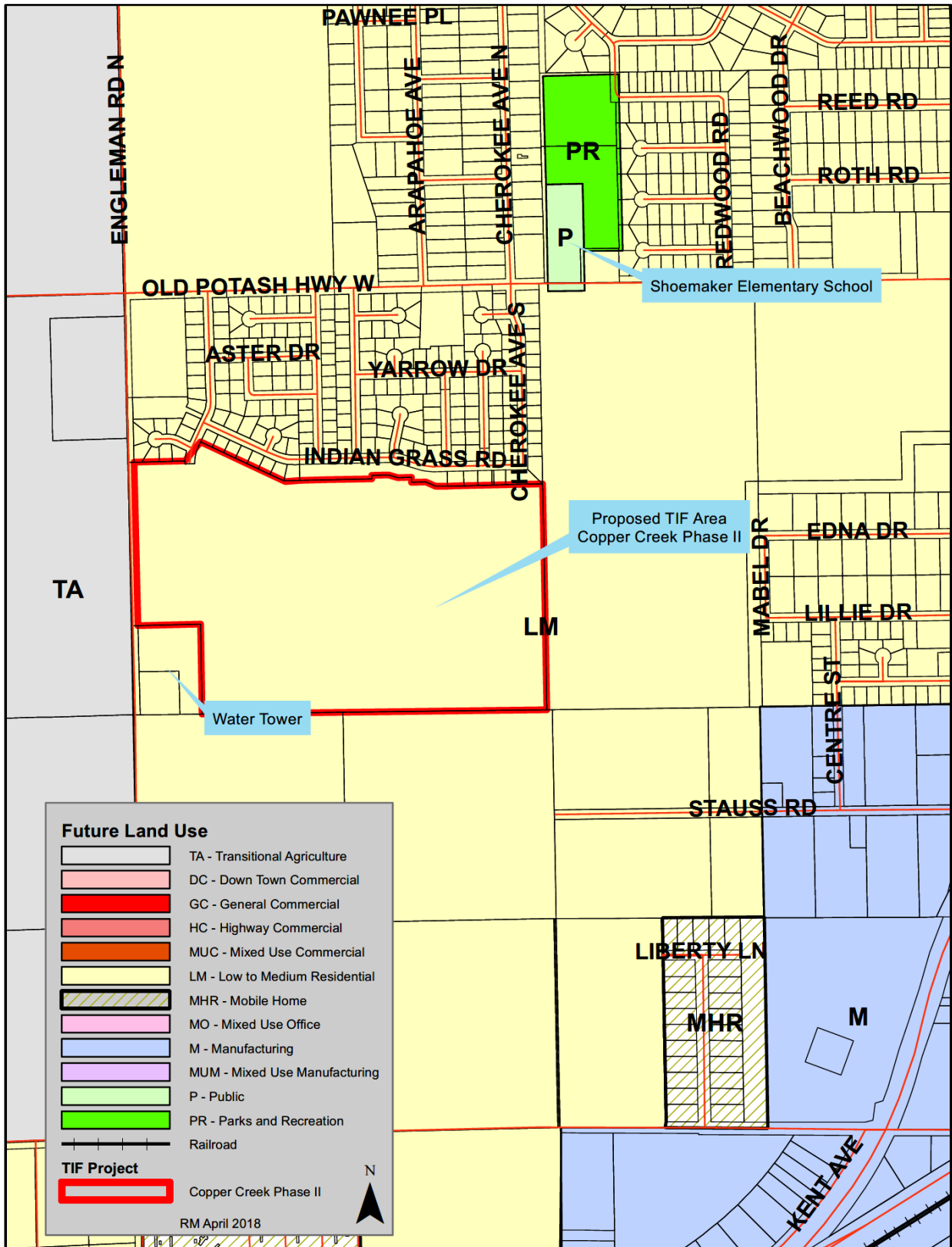
This amended Redevelopment Plan for Area #12 does not provide for real property acquisition. There is no proposed acquisition by the authority. The developer acquired the property as an expense included in the first redevelopment plan after approval of the first TIF contract.

b. Demolition and Removal of Structures:

The project to be implemented with this plan amendment does not call for the demolition and removal of any existing structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for residential use consistent with R2 zoning district and the approved preliminary and final plats for this site. [§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 R2 Low Density Residential. No zoning changes are anticipated with this project. Additional streets will be constructed in a manner consistent with the approved preliminary and final plats for the property. 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. The single family residential is permitted in the current zoning district. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The R2 zoning district allows for the development of 1 dwelling unit per 6000 square foot of lot area. The platted and proposed lots are more than 6000 square feet in size but less than the 12,000 square feet that would be required for a 2 family dwelling. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

This site has full service to municipal utilities. No utilities would be impacted by the development. Water and sewer will need to be extended throughout the site. Extension of utilities is one of the planned uses for Tax Increment Financing.

Electric, gas, phone and cable utilities will be extended through the site as necessary to serve the development through agreements between those providers and the developer.

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 is in private ownership. This is vacant property that has been used for agricultural purposes. No individuals or families will be relocated as a result of this project. Additional housing will be created by the project. [§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]

Tom Gdowski a member of the CRA Board does not hold any interest in this property but works for Equitable Bank in Grand Island and may be involved in the financing of this project or houses sold within the project.

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 the entire site. The developer is estimating the costs TIF eligible for Phase 2 activities as shown below:

Cost for Tax Increment Financing Eligible Activities		
Planning (Architecture and Engineering)		245,000
Land	Acquired with Phase 1	
Legal/Developer/Audit Fees		275,000
City Fees		2,100
Subtotal		522,100
Grading and Infrastructure Phase 2		
Sanitary Sewer	732,346.5	
Water Main	794,191	
Paving and Storm	2,119,710.2	
Fill	586,500	
Subtotal		4,232,748
Total Eligible Expenses		4,754,848

The estimated costs for the eligible activities of this project are \$4,754,748. Site improvements including: utility improvements and site grading and fill of \$4,232,748 Architectural and Engineering planning services of \$245,000 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$277,100 are included as TIF eligible expense. The total of eligible expenses for this project is \$4,754,748.

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 an estimated sum of \$4,754,848 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, 2019 for a period that may extend through 15 years from the date of the final contract for this project.

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 development consistent with the future land use plan for the City of Grand Island and the previously approved development of this site. The development of single family residential on this property is consistent with the property development along the north side of Old Potash Highway. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions such as incomplete infrastructure.

8. Time Frame for Development

Development of this project is anticipated to begin in June 2018. Infrastructure for this phase of the development, including the next 80 lots is expected to be complete with the phasing of the development. The developer expects to complete between 15 and 30 affordable single family dwelling units each year until completion of the subdivision. Expected completion of Phase two of the project will occur sometime between 2022 and 2030. Excess valuation should be available for this project beginning with the 2019 tax year.

9. Justification of Project

The housing vacancy rate in Grand Island has been hovering between 2% and 3% since at least 2000. Since the late 1980's, every housing study done in Grand Island has indicated a lack of housing and housing options in Grand Island. The market is providing for houses in the \$220,000 plus price range and almost 300 market rate apartments have been built in the last 2 years and there are currently plans for upwards of 250 new additional market rate apartments. Providers of elderly housing supported by Low Income Housing

Tax Credits all have waiting lists and applications for new projects are submitted to NIFA every year.

As of today (April 3, 2018), there 73 housing units (single family and condominium) on the market based on the Multiple Listing Service, at all price ranges (\$59,900 to \$499,000). Grand Island has almost 13,000 single family housing units, so less than 0.56% of the total units are currently available and on the market.

The projected price range of the houses to be built with this project puts them within the reach of people earning a family income of \$22 an hour and above. This price puts these houses within reach of people working at JBS Swift, many of the retail stores in the community, incoming teachers and many others that have trouble finding housing in Grand Island. The cost to develop lots in Grand Island, even the smaller lots that are proposed in this subdivision makes the development and sale of houses in this price range prohibitive without some kind of public private partnership.

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. Public funds from tax increment financing in the amount of \$4,754,848 provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$14,852,962 in private sector financing and equity investment; a private investment of \$3.12 for every TIF dollar invested.

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Site Acquisition	Acquired with Phase I		
Site Improvements/Utilities	\$4,232,747.7		\$4,232,747.7
New Construction Costs		\$13,360,000	\$13,360,000
Legal and Plan	\$275,000		\$275,000
Engineering/Arch	\$245,000		\$245,000
City Fees/Reimbursements	\$2,100		\$2,100
Financing Fees		\$1,492,962	\$1,492,962
TOTALS	\$4,754,848	\$14,852,962	\$19,607810

Tax Revenue. The property to be redeveloped has January 1, 2018, valuation of approximately \$504,382 for the 82 acres of undeveloped land. Based on the 2017 levy this would result in a real property tax of approximately \$11,360. It is anticipated that the assessed value will increase by \$18,400,000 upon full completion, as a result of the site

redevelopment. This development will result in an estimated tax increase of over \$414,450 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:	\$ 504,382
Estimated taxable value after completion	\$ 18,904,382
Increment value	\$ 18,400,000
Annual TIF generated (estimated)	\$ 6,217,000
TIF bond issue	\$ \$4,754,848

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

The proposed development of these houses will result in an estimated additional \$18,400,000 of taxable valuation based on an initial 2018 sale price of homes at \$185,000 including the value of the lot to bring total valuation to \$230,000 per unit. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities for life of those homes after the completion of the TIF contracts.

(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 need to be extended through the site but have sufficient capacity to support the development. The electric utility has sufficient capacity to support the development. **This development will have an impact on the Grand Island School system as it will likely result in increased attendance at all grade levels.** The average number of persons per household in Grand Island for 2012 to 2016 according to the American Community Survey is 2.65. Eighty additional household would house 212 people. According to the 2010 census 19.2% of the population of Grand Island was between the ages of 5 and 18. If the averages hold it would be expected that there would be an additional 41 school age children generated by this development. According to the National Center for Educational Statistics¹ the 2015-16 enrollment for GIPS was 9,698 students and the cost per student in 2013-14 was \$12,343 of that \$5,546 is generated locally. The Grand Island Public School system has indicated that they will not oppose the development of this phase of the project and can accommodate the increase in enrollment. It is likely that they would not be able to absorb additional development without adding to school facilities. 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;

¹ https://nces.ed.gov/ccd/districtsearch/district_detail.asp?ID2=3100016

The proposed development will provide jobs for persons employed by the contractors that will be involved with the project. In 2015 the National Association of Home Builders estimated the impacts of each single family home built in a community at 3.94 FTE's 2.37 of which are direct impact employees. (NAHB Housing Policy Department, 2015). Using that number and an estimated construction schedule of 15 units per year, the direct impact of this project is the equivalent of a manufacturing facility employee base of 35.55 FTE's. This project will also supply housing at a price point that is affordable to those at or below the median income in Grand Island. The median income in Grand Island for 2016 according to the U.S. Census is \$49,118.

(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 should not have any measurable negative impacts on other employers or employees in the city.

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

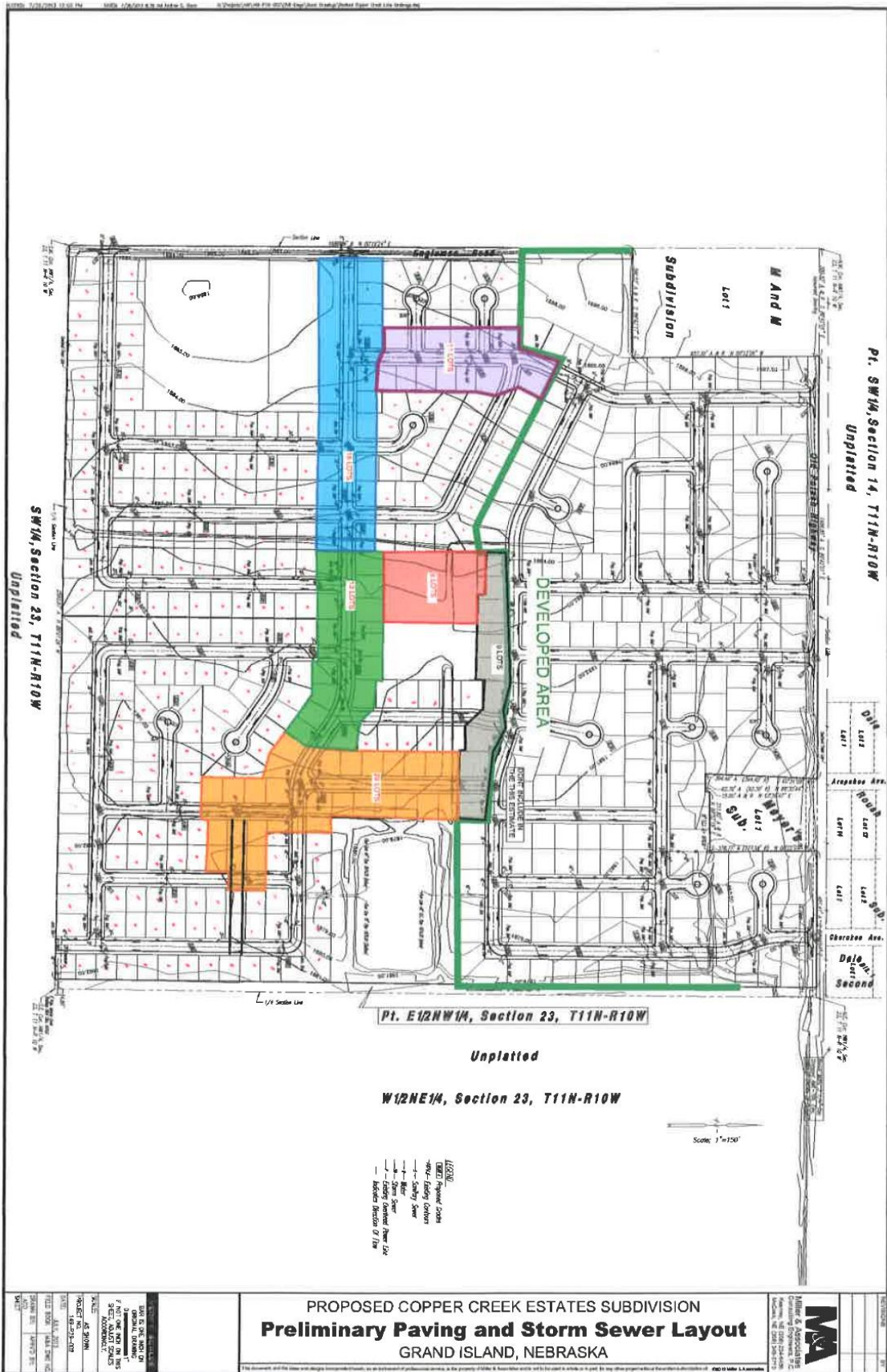
This will provide housing for residents of Grand Island in a much needed price range that is not being provided by the housing market. The 2014 housing study identified a need for over 1,700 new housing units including over 1000 owner occupied units. In 2015, 2016 and 2017 a total of 348 permits were issued for new single family homes in Grand Island. Without the use of TIF this project will not move forward. The cost for the required infrastructure for these 80 lots is estimated at \$4,232,748 or \$52,900 per lot. Portions of this development will potentially serve additional development in the future but all of the infrastructure is necessary to serve these 80 lots. The estimated cost of construction of these houses is \$167,000 (approximately \$130 per square foot) it is not possible to sell these houses for \$185,000 without a public private partnership. This project is not economically feasible without the use of TIF and can positively impact persons at or below the median income level within the City of Grand Island.

Time Frame for Development

Development of this project is anticipated to begin in June 2018. Infrastructure for this phase of the development, including completing streets and utilities for these 80 lots is expected to be complete by January 1, 2024. The base tax year should be calculated beginning in 2018 and each subsequent contract should be set in the year during which it is anticipated construction on the houses will begin. The developer expects to complete between 15 and 30 affordable single family dwelling units each year until completion of the subdivision. Expected completion of this project will occur sometime between 2022 and 2025. Excess valuation should be available for this project beginning with the 2019 tax year. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per each contract between the CRA. Contract periods shall not exceed 15 years. The amount of TIF excess distributed shall not exceed the actual cost of the TIF eligible

expenses incurred for this project including streets, storm sewer, sanitary sewer, water, other necessary utilities, engineering, architecture and surveying, legal fees and interest associated with the TIF bonds.

Proposed Development Attached Subject to Final Platting and Approval



RESOLUTION NO. 272

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA; AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A TAX INCREMENT REVENUE BOND, NOTE OR OTHER OBLIGATION; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BOND, NOTE OR OTHER OBLIGATION; PLEDGING CERTAIN REVENUES OF THE AUTHORITY PURSUANT TO THE COMMUNITY DEVELOPMENT LAW; AUTHORIZING THE SALE OF SAID BOND, NOTE OR OTHER OBLIGATION; PROVIDING FOR A GRANT OF THE PROCEEDS OF SAID BOND, NOTE OR OTHER OBLIGATION; PROVIDING FOR THE TERMS AND THE SALE OF THE BOND, NOTE OR OTHER OBLIGATION; PROVIDING FOR PREPAYMENT OF SAID BOND, NOTE OR OTHER OBLIGATION; PAYING THE COSTS OF ISSUANCE THEREOF; PRESCRIBING THE FORM AND CERTAIN DETAILS OF THE BOND, NOTE OR OTHER OBLIGATION; PLEDGING CERTAIN TAX REVENUE AND OTHER REVENUE TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND, NOTE OR OTHER OBLIGATION AS THE SAME BECOME DUE; LIMITING PAYMENT OF THE BOND, NOTE OR OTHER OBLIGATION TO SUCH TAX REVENUES; CREATING AND ESTABLISHING FUNDS AND ACCOUNTS; DELEGATING, AUTHORIZING AND DIRECTING THE TREASURER OF THE AUTHORITY TO EXERCISE HIS OR HER INDEPENDENT DISCRETION AND JUDGMENT IN DETERMINING AND FINALIZING CERTAIN TERMS AND PROVISIONS OF THE BOND, NOTE OR OTHER OBLIGATION NOT SPECIFIED HEREIN; APPROVING THE REDEVELOPMENT CONTRACT; TAKING OTHER ACTIONS AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE FOREGOING; PROVIDING FOR THIS RESOLUTION TO TAKE EFFECT; AND RELATED MATTERS

BE IT RESOLVED by the members of the Community Redevelopment Authority of the City of Grand Island, Nebraska, as follows:

Section 1. The members of the Community Redevelopment Authority of Grand Island, Nebraska (the "Authority") hereby find and determine (a) that The Community Redevelopment Authority of the City of Grand Island, Nebraska, (the "City") has been duly created by ordinance for purposes of assisting with redevelopment of blighted and substandard real estate located within the City; that the Authority has and may exercise all of the powers of a redevelopment authority provided for under the Community Development Law of the State of Nebraska; that there has been prepared a redevelopment plan, entitled "REDEVELOPMENT PLAN AMENDMENT CRA AREA #12 APRIL 2018" (the "Plan") for the redevelopment of the real estate described in the Plan as the "Project Area" (hereinafter in this Resolution referred to as the "Redevelopment Project Area"); (b) that prior to the recommendation or approval of the Plan the Redevelopment Project Area was declared blighted and substandard by action of the Mayor and Council of the City; (c) that the City has had in effect its general plan for the development of the City from the time prior to the preparation of the Plan; (d) that the Plan was prepared by the Redeveloper (as defined below) and submitted to the Planning Commission of the City and approved and thereafter recommended by the

Authority to the Mayor and Council of the City; (e) that on the ____ day of _____, 2018, the Mayor and Council of the City held a public hearing on the Plan for which notice was given by publication prior to such hearing strictly in accordance with the Nebraska Community Development Law and, after such hearing, the Mayor and Council gave their approval to the Plan; (f) that the Plan, among other things, calls for the redevelopment of the Redevelopment Project Area by the subdivision of undeveloped and vacant land and construction of related improvements including site preparation and infill and related street, storm and sanitary sewers, water lines and other utility extensions and parking facilities (all as described in the Plan, the "Project"); (g) that The Guarantee Group, LLC, a Nebraska limited liability company (hereafter referred to as the "Redeveloper") is interested in the redevelopment of the Redevelopment Project Area and the Redeveloper has undertaken and is currently incurring costs and is undertaking preliminary steps related to construction and rehabilitation as provided for in the Plan and the Authority has previously communicated its willingness to assist such redevelopment in order to encourage the providing of employment and the economic development of the City as well as for the redevelopment of a blighted and substandard area of the City; (h) that the Authority and the Redeveloper are about to enter into an agreement entitled "Redevelopment Contract" (as approved in Section 13 of this Resolution and incorporated by reference herein) and under the terms of the Redevelopment Contract, the Authority agrees to assist the Redeveloper with grant assistance to pay part of the cost of the Project and for such purpose it is necessary for the Authority to authorize the issuance and sale of its tax increment revenue note, with principal purchase price to be paid by the Redeveloper in accordance with the terms of the Redevelopment Contract; (i) that all conditions, acts and things required by law to exist or to be done precedent to the authorizing of the Authority's tax increment revenue note as provided for in this Resolution do exist and have been done as provided by law.

Section 2. Pursuant to and in full compliance with the Community Development Law, Section 18-2125, R.R.S. Neb. 2012, and this Resolution, and for purpose of providing funds to pay for completing the Project and for costs of issuing the Note, the Authority shall issue the Note in a principal amount not to exceed \$4,754,848. The Note shall be designated as "Tax Increment Development Revenue Note of the Community Redevelopment Authority of the City of Grand Island, Nebraska (The Guarantee Group Project)," shall have an appropriate series designation as determined by the Treasurer of the Authority (the "Agent"), shall be dated the date the Note is initially issued and delivered, which shall be the date of the first deposit of proceeds of that series in the Project Fund (defined below) as further described below "Date of Original Issue," shall mature, subject to right of prior redemption, not later than December 31, _____, and shall bear interest (computed on the basis of a 360-day year consisting of twelve, 30-day months) at an annual rate of _____ percent (____%). The Note shall be issued as a single Note as further described below. Any Note issued pursuant to this Resolution shall only be due and payable to the extent moneys are available therefor in accordance with the terms of this Resolution.

The Note, together with the interest thereon, is a special, limited obligation of the Authority payable solely from the Revenue (defined as (a) those tax revenues referred to (1) in the last sentence of the first paragraph of Article VIII, Section 12 of the Constitution of the State of Nebraska, and (2) in Section 18-2147, Reissue Revised Statutes of Nebraska, as amended, and (b) all payments made in lieu thereof) and the amounts on deposit in the funds and accounts established by this Resolution. The 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 be liable for the payment thereof out of any money of the Authority or the City other than the 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.

The Note shall be dated the Date of Original Issue and shall be issued in installments to the purchaser thereof, as the person(s) identified as the owner(s) of the Note from time to time, as indicated on the books of registry maintained by the "Registrar" (the Treasurer of the Authority, in his or her capacity as registrar and paying agent for the Note). The Note shall be issued as a single Note.

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 Planning Director of the City and an authorized representative of the Redeveloper, (i) certifying that a portion of the Project has been substantially completed and (ii) certifying the actual costs incurred by the Redeveloper in the completion of such portion of the Project.

(b) If the costs requested for reimbursement under the Disbursement Request are currently reimbursable under Exhibit D of Redevelopment Contract and the Community Development 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 2(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 Authority shall inform the Registrar in writing of the date and amount of such deposits. At the option of the Authority, 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 \$4,754,848.

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.

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

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

Both the principal of and interest on the Note shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Payments of interest on the Note due prior to maturity or earlier redemption and payment of any principal upon redemption prior 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 and the interest thereon 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.

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

The Note shall be executed by the manual signatures of the Chair and Secretary of the Authority and the original, official seal of the City shall be impressed or printed thereon. 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.

The Agent is hereby authorized to hereafter, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Resolution, (1) the Date of Original Issue, the principal amount of the Note as set forth above, (2) the maturity date of the Note, which shall be not later than December 31, [REDACTED], (3) the initial Interest Payment Date and (4) any other term of the Note not otherwise specifically fixed by the provisions of this Resolution.

Any Note issued upon transfer or exchange of any other Note shall be dated as of the Date of Original Issue.

The Note shall be issued to such owner as shall be mutually agreed between the Redeveloper and the Authority 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 Authority to demonstrate compliance with all applicable laws. 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.

The Note shall be issued in registered form. The Agent is hereby designated as paying agent and registrar for the Note (the "Agent" or "Registrar"). The Registrar shall have only such duties and obligations as are expressly stated in this Resolution and no other duties or obligations shall be required of the Registrar. The interest due on each interest payment date prior to maturity shall be payable to the registered owner of record as of the fifteenth day of the calendar month immediately preceding the calendar month in which such interest payment date occurs (the "Record Date"), subject to the provisions of Section 4 hereof. Payments of interest due on the Note, except for payments due on final maturity date, or other final payment, shall be made by the Authority by mailing or delivering a check or draft in the amount then due for interest on the Note to the registered owner of the Note, as of the Record Date for such interest payment date, to such owner's registered addresses as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal and interest due at final maturity or other final payment shall be made by the Authority to the registered owner upon presentation and surrender of the Note to the Authority at the Authority's offices at City Hall in the City of Grand Island, Nebraska. The Authority and the Agent may treat the registered owner of the Note as the absolute owner of the Note for the purpose of making payments thereon and for all other purposes and neither the Authority nor the Agent shall be affected by any notice or knowledge to the contrary, whether the Note or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of the Note in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the Authority and the Agent, in respect of the liability upon the Note or claims for interest to the extent of the sum or sums so paid.

Section 3. The Agent shall keep and maintain for the Authority books for the registration and transfer of the Note at the Authority's offices at City Hall in Grand Island, Nebraska. The name and registered address of the registered owner of the Note (including notation of any pledgee as may be requested by the Redeveloper) shall at all times be recorded in such books.

The transfer of the 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, or (2) a protest of the valuation of the Redevelopment Project Area 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. The Authority and the Agent shall not be required to transfer the Note during any period from any Record Date until its immediately following interest payment date or to transfer the Note when called for redemption, in whole or in part, for a period of 15 days next preceding any date fixed for redemption or partial redemption.

Section 4. In the event that payments of interest due on the Note on any interest payment date are not timely made, such interest shall cease to be payable to the registered owner as of the Record Date for such interest payment date and shall be payable to the registered owner of the Note as of a special date of record for payment of such defaulted interest as shall be designated by the Authority whenever monies for the purpose of paying such defaulted interest become available.

Section 5. At any time, the Authority shall have the option of prepaying in whole or in part principal of the Note. Any such optional prepayment of principal shall be accompanied by an amount equal to all accrued but unpaid interest on the principal amount being prepaid. Notice of any optional redemption for the Note shall be given at the direction of the Authority by the Agent by mail not less than 15 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of the Note at said owner's registered address. Notice of call for redemption

may be waived in writing by any registered owner. In the event of prepayment in whole the Note shall be cancelled. The determination of the amount and timing of any optional redemption of the Note shall be in the absolute discretion of the Authority. The records of the Authority shall govern as to any determination of the principal amount of the Note outstanding at any time and the registered owner shall have the right to request information in writing from the Authority at any time as to the principal amount outstanding upon the Note.

Section 6. The Note shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and with such additional changes as the Agent may deem necessary or appropriate:

(FORM OF 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 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

TAX INCREMENT DEVELOPMENT REVENUE NOTE
(THE GUARANTEE GROUP PROJECT), SERIES 2018

No. R-1

Up to \$4,754,848.00
(subject to reduction as described herein)

Date of
Original Issue

Date of
Maturity

Rate of
Interest

December 31, [REDACTED]*

[REDACTED]%

REGISTERED OWNER: The Guarantee Group, 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 Chair 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)
Chair

By: _____
(manual signature)
Secretary

*** or, if sooner, fifteen years after the last effective date established for a Phase under the terms of the Redevelopment Contract and amendments thereto.**

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 _____, 2018, 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 \$4,754,848.

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 Treasurer of the City 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]

Section 7. Pursuant to the provisions of Section 18-2147, R.R.S. Neb. 2012, and the terms of the Redevelopment Contract, effective dates for each Phase of the Project are to be determined by amendment to the Redevelopment Contract, and such effective date(s) are hereby confirmed (as determined pursuant to and set forth in the Redevelopment Contract, as amended) as the effective date(s) after which ad valorem taxes on real property located within each Phase of the Project Area may be apportioned pursuant to said Section 18-2147. From and after said effective date(s) that portion of the ad valorem taxes on all real estate located within each Phase of the Project Area which is described in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2012, as amended (the "Project Area Tax Receipts"), shall be paid into the Note Fund (as defined in Section 16. below) to be held by the Agent. The Authority hereby pledges for the payment of the Note both principal and interest as the same fall due, equally and ratably, all Project Area Tax Receipts as so paid into the Note Fund as a prior and first lien upon said receipts for the security and payment of the Note. Monies held in the Note Fund shall be invested to the extent practicable and investment earnings on such monies shall be applied in the same manner as all other funds held in the Note Fund. The Authority hereby agrees that so long as any principal of the Note remains outstanding it will not issue any additional notes payable from the Project Area Tax Receipts without the written consent of the registered owner (including any pledgee) of the Note as then outstanding. The Authority further reserves the right to provide for payment of principal and interest on the Note from the proceeds of a refunding note or refunding notes. Monies held in the Note Fund shall be invested to the extent practicable and investment earnings on such monies shall be applied in the same manner as all other funds held in the Note Fund. As effective date(s) are determined pursuant to the terms of the Redevelopment Contract (and amendments), the Authority's Secretary (the City Clerk) is hereby authorized and directed to give notice to the County Assessor and Treasurer of the provision of the Redevelopment Contract (and amendments) for dividing ad valorem taxes in accordance with the requirements of subdivision (3) of Section 18-2147, R.R.S. 2012.

Section 8. The Note shall be executed on behalf of the Authority by its Chair and Secretary. Upon execution of the Note and compliance with all other provisions of this Resolution and the Redevelopment Contract, the Note shall be registered by the Agent in the name of the Redeveloper or its designee as the initial registered owner and shall be delivered in consideration of payment of the principal amount thereof to the Authority's Treasurer in current bankable funds. The Redeveloper may request notation of a pledge interest in the Note on the records of the Agent. The initial purchaser (and any pledgee) shall be required to deliver an investment representation letter to the Agent. Such letter shall be satisfactory in form to the officers of the Authority, or any one or more of them, as advised by the Authority's attorneys. Subject to Section 2 above, from such purchase price, the Authority is to make a grant to the Redeveloper in accordance with the terms of the Redevelopment Contract.

Section 9. If the date for payment of the interest or principal on the Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Grand Island, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 10. The Secretary of the Authority shall make and certify one or more copies of the transcript of the proceedings of the Authority precedent to the issuance of the Note one of which copies shall be delivered to the City and held in its records pertaining to the Authority.

Section 11. The Chair, Secretary and City Planning Director or any one of them are hereby authorized to take any and all actions, and to execute any and all documents deemed by them necessary to effect the transactions authorized by this Resolution.

Section 12. The authorization for the Note provided for in this Resolution is based upon expectations as to completion of construction, valuation and proposed tax rates suggested by the Redeveloper. The Authority has given and hereby gives no assurances that such expectations will in fact be fulfilled and the Note is being issued with the understanding that the Redeveloper is the initial purchaser of the Note and any pledgee of the Redeveloper accepts and understands the risks related thereto.

Section 13. The Redevelopment Contract between the Authority and the Redeveloper in the form presented is hereby approved. Notice of such contract shall be given immediately by the Authority's Secretary to the Mayor and Council of the City of Grand Island and such contract proposal shall be executed and delivered by the Authority. The Chair (or in his absence, the Vice Chair), is hereby authorized to execute and deliver the Redevelopment Contract, in substantially the form presented but with any such changes as such executing officer shall determine appropriate, on behalf of the Authority.

Section 14. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 15. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby (a) authorizes and directs the Planning Director, Agent, Clerk, Finance Director, City Attorney and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the Authority and such other actions as they, or any of them, in consultation with their counsel, the owner and its counsel shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, including without limitation the execution and delivery of all related documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Agent the right, power and authority to exercise 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 issuance, sale and delivery of the Note. The execution and delivery by the Agent or by any such other officers, officials, employees or agents of the Authority 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 Agent 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 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 16. There is hereby created and established by the Authority 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 "The Guarantee Group Project Note Fund" (the "Note Fund"). All of the Revenue shall be deposited into the Note Fund. The Revenue 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 in this Section 16. All Revenues received through and including December 31, [REDACTED] shall be used solely for the payments required by this Section 16; and

(b) a special trust fund called the "The Guarantee Group 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 in Section 2. If a sufficient amount to pay a properly completed Disbursement Request is not in the Project Fund at the time of the receipt by the 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 Section 2., 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.

So long as the Note , or any interest thereon, remains unpaid, the money in the foregoing funds and accounts shall be used for no purpose other than those required or permitted by this Resolution, any Resolution supplemental to or amendatory of this Resolution and the Redevelopment Law.

Section 17. The provisions of this Resolution shall constitute a contract between the 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 18. With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the 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 19. 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 20. The Resolution shall be construed and interpreted in accordance with the laws of the State of Nebraska. All suits and actions arising out of this Resolution shall be instituted in a court of competent jurisdiction in the State except to the extent necessary for enforcement, by any trustee or receiver appointed by or pursuant to the provisions of this Resolution, or remedies under this Resolution.

Section 21. Any Resolution of the Authority and any part of any resolution, inconsistent with this Resolution is hereby repealed to the extent of such inconsistency.

Section 22. This Resolution shall take effect and be in full force from and after its passage by the members of the Community Redevelopment Authority of the City.

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

Passed and Approved this _____, 2018.

(SEAL)

ATTEST:

Chair

Secretary