



# **Community Redevelopment Authority (CRA)**

**Wednesday, September 19, 2012  
Regular Meeting Packet**

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## **Board Members:**

**Michelle Fitzke**

**Tom Gdowski**

**Barry Sandstrom**

**Sue Pirnie**

**Glen Murray**

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**4:00 PM  
Grand Island City Hall  
100 E 1st Street**

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## **Call to Order**

## **Roll Call**

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### **A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS**

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

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### **B - RESERVE TIME TO SPEAK ON AGENDA ITEMS**

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

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### **DIRECTOR COMMUNICATION**

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



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item A1**

### **Agenda**

Staff Contact: Chad Nabity

**AGENDA**  
**Wednesday September 19, 2012**  
**4:00 p.m.**  
**Grand Island City Hall**

Open Meetings Notifications

1. Call to Order.  
This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them.
2. Approval of Minutes of August 15, 2012 Meeting.
3. Approval of Financial Reports.
4. Approval of Bills.
5. Review of Committed Projects and CRA Properties.
6. Consideration of Redevelopment contract for 125 N Carey, Token Properties, LLC.
7. Consideration of Redevelopment contract for 2300 N Webb Rd., Gordman Grand Island, LLC.
8. Consideration of a Resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for 1135 S Locust, Grand Island, Auto One, INC.
9. Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City Council for 1135 S Locust, Grand Island, Auto One, INC.
10. Consideration of a Resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for 1103 St Paul Rd., Grand Island, with Grand Island Area Habitat for Humanity.
11. Consideration of a Resolution of intent to enter into a Site Specific Redevelopment Contract & Approval of related actions 30 day notice to City

Council for 1103 St Paul Rd., Grand Island, with Grand Island Area Habitat for Humanity.

12. Consideration of a Resolution to Approve bonds for Lincoln Pool.
13. Discussion concerning Purchase/Sale of Real Estate of property.
14. Approve Resolution or Resolutions to Purchase/Sell Real Estate.
15. Directors Report
16. Adjournment

Next Meeting October 10, 2012

The CRA may go into closed session for any agenda item as allowed by state law.



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item B1**

### **Meeting Minutes**

Staff Contact: Chad Nabity

## OFFICIAL PROCEEDINGS

### MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF August 15, 2012

Pursuant to due call and notice thereof, a Regular Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on August 15, 2012 at City Hall 100 E First Street. Notice of the meeting was given in the August 10, 2012 Grand Island Independent.

1. CALL TO ORDER. Chairman Barry Sandstrom called the meeting to order at 4:00 p.m. The following members were present: Sue Pirnie, Glen Murray and Michelle Fitzke. Also present were; Director, Chad Nabity; Secretary, Rose Woods; Council Liaison, Vaughn Minton; Finance Director, Jaye Monter; Legal Counsel, Duane Burns and (Member Tom Gdowski was absent).

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

2. APPROVAL OF MINUTES. A motion for approval of the Minutes for the July 11, 2012 and July 31, 2012 meeting was made by Murray and seconded by Pirnie. Upon roll call vote all present voted aye. Motion carried unanimously.
3. APPROVAL OF FINANCIAL REPORTS. Monter reviewed the financial reports for the period of July 1, 2012 through July 31, 2012. Motion was made by Pirnie and seconded by Fitzke to approve the financial reports. Upon roll call vote, all present voted aye. Motion carried unanimously.
4. APPROVAL OF BILLS. The bills were reviewed by Sandstrom. Motion made by Pirnie and seconded by Murray to approve the bills in the amount of \$8830.36. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling \$8830.36.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity reviewed the Committed Projects. Payment to Larry Fowle was just approved for his grant for the blight study for area 10. The Chocolate Bar is almost finished. The Howard Johnson is completing their Façade; he expected a bill here in the next month or two. YMCA project should be near completion. The Grand Façade is done and they will be sending a bill in the next few months.

6. CONSIDERATION OF INTENT. Consideration to approve the intent to enter into a Redevelopment Contract with Greg Baker LLC, for redevelopment of an area within the city limits of the City of Grand Island, at 709 & 715 W 18<sup>th</sup> Street, Grand Island. The CRA passed Resolution 137 notifying City Council of their intent to enter into a redevelopment contract at their meeting on June 13th, 2012. The Hall County Regional Planning Commission met on July 11, 2012 and passed Resolution 2012-06 finding that this plan amendment is consistent with the comprehensive development plan for the City of Grand Island. The Grand Island City Council passed Resolution 2012-193 approving the redevelopment plan at their meeting on July 24, 2012.

A motion to approve the intent to enter into a Redevelopment contract with Greg Baker LLC was made by Fitzke and seconded by Pirnie. Upon roll call vote (Pirnie, Murray and Fitzke) voted aye and (Sandstrom abstained). Motion carried unanimously.

7. ADJOURN TO EXECUTICE SESSION TO DISCUSS NEGOTIATIONS.  
NONE

8. APPROVE RESOLUTION OR RESOLUTIONS TO PURCHASE/SELL PROPERTY.  
NONE

9. DIRECTORS REPORT.  
Nabity provided a new map of the Blighted and Substandard Areas for Grand Island to the board.

10. ADJOURNMENT.  
Sandstrom adjourned the meeting at 4:45 p.m.

The next meeting is scheduled for September 19, 2012 at 4:00 p.m.

Respectfully submitted  
Chad Nabity  
Director





# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item C1**

### **Financial Reports**

Staff Contact: Chad Nabity

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF AUGUST 2012

	<b>MONTH ENDED AUGUST 2012</b>	<b>2011-2012 YEAR TO DATE</b>	<b>2012 BUDGET</b>	<b>REMAINING BALANCE</b>
<b>CONSOLIDATED</b>				
Beginning Cash	712,554	923,823	923,823	593,514
<b>REVENUE:</b>				
Property Taxes - CRA	10,086	356,841	437,618	80,777
Property Taxes - Lincoln Pool	2,795	105,674	201,787	96,113
Property Taxes -TIF's	-	358,227	318,406	(39,821)
Loan Proceeds	-	-	-	-
Interest Income - CRA	278	4,647	8,000	3,353
Interest Income - TIF'S	10	667	-	-
Land Sales	-	1,532	70,000	68,468
Other Revenue - CRA	2,250	10,478	10,000	(478)
Other Revenue - TIF's	-	9,553	1,000	-
<b>TOTAL REVENUE</b>	<b>15,419</b>	<b>847,619</b>	<b>1,046,811</b>	<b>208,411</b>
<b>TOTAL RESOURCES</b>	<b>727,972</b>	<b>1,771,442</b>	<b>1,970,634</b>	<b>801,925</b>
<b>EXPENSES</b>				
Auditing & Accounting	-	4,025	5,000	975
Legal Services	541	2,037	10,000	7,963
Consulting Services	-	-	10,000	10,000
Contract Services	6,267	41,657	55,000	13,343
Printing & Binding	-	-	1,000	1,000
Other Professional Services	-	7,599	5,000	(2,599)
General Liability Insurance	-	-	250	250
Postage	22	281	200	(81)
Matching Grant	-	-	-	-
Legal Notices	-	1,800	800	(1,000)
Licenses & Fees	-	-	-	-
Travel & Training	-	161	1,000	839
Other Expenditures	-	-	500	500
Office Supplies	-	-	500	500
Supplies	-	-	300	300
Land	-	-	100,000	100,000
Bond Principal - Lincoln Pool	-	-	201,787	201,787
Façade Improvement	2,000	630,103	987,500	357,397
South Locust	-	-	-	-
Alleyway Improvement	-	-	-	-
Other Projects	-	-	111,000	111,000
Bond Principal	-	313,673	266,659	(47,014)
Bond Interest	-	50,965	50,747	(218)
Interest Expense	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>8,830</b>	<b>1,052,300</b>	<b>1,807,243</b>	<b>754,943</b>
<b>INCREASE(DECREASE) IN CASH</b>	<b>6,588</b>	<b>(204,681)</b>	<b>(760,432)</b>	<b>(546,531)</b>
<b>ENDING CASH</b>	<b>719,142</b>	<b>719,142</b>	<b>163,391</b>	<b>46,982</b>
<b>CRA CASH</b>	<b>561,891</b>			
<b>LINCOLN POOL CASH</b>	<b>105,674</b>			
<b>TIF CASH</b>	<b>51,577</b>			
<b>Total Cash</b>	<b>719,142</b>			
<b>CHECKING</b>	<b>503,901</b>			
<b>INVESTMENTS</b>	<b>215,241</b>			
<b>Total Cash</b>	<b>719,142</b>			

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF AUGUST 2012

	<b>MONTH ENDED AUGUST 2012</b>	<b>2011-2012 YEAR TO DATE</b>	<b>2012 BUDGET</b>	<b>REMAINING BALANCE</b>
<b>CRA</b>				
<b>GENERAL OPERATIONS:</b>				
Property Taxes - CRA	10,086	356,841	437,618	80,777
Property Taxes - Lincoln Pool	2,795	105,674	201,787	96,113
Interest Income	278	4,647	8,000	3,353
Land Sales	-	1,532	70,000	68,468
Other Revenue & Motor Vehicle Tax	2,250	10,478	10,000	(478)
<b>TOTAL</b>	<b>15,409</b>	<b>479,172</b>	<b>727,405</b>	<b>248,233</b>
<b>GILI TRUST</b>				
Property Taxes	-	32,019	32,890	871
Interest Income	-	511	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>32,530</b>	<b>32,890</b>	<b>871</b>
<b>CHERRY PARK LTD II</b>				
Property Taxes	-	64,641	59,180	-
Interest Income	10	147	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>10</b>	<b>64,788</b>	<b>59,180</b>	<b>-</b>
<b>GENTLE DENTAL</b>				
Property Taxes	-	161	4,202	4,041
Interest Income	0	1	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>0</b>	<b>162</b>	<b>4,202</b>	<b>4,041</b>
<b>PROCON TIF</b>				
Property Taxes	-	23,028	19,162	-
Interest Income	0	2	-	-
Other Revenue	-	233	-	-
<b>TOTAL</b>	<b>0</b>	<b>23,263</b>	<b>19,162</b>	<b>-</b>
<b>WALNUT HOUSING PROJECT</b>				
Property Taxes	-	65,147	74,472	9,325
Interest Income	-	6	-	-
Other Revenue	-	9,320	-	-
<b>TOTAL</b>	<b>-</b>	<b>74,473</b>	<b>74,472</b>	<b>9,325</b>
<b>BRUNS PET GROOMING</b>				
Property Taxes	-	13,170	11,000	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>13,170</b>	<b>11,000</b>	<b>-</b>
<b>GIRARD VET CLINIC</b>				
Property Taxes	-	14,037	14,000	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>14,037</b>	<b>14,000</b>	<b>-</b>

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF AUGUST 2012

	<b>MONTH ENDED</b> <b>AUGUST 2012</b>	<b>2011-2012</b> <b>YEAR TO DATE</b>	<b>2012</b> <b>BUDGET</b>	<b>REMAINING</b> <b>BALANCE</b>
<b>GEDDES ST APTS-PROCON</b>				
Property Taxes	-	28,591	30,000	1,409
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	28,591	30,000	1,409
<b>SOUTHEAST CROSSING</b>				
Property Taxes	-	8,674	14,000	5,326
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	8,674	14,000	5,326
<b>Poplar Street Water</b>				
Property Taxes	-	1,826	1,000	(826)
Interest Income	-	-	-	-
Other Revenue	-	-	1,000	1,000
<b>TOTAL</b>	-	1,826	2,000	174
<b>CASEY'S @ FIVE POINTS</b>				
Property Taxes	-	8,670	15,000	6,330
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	8,670	15,000	6,330
<b>SOUTH POINTE HOTEL PROJECT</b>				
Property Taxes	-	85,341	22,000	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	85,341	22,000	-
<b>TODD ENCK PROJECT</b>				
Property Taxes	-	3,126	5,500	2,374
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	3,126	5,500	2,374
<b>JOHN SCHULTE CONSTRUCTION</b>				
Property Taxes	-	4,449	3,000	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	4,449	3,000	-
<b>PHARMACY PROPERTIES INC</b>				
Property Taxes	-	5,347	8,000	2,653
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	5,347	8,000	2,653
<b>KEN-RAY LLC</b>				
Property Taxes	-	-	5,000	5,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	-	5,000	5,000

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF AUGUST 2012

	<b>MONTH ENDED AUGUST 2012</b>	<b>2011-2012 YEAR TO DATE</b>	<b>2012 BUDGET</b>	<b>REMAINING BALANCE</b>
<b>SKAGWAY</b>				
Property Taxes	-	-	-	-
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL</b>	-	-	-	-
<b>TOTAL REVENUE</b>	15,419	847,619	1,046,811	285,735
<b>EXPENSES</b>				
<b>CRA</b>				
<b>GENERAL OPERATIONS:</b>				
Auditing & Accounting	-	4,025	5,000	975
Legal Services	541	2,037	10,000	7,963
Consulting Services	-	-	10,000	10,000
Contract Services	6,267	41,657	55,000	13,343
Printing & Binding	-	-	1,000	1,000
Other Professional Services	-	7,599	5,000	(2,599)
General Liability Insurance	-	-	250	250
Postage	22	281	200	(81)
Matching Grant	-	-	-	-
Legal Notices	-	1,800	800	(1,000)
Licenses & Fees	-	-	-	-
Travel & Training	-	161	1,000	839
Other Expenditures	-	-	500	500
Office Supplies	-	-	500	500
Supplies	-	-	300	300
Land	-	-	100,000	100,000
Bond Principal - Lincoln Pool	-	-	201,787	201,787
<b>PROJECTS</b>				
Façade Improvement	2,000	630,103	987,500	357,397
South Locust	-	-	-	-
Alleyway Improvement	-	-	-	-
Other Projects	-	-	111,000	111,000
<b>TOTAL CRA EXPENSES</b>	8,830	687,662	1,489,837	802,175
<b>GILI TRUST</b>				
Bond Principal	-	33,066	31,627	(1,439)
Bond Interest	-	1,325	1,263	(62)
Other Expenditures	-	-	-	-
<b>TOTAL GILI EXPENSES</b>	-	34,390	32,890	(1,500)
<b>CHERRY PARK LTD II</b>				
Bond Principal	-	49,894	49,894	(0)
Bond Interest	-	9,286	9,286	0
<b>TOTAL CHERRY PARK EXPENSES</b>	-	59,180	59,180	-
<b>GENTLE DENTAL</b>				
Bond Principal	-	2,745	2,760	15
Bond Interest	-	1,457	1,442	(15)
<b>TOTAL GENTLE DENTAL</b>	-	4,202	4,202	(0)

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF AUGUST 2012

	<b>MONTH ENDED</b> <b>AUGUST 2012</b>	<b>2011-2012</b> <b>YEAR TO DATE</b>	<b>2012</b> <b>BUDGET</b>	<b>REMAINING</b> <b>BALANCE</b>
<b>PROCON TIF</b>				
Bond Principal	-	11,641	11,782	141
Bond Interest	-	7,521	7,380	(141)
<b>TOTAL PROCON TIF</b>	-	19,162	19,162	0
<b>WALNUT HOUSING PROJECT</b>				
Bond Principal	-	43,096	43,096	(0)
Bond Interest	-	31,376	31,376	0
<b>TOTAL WALNUT HOUSING</b>	-	74,472	74,472	0
<b>BRUNS PET GROOMING</b>				
Bond Principal	-	13,170	11,000	(2,170)
Bond Interest	-	-	-	-
<b>TOTAL BRUNS PET GROOMING</b>	-	13,170	11,000	(2,170)
<b>GIRARD VET CLINIC</b>				
Bond Principal	-	14,037	14,000	(37)
Bond Interest	-	-	-	-
<b>TOTAL GIRARD VET CLINIC</b>	-	14,037	14,000	(37)
<b>GEDDES ST APTS - PROCON</b>				
Bond Principal	-	28,591	30,000	1,409
Bond Interest	-	-	-	-
<b>TOTAL GEDDES ST APTS - PROCON</b>	-	28,591	30,000	1,409
<b>SOUTHEAST CROSSINGS</b>				
Bond Principal	-	8,674	14,000	5,326
Bond Interest	-	-	-	-
<b>TOTAL SOUTHEAST CROSSINGS</b>	-	8,674	14,000	5,326
<b>POPLAR STREET WATER</b>				
Bond Principal	-	1,826	-	(1,826)
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
Contract Services	-	-	-	-
<b>TOTAL POPLAR STREET WATER</b>	-	1,826	-	(1,826)

COMMUNITY REDEVELOPMENT AUTHORITY  
FOR THE MONTH OF AUGUST 2012

	<b>MONTH ENDED AUGUST 2012</b>	<b>2011-2012 YEAR TO DATE</b>	<b>2012 BUDGET</b>	<b>REMAINING BALANCE</b>
<b>CASEY'S @ FIVE POINTS</b>				
Bond Principal	-	8,670	15,000	6,330
Bond Interest	-	-	-	-
<b>TOTAL CASEY'S @ FIVE POINTS</b>	-	8,670	15,000	6,330
<b>SOUTH POINTE HOTEL PROJECT</b>				
Bond Principal	-	85,341	22,000	(63,341)
Bond Interest	-	-	-	-
<b>TOTAL SOUTH POINTE HOTEL PROJECT</b>	-	85,341	22,000	(63,341)
<b>TODD ENCK PROJECT</b>				
Bond Principal	-	3,126	5,500	2,374
Bond Interest	-	-	-	-
<b>TOTAL TODD ENCK PROJECT</b>	-	3,126	5,500	2,374
<b>JOHN SCHULTE CONSTRUCTION</b>				
Bond Principal	-	4,449	3,000	(1,449)
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
<b>TOTAL JOHN SCHULTE CONSTRUCTION</b>	-	4,449	3,000	(1,449)
<b>PHARMACY PROPERTIES INC</b>				
Bond Principal	-	5,347	8,000	2,653
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
<b>TOTAL PHARMACH PROPERTIES INC</b>	-	5,347	8,000	2,653
<b>KEN-RAY LLC</b>				
Bond Principal	-	-	5,000	5,000
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
<b>TOTAL KEN-RAY LLC</b>	-	-	5,000	5,000
<b>SKAGWAY</b>				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
<b>TOTAL SKAGWAY</b>	-	-	-	-
<b>TOTAL EXPENSES</b>	8,830	1,052,300	1,807,243	754,943



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item D1**

### **Bills**

Staff Contact: Chad Nabity



19-Sep-12

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

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

City of Grand Island		
Administration Fees		\$ 2,738.73
Accounting		
Officenet Inc.		
Postage		\$ 47.00
Lawnscape		\$ 32.00
The Grand		\$ 200,000.00
The Chocolate Bar		\$ 116,536.00
Grand Island Independent	monthly notices	\$ 16.01
Grand Island Independent	Budget notices	\$ 163.30
Reimburse City 400 fund	Lincoln Pool	\$ 180,658.40
Skagway	Grant	\$ 100,000.00
Chief 1140 S Lincoln	Grant	\$ 100,000.00
Office Net	Chad's office furniture	\$ 796.17
Mayer, Burns, Koenig & Janulewicz	Legal Services	\$ 150.00
City Clerk	(payment was received to the wrong account payment reimbures City)	\$ 500.00

**Total:**

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**\$ 701,637.61**



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item E1**

### **Committed Projects**

Staff Contact: Chad Nabity

COMMITTED PROJECTS	TOTAL AMOUNT	2012 FISCAL YR	2013 FISCAL YR	2014 FISCAL YR	ESTIMATE D COMP
<b>Downtown BID</b>					
Grand Generation/YMCA	\$ 7,500.00		\$ 7,500.00		
Indv. Building Evaluations	\$ -	\$ -			
Historic Lighting Projects	\$ 30,000.00		\$ 30,000.00		
<b>Total Downtown BID *</b>	\$ -				Fall 2012
<b>Chief Industries</b>	\$ 100,000.00	\$ 100,000.00			Summer 2012
<b>The Chocolate Bar</b>	\$ 116,536.00		\$ 116,536.00		Spring 2013
<b>3333 Ramada Rd - Howard Johnson</b>	\$ 100,000.00	\$ 100,000.00			Fall 2012
<b>Fonner Park **</b>	\$ 96,311.50	\$ -	\$ 96,311.50		Spring 2012
<b>YMCA</b>	\$ 48,000.00	\$ 48,000.00			Summer 2012
<b>2014 Wayside Horns (Custer/Blaine)</b>	\$ 100,000.00			\$ 100,000.00	Winter 2014
<b>The Grand Façade \$300,000 (\$100 over 3 fiscal yrs)</b>	\$ 300,000.00	\$ 200,000.00	\$ 100,000.00		Spring 2012
<b>Wilmar Realty LLC \$300,000 (\$100k over 3 fiscal yrs) ***</b>	\$ 100,000.00		\$ 100,000.00		Fall 2012
<b>Total Committed</b>	\$ 998,347.50	\$ 448,000.00	\$ 450,347.50	\$ 100,000.00	

<b>Façade Budget \$ Remaining</b>	<b>\$ 359,396.87</b>	<b>\$ 572,000.00</b>
<b>Other Projects</b>	<b>\$ 100,000.00</b>	<b>\$ 50,000.00</b>
<b>Land</b>	<b>\$ 100,000.00</b>	<b>\$ 20,000.00</b>
<b>    subtotal</b>	<b>\$ 559,396.87</b>	<b>\$ 642,000.00</b>
<b>Less committed</b>	<b>\$ (448,000.00)</b>	<b>\$ (450,347.50)</b>
<b>Balance remaining</b>	<b>\$ 111,396.87</b>	<b>\$ 191,652.50</b>

#### CRA PROPERTIES

Address	Purchase Price	Purchase Date	Demo Cost	Status
408 E 2 <sup>nd</sup> St	\$4,869	11/11/2005	\$7,500	Surplus
3235 S Locust	\$450,000	4/2/2010	\$39,764	Surplus

August 31, 2012

\* Downtown BID 8 has been paid for the POW Marker and for a part of the building evaluations.

\*\* Fonner Park to be paid out over two years (project completed in Spring 2012).

\*\*\* Wilmar has been paid \$200,000 for their Façade grant (they have \$100,000 remaining).



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item H1**

### **Auto One, INC TIF Request**

Staff Contact: Chad Nabity



## BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

### Project Redeveloper Information

- I. Business Name: Auto One Inc.
- Address: 1112 S. Locust, Grand Island NE 68801
- Telephone No.: 308.380.6876 Fax No.: 308.675.1478
- Contact: Gary Jacobsen

II. Brief Description of Applicant's Business:

Auto One Inc. sales, finances and services used automobiles. Auto One has locations in Grand Island, Kearney and North Platte. Auto One is one of the largest independent dealers of used cars in the state of Nebraska. Auto One employs over 20 people.

III. Present Ownership Proposed Project Site: 1135 S locust, Grand Island

The blighted property was purchased by Auto One Inc on June 18, 2012

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

The 30,160 sq ft property has a 3,000 sq ft metal building which is in substandard condition. Auto One purchased the blighted property which is located across the street from our retail and service location in Grand Island. We believe it is in Auto One's and the City of Grand Island's best interest for us to develop the distressed property to help stabilize the blighted area. Auto One plans to completely remodel the metal building. Including a new facade, store front and landscaping. We also plan to remodel the interior including electric, Plumbing and HVAC.

The property will also be subdivided and multi-family housing will be added on Pine street.

V. If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ <u>70,273</u>
B. Building	\$ <u>19,727</u>

Construction Costs:

A. Renovation or Building Costs:	\$ <u>541,981</u>
B. On-Site Improvements:	\$ <u>20,000</u>

Soft Costs:

A. Architectural & Engineering Fees:	\$ <u>800.00</u>
B. Financing Fees:	\$ <u>200.00</u>
C. Legal/Developer/Audit Fees:	\$ <u>1500.00</u>
D. Contingency Reserves:	\$ <u>10,000.00</u>
E. Other (Please Specify)	\$ <u>0.00</u>

TOTAL \$ 664,481.00

VII. Total Estimated Market Value at Completion: \$ 575,747.00

VIII. Source of Financing:

A. Developer Equity:	\$ <u>90,000.00</u>
B. Commercial Bank Loan:	\$ <u>574,481.00</u>
C. Tax Credits:	
1. N.I.F.A.	\$ <u>0.00</u>
2. Historic Tax Credits	\$ <u>0.00</u>
D. Industrial Revenue Bonds:	\$ <u>0.00</u>
E. Tax Increment Assistance:	\$ <u>159,738.00</u>

F. Other

\$ 0.00

## IX. Name, Address, Phone &amp; Fax Numbers of Architect, Engineer and General Contractor:

Terry Aldrich - Steel Crafters 1515 W. North Front, Grand Island NE 68801  
308.389.3033 fax 308.385.4762

Gary Jacobsen - Auto One 1112 S Locust, Grand Island NE 68801  
308.380.6876 fax 308.675.1478

X. Estimated Real Estate Taxes on Project Site Upon Completion of Project:  
(Please Show Calculations)

Estimated Assessors value \$575,747.00 x .0219234 = \$12,622.33

## XI. Project Construction Schedule:

A. Construction Start Date: 10/01/12

B. Construction Completion Date: 04/01/13

C. If Phased Project:

_____ Year _____	% Complete
_____ Year _____	% Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

**TAX INCREMENT FINANCING REQUEST INFORMATION**

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

Auto One is requesting \$159,738 in Tax Increment Financing over 15 years  
to help offset development costs.

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

**Auto One does not believe that the project would be fiscally feasible without Tax Increment Financing.**

**The estimated value of the property and estimated cash flow will not support the total amount of capital invested.**

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

**In the last five years Auto One has had commercial developments in Kearney, North Platte and Grand Island. This is the first time Auto One has requested Tax Increment Financing for any project. The most recent project was the Auto One Service Center on South Locust. The Service Center was built by Steel Crafters 308.389.3033 fax 308.385.4762**

**The service center also added five jobs to the community of Grand Island.**

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

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



# HALL COUNTY ASSESSOR'S OFFICE

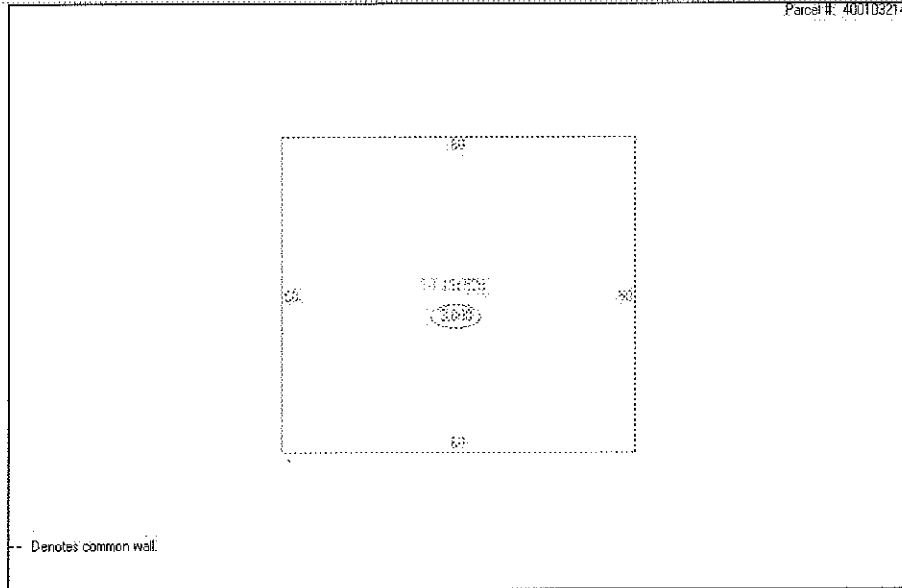


Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:14:04P

Parcel Information			Ownership Information		
Parcel Number	400103214		Current Owner	AUTO ONE INC	
Map Number	3315-00-0-11740-000-0001				
Situs	1135 S LOCUST		Address	1112 S LOCUST ST	
Legal	DOWD SUB LT 1		City St. Zip	GRAND ISLAND, NE 68801-	
			Cadastral #	0002-0033-0052	
Property Data					
Neighborhood	315	Topography		Number of Units	30160
Lot Width	104	Street		Unit Value	2.33
Lot Depth	290	Utilities		Adjustment	
Units Buildable	30160	Amenities 1		Lot Value	70,273
Value Method	SE	Amenities 2			



Building Data																
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys.	Func.	RCNLD	
1	1	406	WAREHOUSE, STORAGE	1987	S		200	20	3,000	220	1	12	93,240	43%	66%	18,070
1	1	528	SERVICE REPAIR-GARAGE	1987	S		200	20		220	1	12		69%	57%	
Cost Approach From Marshall & Swift								Potential Gross Income								
Total Building Area				3,000				Contract				Market				
Total Building RCN				93,240				Vacancy & Collection Loss				10.00% 2,400				
Total Refinements								Effective Income				21,600				
Total Replacement Cost New				93,240				Total Expenses				20.00% 4,320				
Total Phys. & Func. Depreciation				(75,170)				Net Operating Income				17,280				
RCN Less Phys. & Func.				18,070				Capitalization Rate				12.00%				
Economic Depreciation				-10%				Income Approach				144,000				
Accrued Economic depreciation				1,807				Final Value Reconciliation				90,150				
Total RCN Less Depreciation				19,877												
Additional Lump Sums																
Land Value				70,273												
Total Cost Value				90,150												
Value Per Res Unit																
Value Per Sq. Ft.				30.05												
2012 Value																
*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.																

2012 Value

# HALL COUNTY ASSESSOR'S OFFICE

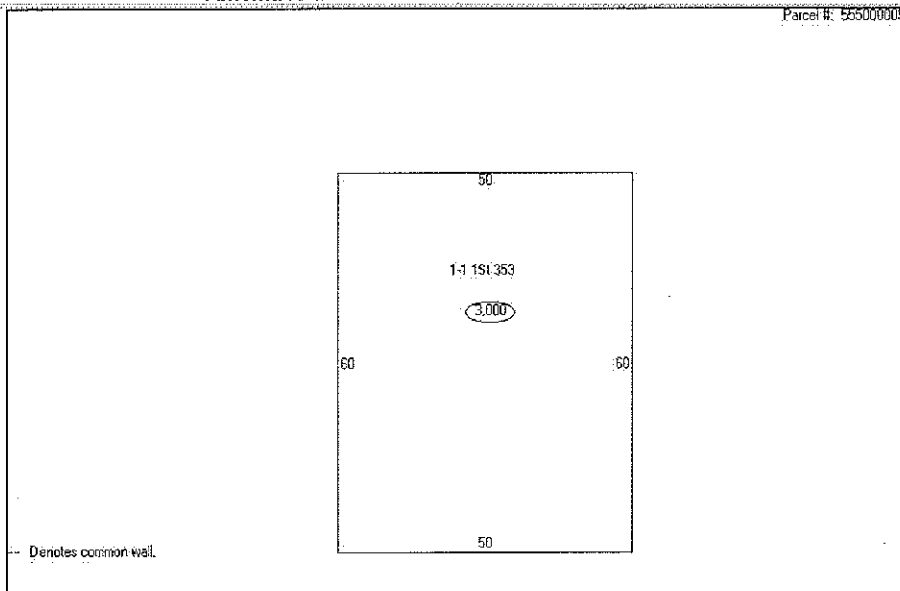


Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:13:15P

Parcel Information				Ownership Information			
Parcel Number	555000005			Current Owner			
Map Number							
Situs				Address			
Legal				City St. Zip			
				Cadastral #			
Property Data							
Neighborhood	315	Topography		Number of Units	30160		
Lot Width	104	Street		Unit Value	2.33		
Lot Depth	290	Utilities		Adjustment			
Units Buildable	30160	Amenities 1		Lot Value	70,273		
Value Method	SF	Amenities 2					



Building Data														
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
1	1	353	RETAIL STORE	1987	S	200	40	3,000	220	1	12	199,110	43%	113,493

Cost Approach From Marshall & Swift				Potential Gross Income			
Total Building Area	3,000					Contract	Market
Total Building RCN	199,110	Vacancy & Collection Loss					
Total Refinements		Effective Income					
Total Replacement Cost New	199,110	Total Expenses					
Total Phys. & Func. Depreciation	(85,617)	Net Operating Income					
RCN Less Phys. & Func.	113,493	Capitalization Rate					
Economic Depreciation		Income Approach					
Accrued Economic depreciation		Final Value Reconciliation					183,766
Total RCN Less Depreciation	113,493						
Additional Lump Sums							
Land Value	70,273						
Total Cost Value	183,766						
Value Per Res Unit							
Value Per Sq. Ft.	61.26						

\*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

# HALL COUNTY ASSESSOR'S OFFICE



Commercial Property Record Card

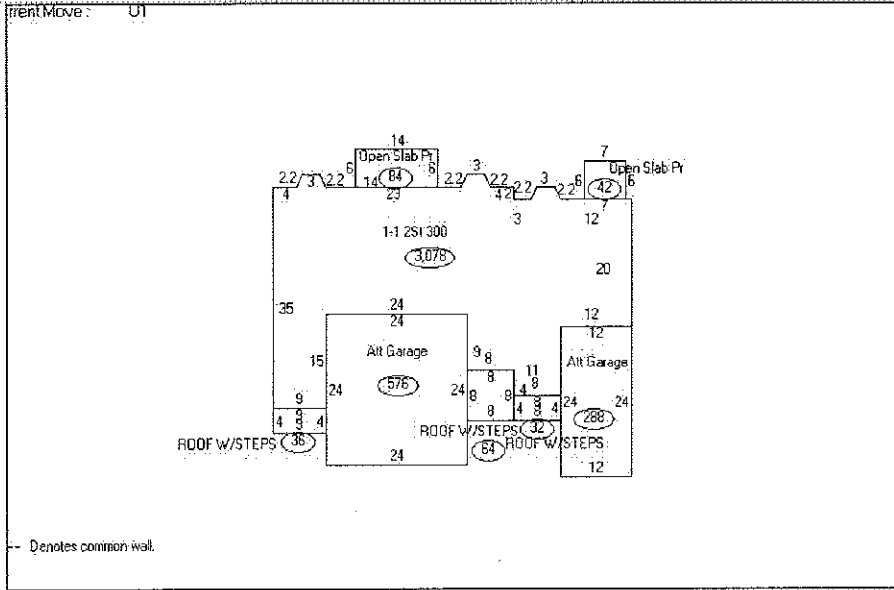
TerraScan Inc.

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Parcel Information		Ownership Information	
Parcel Number	555000005	Current Owner	
Map Number		Address	
Situs		City St. Zip	
Legal		Cadastral #	

Property Data			
Neighborhood	315	Topography	Number of Units
Lot Width		Street	Unit Value
Lot Depth		Utilities	Adjustment
Units Buildable		Amenities 1	Lot Value
Value Method		Amenities 2	

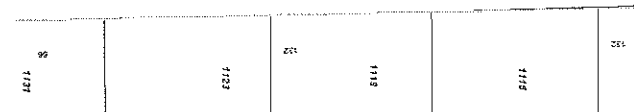
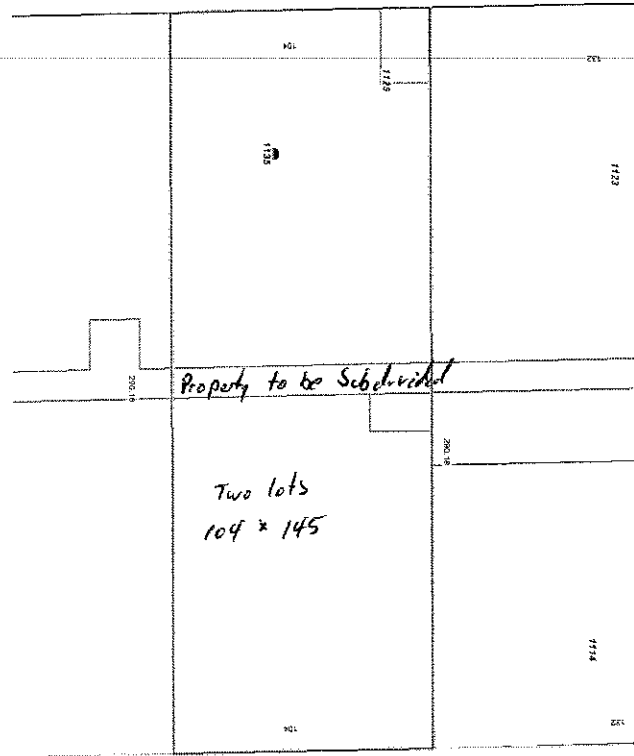
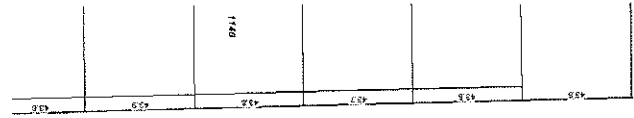


Building Data														
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
1	1	300	APARTMENT	2012	D		300	40	3,078	225	2	24	365,420	365,420
1			OPEN SLAB PORCH	2012					84				427	427
1			OPEN SLAB PORCH	2012					42				231	231
1			ATTACHED GARAGE	2012					576				14,100	14,100
1			ATTACHED GARAGE	2012					288				8,412	8,412
1			SLAB W/ROOF & STEP	2012					36				967	967
1			SLAB W/ROOF & STEP	2012					64				1,553	1,553
1			SLAB W/ROOF & STEP	2012					32				871	871

Cost Approach From Marshall & Swift					Potential Gross Income				
Total Building Area	3,078				Contract			Market	
Total Building RCN	365,420	Vacancy & Collection Loss							
Total Refinements	26,561	Effective Income							
Total Replacement Cost New	391,981	Total Expenses							
Total Phys. & Func. Depreciation		Net Operating Income							
RCN Less Phys. & Func.	391,981	Capitalization Rate							
Economic Depreciation		Income Approach							
Accrued Economic depreciation		Final Value Reconciliation							391,981
Total RCN Less Depreciation	391,981								
Additional Lump Sums									
Land Value									
Total Cost Value	391,981								
Value Per Res Unit									
Value Per Sq. Ft.	127.35								

\*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

*What Is'*



### Annual Income and Expense

#### Income

Rent Commercial building	\$36,000.00
<u>Rent Triplex</u>	<u>\$36,000.00</u>
	\$72,000.00
5% vacancy rate	<u>(\$3,300.00)</u>
Gross income	\$68,700.00

#### Expense

Debt service	\$51,953.00
(\$547,481 @ 5% for 15years)	
Water / sewer	\$3,600.00
Maintenance	\$2,800.00
Lawn care	\$ 960.00
Insurance	\$3,200.00
Property tax	\$12,622.00
<u>Advertising</u>	<u>500.00</u>
Total expense	\$ 75,635.00

Income \$68,700.00

Expense (75,635.00)

**Annual financial gap (\$6,935.00)**

Tax increment financing assistance \$ 10,649.00

**Cash flow after TIF \$3,714.00**

## Construction Cost Breakdown

### Commercial building

Commercial glass	\$19,270.00
Stucco/Stone	28,200.00
Façade	20,000.00
HVAC	12,000.00
Electric and lighting fixtures	21,000.00
Landscape	8,000.00
Asphalt	10,000.00
Plumbing	15,000.00
Interior doors	800.00
Gutters	200.00
Drywall and trim	6,200.00
Painting	1,800.00
Tiles and carpet	4,000.00
Other	3,530.00
Total	\$150,000.00

### Multifamily housing

Dirt work, foundation and backfill	\$25,679.00
Framing	61,149.00
Sheathing	10,583.00
Windows	10,975.00
Exterior doors	3,527.00
Interior doors and hardware	5,879.00
Stairs	3,135.00
Roof shingles	14,895.00
Siding	22,734.00
Gutters	1,567.00
Plumbing	35,278.00
Electric wiring	23,423.00
Lighting fixtures	4,311.00
HVAC	23,518.00
Insulation	5,879.00
Drywall	19,991.00
Painting	13,327.00
Cabinets & countertops	31,358.00
Appliances	11,759.00
Tiles and carpet	19,991.00
Trim	12,935.00
Landscape	12,543.00
Patio	3,527.00
Driveway	5,487.00
Other	8,531.00
Total	\$391,981.00

**Total construction cost \$541,981.00**



P.O. Box 909 • Kearney, NE 68848-0909 • 308-234-6171

July 9, 2012

Gary Jacobsen, President  
Auto One, Inc.  
1112 S Locust Street  
Grand Island, NE 68801

RE: 1135 South Locust  
Grand Island, NE

Gary:

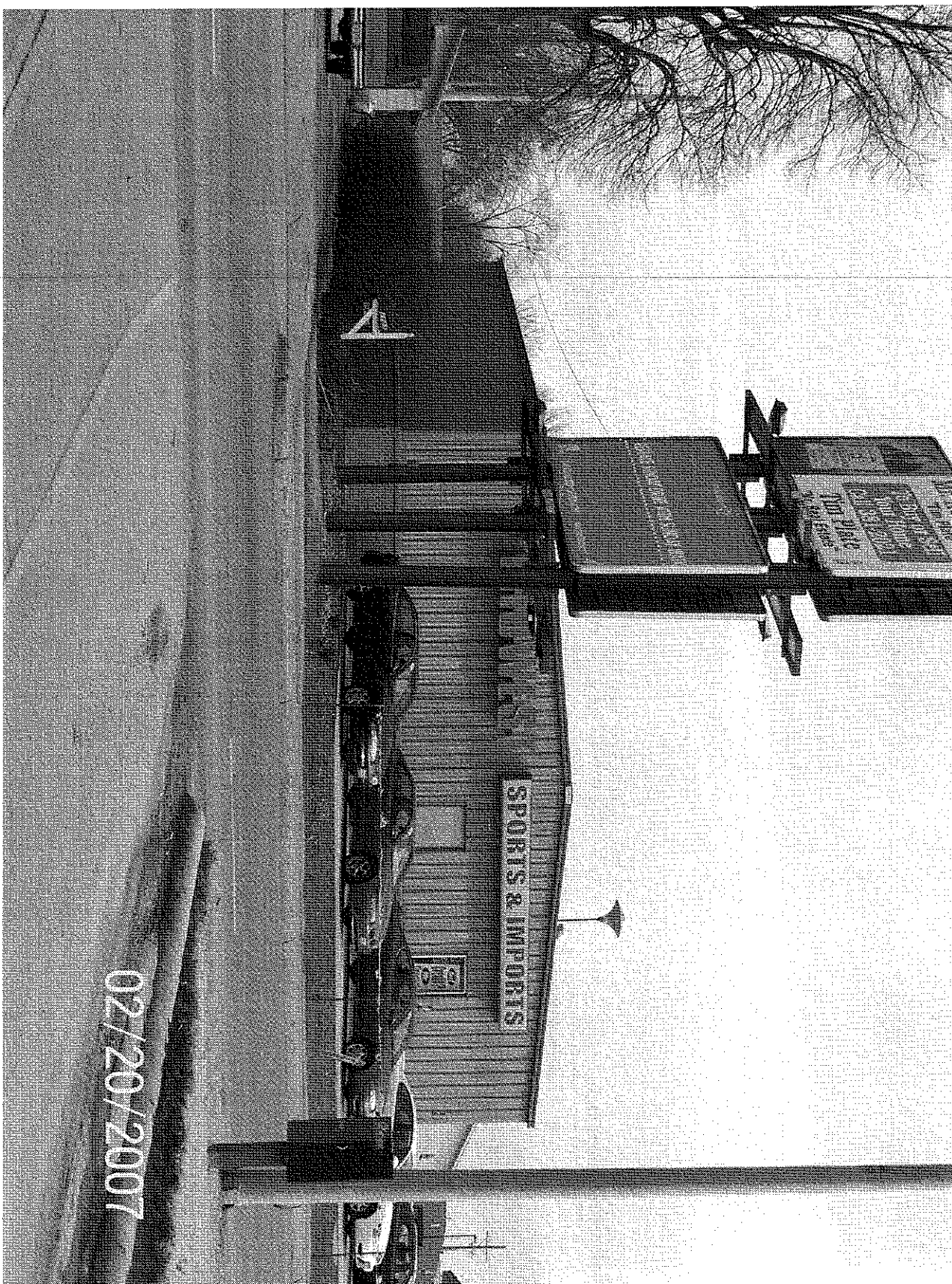
Five Points Bank commits to provide to Auto One Inc. (borrower) adequate loan funding to purchase the property located at 1135 South Locust in Grand Island and to rehab and improve the existing commercial structure and construct a multi-family rental facility at the same location.

This loan commitment is based on the following conditions:

- The improvement to the existing facility and the new construction are to be completed in accordance with the plans you submitted. Any major changes or alterations need prior approval of bank.
- Prior to loan funding, borrower to provide a projected report of income and expenses indicating a positive rental cash flow.

Five Points Bank and my self look forward t working with you on this project. Please contact me with any questions or comments.

Curt Bjornsen  
Five Points Bank  
308-698-3008



Before

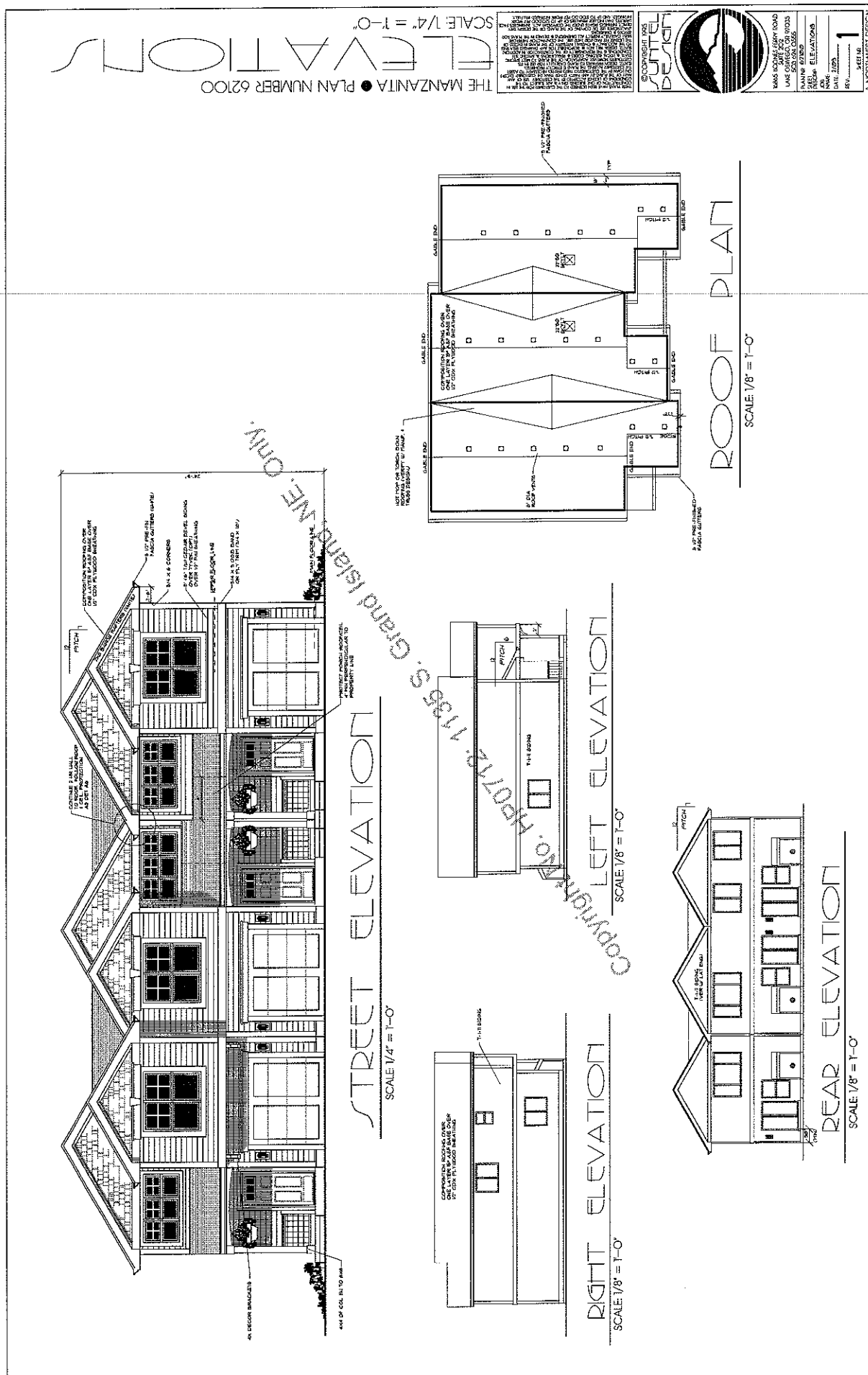
1135 S Locust

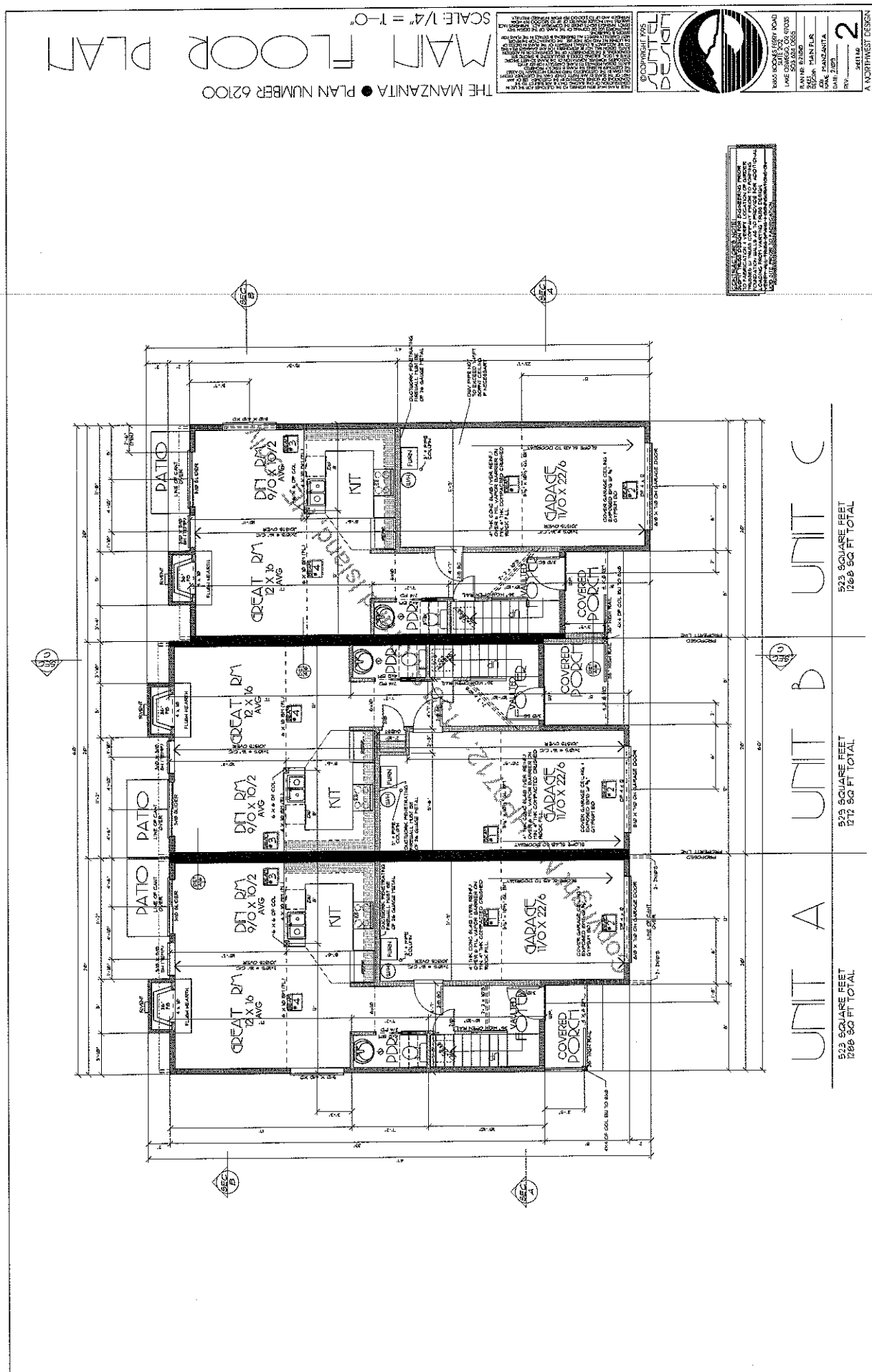


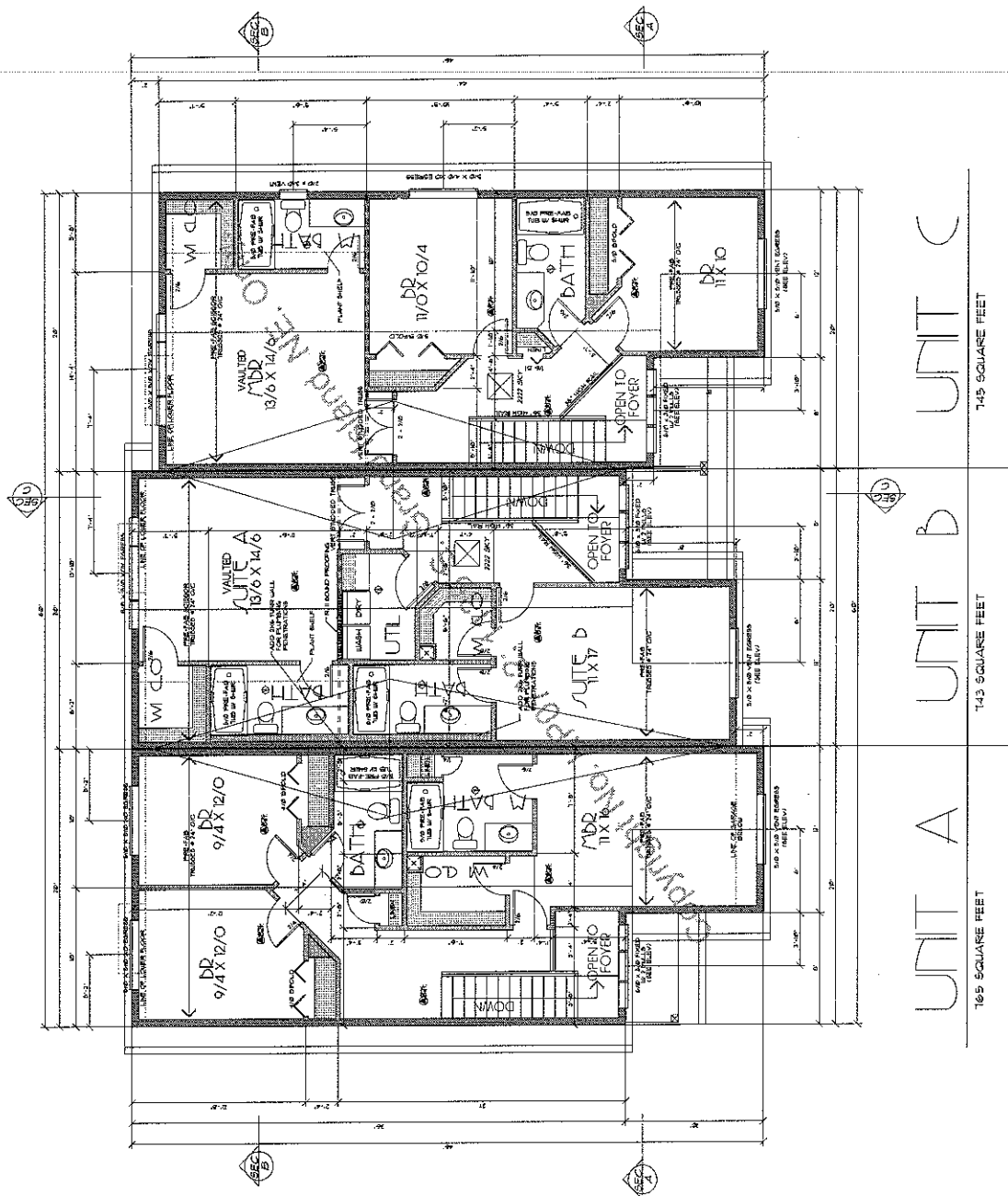


*After*

<http://us.123rf.com/400wm/400/400/lharn/lharn0901/lharn090100030/4228933-beige-store...> 7/16/2012





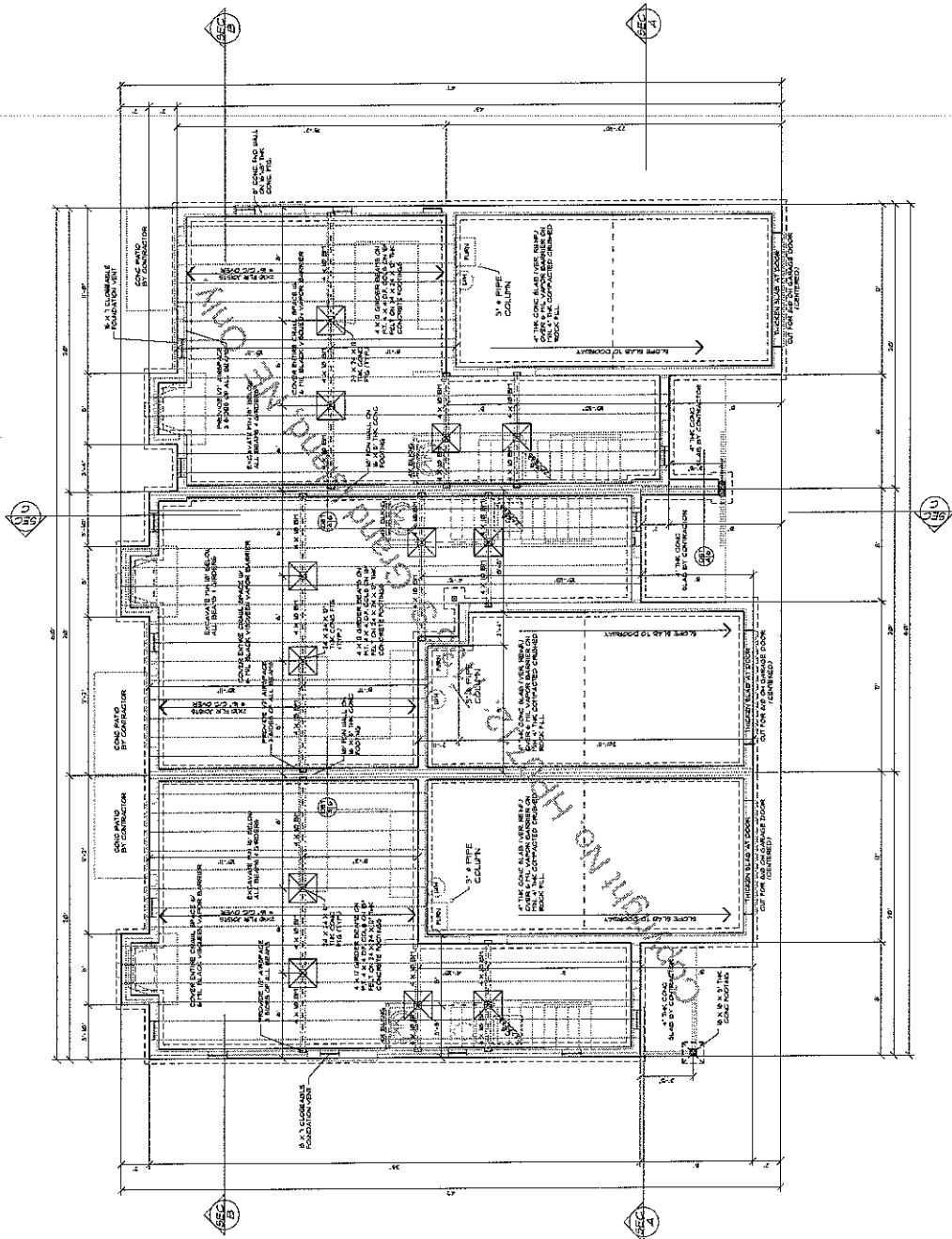


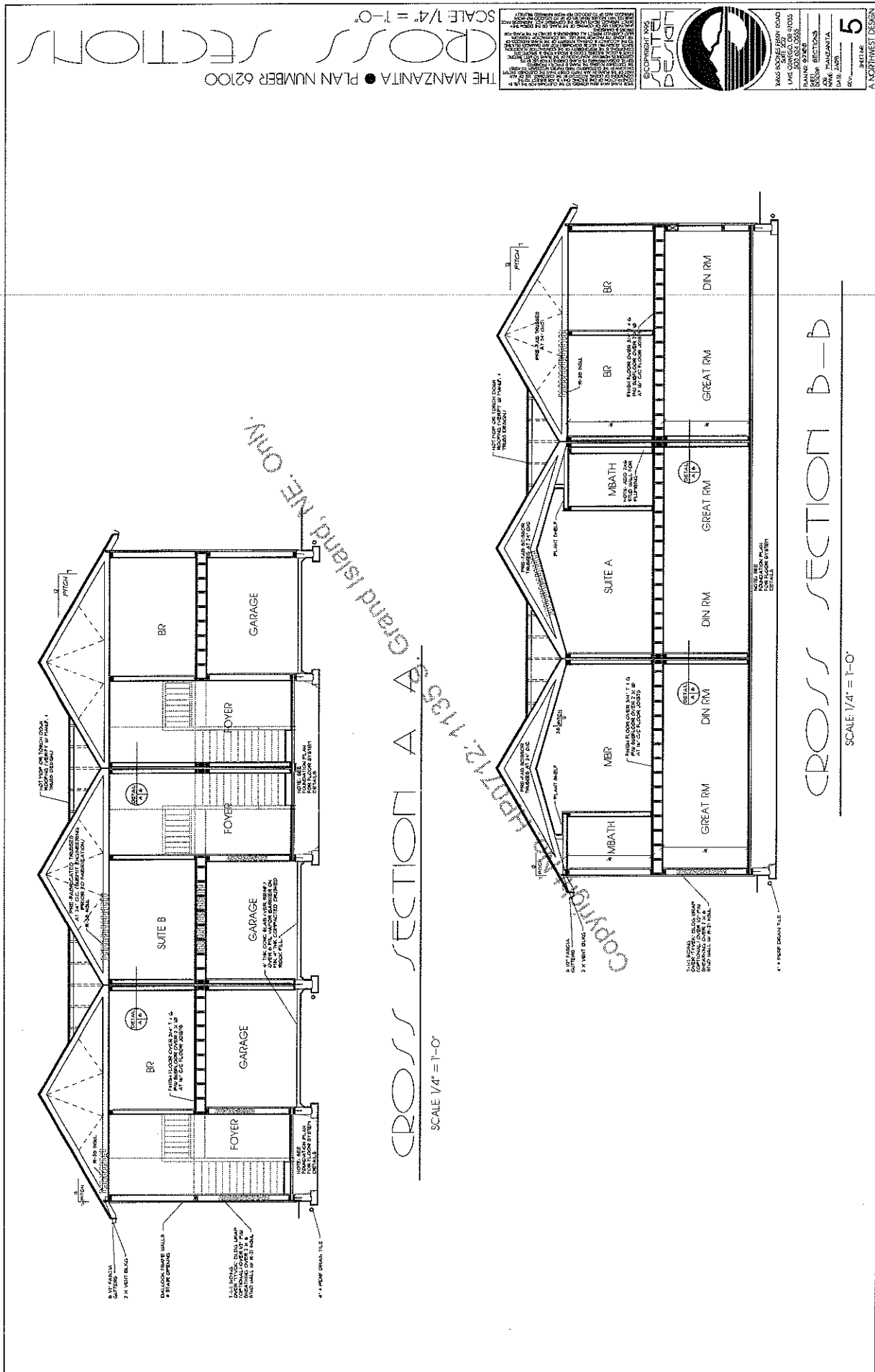
THE MANZANITA • PLAN NUMBER 62100  
 FOUNDATION PLAN  
 SCALE 1/4" = 1'-0"

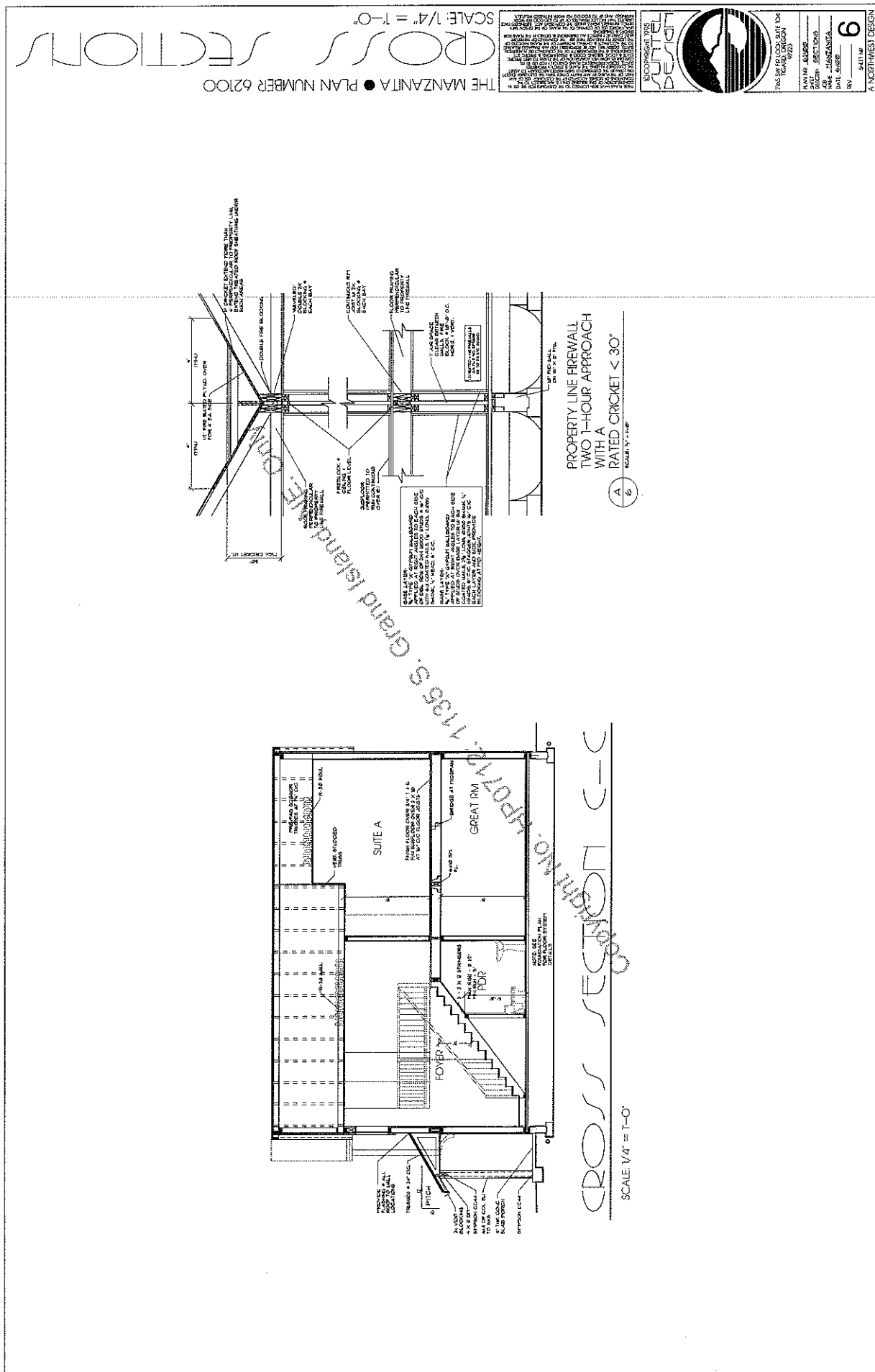
**DESIGNER**  
 LINDSEY  
 1805 BOWMAN STREET ROAD  
 LAKE CONISTEED, CA 91035  
 (951) 261-0000  
 FAX (951) 261-0001  
 WWW.LINDSEYDESIGN.COM

**CLIENT**  
 THE MANZANITA  
 1805 BOWMAN STREET ROAD  
 LAKE CONISTEED, CA 91035  
 (951) 261-0000

**PROJECT**  
 FOUNDATION  
 DATE 1/2012  
 REV. 4C  
 A NORTHWEST DESIGN













**Redevelopment Plan Amendment  
Grand Island CRA Area #2  
August 2012**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #2 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 #2.**

**Executive Summary:  
Project Description**

THE RENOVATION OF THE EXISTING COMMERCIAL BUILDING AT 1135 SOUTH LOCUST STREET ALONG WITH THE CONSTRUCTION OF A THREE-DWELLING UNIT APARTMENT BUILDING ON ADJACENT PROPERTY TO THE EAST FRONTING ONTO PINE STREET AND THE SUBSEQUENT SITE WORK, UTILITY, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR THE RENOVATION AT THIS LOCATION.

The developer intends to use Tax Increment Financing to aid in renovation of the commercial building on South Locust Street. The developer will be building a three unit apartment building on the side of the block that is primarily residential development. The increment from the new construction will be used to make the improvements to the existing commercial building. This project would not be possible in an affordable manner without the use of TIF.

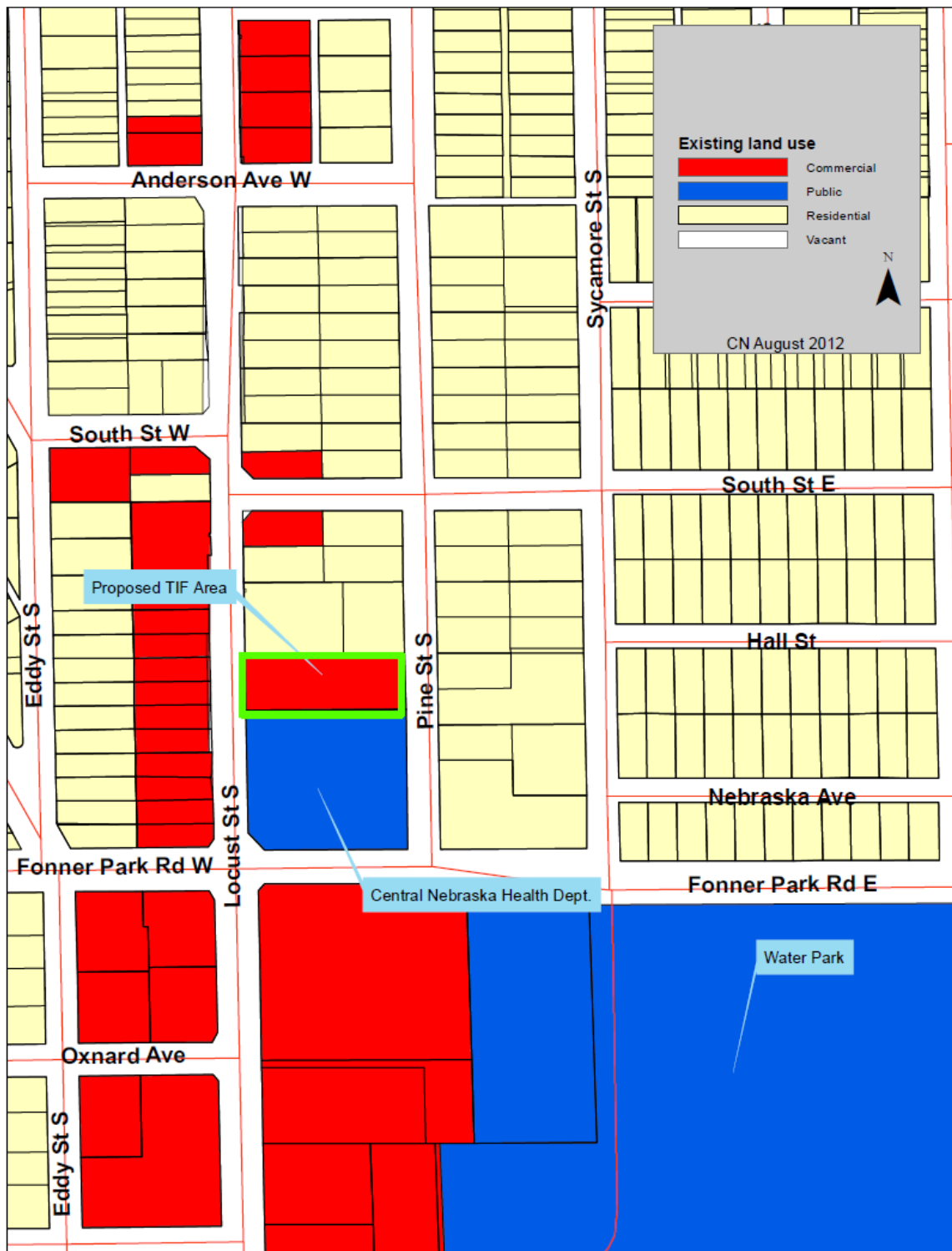
The site is owned by the developer. All site work, demolition and utilities will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2015 towards the allowable costs and associated financing for the acquisition and site work.

**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 just north of the Central Nebraska Health Department on the between South Locust Avenue and Pine Street in southern Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 1 of Dowd Subdivision, in the City of Grand Island, Hall County Nebraska.



**The tax increment will be captured for the tax years the payments for which become delinquent in years 2015 through 2029 inclusive.**

**The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of the hotel convention center property and development of a national chain restaurant at this location.**

**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, 2014.

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 September 13, 1999. [§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.**

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

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate an existing conforming use on this property.

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

***a. Land Acquisition:***

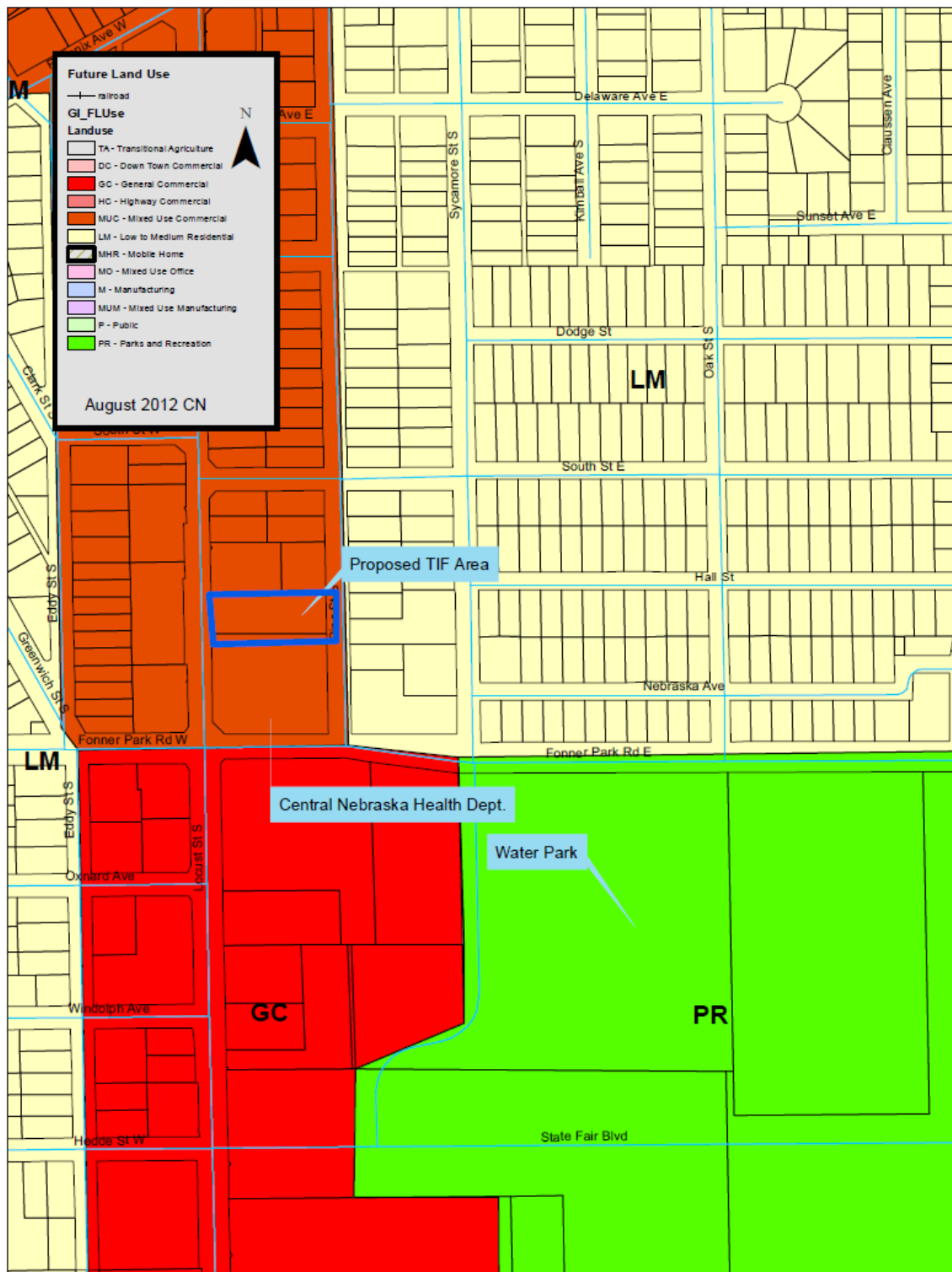
The Redevelopment Plan for Area #2 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority and no additional acquisition proposed by the developer.

***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 mixed use commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

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

The area is zoned B2-AC General Business zone with an Arterial Commercial Overlay along the Locust side and R3-Medium Density Residential along the Pine Street side. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. The proposed uses for commercial retail/office space in the existing building and multi-family residential along Pine Street are permitted in the current zoning districts. [§18-2103(b) and §18-2111]

***e. Site Coverage and Intensity of Use***

The developer is proposing rehabilitate the existing structure a conforming structure and use in the B2-AC zoning district. The R-3 zoning district allows for the development of 1 dwelling unit for each 3000 square feet of lot space. Approximately 14,300 square feet of the property is zoned R3 so there is sufficient property to support the development of a 3-plex. [§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.

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

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

**4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation.**

This property, owned by the developer is currently vacant commercial space in poor condition. The proposed use of this property would continue as a commercial rental space with the addition of residential uses along the east side. No individuals or families will be relocated as a result of this 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]**

**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 has owned the property for since 20???. The cost of property acquisition is not being included as a TIF eligible expense. Costs for rehabilitation of the existing commercial structure are estimated at \$150,000. Soft costs including: Architectural/Engineering, Financing, Legal and Audit costs total \$2500. Fees and reimbursement to the City and the CRA of \$6,500 are included as a TIF eligible expense. The developer will also have costs associated with site preparation and utility connections for the residential development. The total eligible costs will exceed \$160,000.

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

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$159,738 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, 2015 through December 31, 2029.

***c. Statement of feasible method of relocating displaced families.***

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

**7. Section 18-2113 of the Act requires:**

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

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of and redevelopment of commercial lots. This will not significantly impact traffic on at the intersection of South Locust or on Pine Street.



Renovated commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. The development of multi-family residential on this property is consistent with the property developed by Goodwill Industries to the south and east of site and will provide a buffer between the commercial space and the single family residential to the north and east. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

## **8. Time Frame for Development**

Development of this project (including demolition, site preparation and new construction) is anticipated to be completed between January 2013 and December of 2013. Excess valuation should be available for this project for 15 years beginning with the 2014 tax year.

## **9. Justification of Project**

The South Locust Corridor is a major entrance for the City of Grand Island from Interstate 80. The Heartland Events Center, the State Fair Park and associated buildings and other attractions are all located along South Locust. The South Locust Business Improvement District and City of Grand Island have spent a considerable amount of money on landscaping and aesthetic treatments along this corridor. The City has codified those improvements as development occurs south of the U.S. 34 and Locust. This is a gateway to the community and for many people from outside the area is what they will use to judge our City. Significant investments have been made by the developer in properties along the west side of Locust and by the Central Nebraska Health Department in their Building. Goodwill Industries has invested federal grant dollars in housing in this neighborhood. The existing commercial building is negatively impacting the area and the property values in the area. Renovation of this building is a significant improvement that will increase the marketability adjoining properties and provide appropriate commercial uses along this corridor.

Grand Island is always in need of additional quality housing units. The development of three rental units will provide a buffer between the commercial space and the existing single family residential. This is infill development with all necessary utilities and public improvements needed to support the development.

**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.

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

The redevelopment project area currently has an estimated valuation of \$90,150. The proposed renovation of the existing commercial building will result in an estimated additional \$93,600 of taxable valuation based on an analysis by the Hall County Assessor's office. The multi-family residential will add an additional \$391,981 of

taxable valuation according to estimates provided by the Hall County Assessor's office. The total tax increment created by this project is \$485,600. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

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

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

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

The proposed facility will provide jobs for persons employed by the contractors that will be involved with the project. It will result renovated commercial space along South Locust and additional housing units within the City.

***(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. Potential positive impacts include additional housing close to the South Locust commercial strip. This may provide quality decent housing for employees of South Locust businesses within walking distance of work.

***(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 improve South Locust near the entrance to Fonner Park and the State Fair. Grand Island is always in need of additional quality housing. These three units will provide additional new housing near one of our major commercial strips.

**Time Frame for Development**

Development of this project is anticipated to be completed during between January 1, 2013 and December 31 of 2013. The base tax year should be calculated on the value of the property as of January 1, 2013. Excess valuation should be available for this project for 15 years beginning in 2014. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$159,738 the projected amount of increment based upon the anticipated value of the project and current tax rate.

Based on the estimates of the expenses of the cost of renovation, site preparation, engineering, expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend over \$160,000 on TIF eligible activities.

**See Attached Building Plans (with TIF application)**

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

**RESOLUTION NO. 144**

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED  
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING  
COMMISSION FOR ITS RECOMMENDATION

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2012.

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

By \_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

EXHIBIT 1

REDEVELOPMENT PLAN AMENDMENT

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

**RESOLUTION NO. 145**

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within redevelopment area #2, from Auto One Inc., (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within redevelopment area #2;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

**Section 1.** In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

**Section 2.** The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2012.

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

By \_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

Exhibit 1

Attach a copy of the Redevelopment Contract



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item H2**

### **Habitat for Humanity TIF App**

Staff Contact: Chad Nabity





## **BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST**

### **Project Redeveloper Information**

Business Name: Grand Island Area Habitat for  
Humanity

Address: 410 W. 2<sup>nd</sup> St. #6, P.O. Box 1001, Grand Island, NE 68802

Telephone No.: 308-385-5510

Fax No.: 308-385-5511

Contact: Dana Jelinek

### **Brief Description of Applicant's Business:**

Grand Island Area Habitat for Humanity (GIAHFH) is a non-profit housing organization working to help low-income households into safe, decent affordable homes they will own. Through community assistance, homes are built in partnership with qualifying households, then sold at the cost to build and with no interest loans.

Present Ownership Proposed Project Site: 1103 St. Paul Rd. (legal: Pleasant Hill Add., Lots 8, 9, 10, 11 and 12

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

The land available is 165' x 138.75'. Once re-platted, it would accommodate three Habitat homes. Typical Habitat homes are energy efficient, 1070 sq. ft., three bedroom homes on a crawlspace. More bedrooms are added when necessary. Homes have hardi-plank siding, covered entries, architectural shingles, and a sodded yard.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ 22,895
B. Building	\$ 24,868

Construction Costs:

A. Renovation or Building Costs:	\$183,000
B. On-Site Improvements:	\$ 13,800
re-platting, demo, asbestos removal, tree removal, etc.	

Soft Costs:

A. Architectural & Engineering Fees:	\$
B. Financing Fees:	\$ 500
Closing costs, filing fees	
C. Legal/Developer/Audit Fees:	\$
D. Contingency Reserves:	\$ 2,500
E. Other (Please Specify)	\$ <u>2,750</u>
TIF fees	
TOTAL	\$ 202,550

Total Estimated Market Value at Completion: \$ 240,000

Source of Financing:

A. Developer Equity: from GIAHFH reserves	\$ 47,763
---	-----------

B. Commercial Bank Loan:	\$
Tax Credits:	
1. N.I.F.A.	\$
2. Historic Tax Credits	\$
D. Industrial Revenue Bonds:	\$
E. Tax Increment Assistance:	\$ 62,876
F. Other	\$

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

Dana Jelinek, Executive Director  
Grand Island Area Habitat for Humanity  
410 W. 2<sup>nd</sup> St. #6, PO Box 1001  
Grand Island, NE 68802  
Phone: 308-385-5510/Fax: 308-385-5511

Estimated Real Estate Taxes on Project Site Upon Completion of Project:  
(Please Show Calculations)  
The estimated value on the homes upon completion will be \$240,000,  
putting the estimated yearly taxes at \$4,192.  $\$240,000 \times 2.18$  (levy).  
Currently the site is under Homestead Exemption.

Project Construction Schedule:

Construction Start Date:

Construction Completion Date:

If Phased Project:

<u>2013</u>	<u>Year</u>	<u>66% Complete</u>
<u>2014</u>	<u>Year</u>	<u>100% Complete</u>

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

## **TAX INCREMENT FINANCING REQUEST INFORMATION**

Describe Amount and Purpose for Which Tax Increment Financing is

Requested:

Amount of Incremental Prospective Annual real Estate Taxes over 2011 Real Estate Taxes on the subject property for 15 years will be used to redevelop the property.

Statement Identifying Financial Gap and Necessity for use of Tax Increment

Financing for Proposed Project: Grants for lot acquisition through Habitat for Humanity and HUD are no longer structured for Habitat affiliates of our size. With grants for land acquisition gone and difficulty in finding affordable land on which to build, GIAHFH is seeking other partnerships. Land costs, plus demo on the proposed properties is far beyond what we can afford on our own. TIF funding for the purchase of the property allows us to acquire not just land on which to build, but also allows us to tear down a property that has been falling into disrepair for years. The purchase of this property is contingent upon TIF approval. The added value of three proposed new homes benefits the community and the neighborhood, not to mention the low-income families who will partner on the projects. With fewer private entities building small houses (limited/no profit margin), Habitat fills that gap.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each: Since 1992, GIAHFH has completed 69 homes, 59 of which have been in Grand Island. Another Grand Island home is currently under construction,

with two more yet to begin this year. Over \$80,000 in property taxes are paid each year on GIAHFH homes. Most of those homes stand on once vacant lots, while a handful replaced deteriorated structures.

In 20 years, GIAHFH has partnered with various volunteer groups, sub-contractors and suppliers, plus donors, to make safe, affordable housing a reality for qualifying low-income households. Families selected must meet income requirements (30-50% of median income), have the ability to pay a no-interest home loan based on the cost to build, and contribute 500 hours of sweat equity (including 20 hours of home-ownership education). A thorough selection process looks at applications, tax returns, pay stubs, debt to income, credit reports, and background reports, plus families participate in meetings, interviews and home visits. In the last five years, both the CRA and City of Grand Island (NSP) provided funds for demolition of deteriorated properties or land where those properties once stood. Both partnerships made way for Habitat home construction. The CRA also provided water lines to an area where we completed four homes.

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

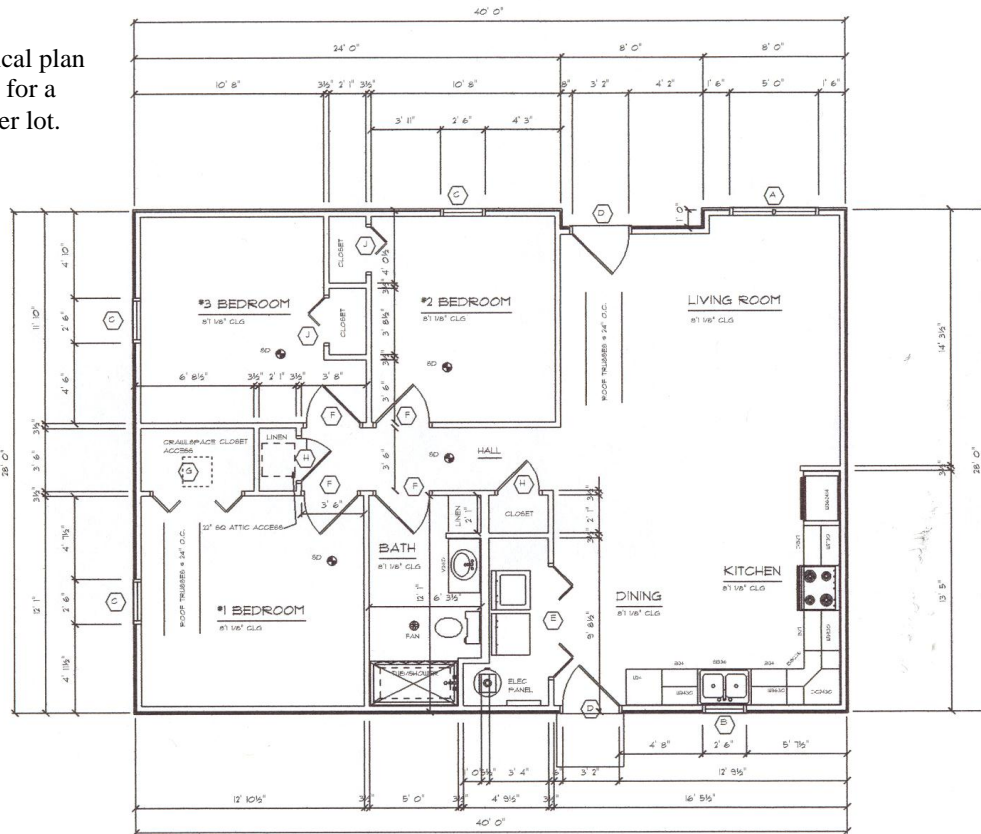
Audited financial statements are available upon request.

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

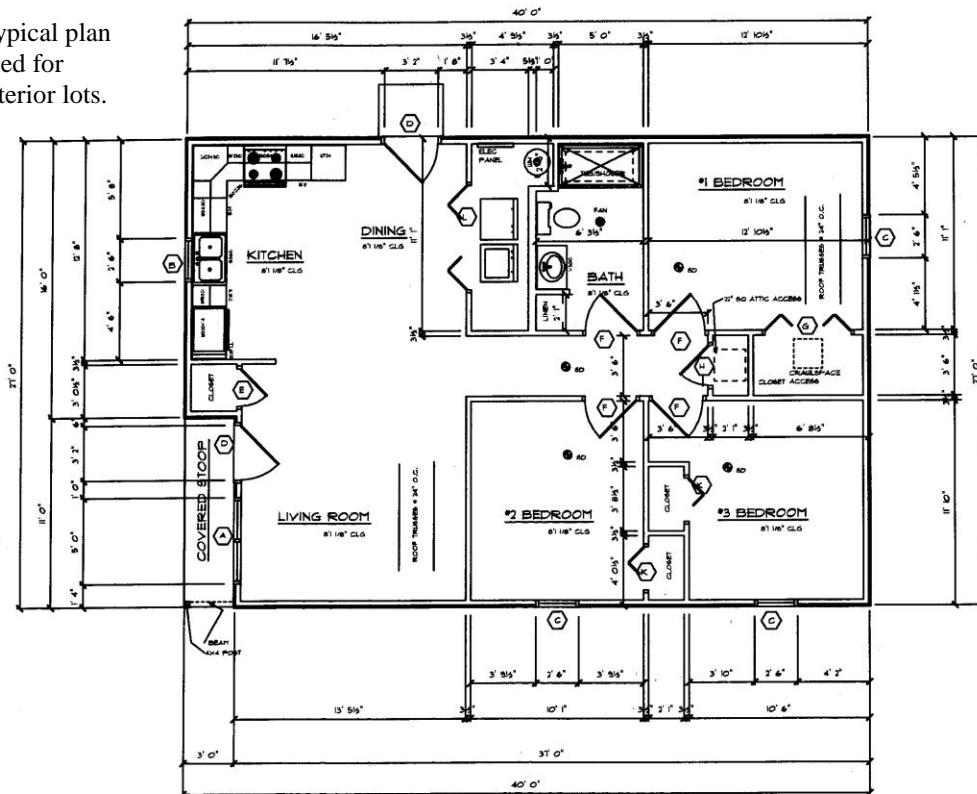
The budget below represents a standard three bedroom home. The number of bedrooms is based on the number of people in the household. Since not all the families have been selected for the proposed homes (application period opens in December), there is the chance that one or more of the homes may need to be larger. Costs to build would increase, as would property values on a larger home.

<b>Construction Budget</b>	
Three-Bedroom Habitat for Humanity Home	Cost
Permits/Curb Cut/Site Prep	950
Pre-construction Total	950
Contract Labor	
Drywall Finishing	1200
Gutters	700
Floor Covering	2000
Heating/Venting	4200
Plumbing	6000
Termite Control	325
Construction Supervisor/Manager Stipends	3100
Electrical	1250
Landscaping	2400
Contract Labor (other)	375
Contract Labor Total	21550
Materials/Supplies	
Lumber & Building Materials	15000
Insulation	1200
Electrical Supplies/Lights	4000
Masonry/Concrete	4200
Paint	400
Doors, Trim & Cabinets	5850
Windows	1500
Appliances	1500
Materials/Supply Total	33650
Indirect Construction Costs	
Administration	4000
Public Works	200
Sanitation/Garbage	500
Utilities during construction	150
Indirect Costs Total	4850
Total Costs	61000

Typical plan  
used for a  
corner lot.



Typical plan  
used for  
interior lots.





Above: Typical three bedroom home on a corner lot.

Right: Typical three bedroom home on an interior lot. Note – NSP funds were used to tear down the garage in the background to make way for the home next door.



Bottom: A four bedroom home on a corner lot where CRA provided water lines.





**Redevelopment Plan Amendment  
Grand Island CRA Area #1  
August 2012**

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

**Executive Summary:  
Project Description**

THE DEMOLITION OF THE EXISTING SINGLE FAMILY HOUSE AT 1103 ST. PAUL ROAD AND THE SUBSEQUENT ACQUISITION, SITE WORK, UTILITY IMPROVEMENTS, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR REBUILDING THREE HOUSES AT THIS LOCATION.

The use of Tax Increment Financing to aid in demolition of existing structures along with costs associated with redevelopment of this site with three new single family homes. The use of Tax Increment Finance makes it affordable to provide additional housing in Grand Island at this location for families that qualify to purchase a Habitat Home. This project would not be possible in an affordable manner without the use of TIF.

Habitat for Humanity has a contract to purchase the house and adjacent vacant lots for the assessed value of the property. All site work, demolition and utilities will be paid for by the Habitat for Humanity, though they are requesting the CRA consider buying that portion of the TIF debt associated with the demolition costs and fees for TIF. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2014 towards the allowable costs and associated financing for the acquisition and site work.

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

**Property Description (the “Redevelopment Project Area”)**

This property is located at 1103 St Paul Road in northeast Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lots 8, 9, 10, 11 and 12 Pleasant Hill Addition to the City of Grand Island.



**The tax increment will be captured for the tax years the payments for which become delinquent in years 2014 through 2028 inclusive.**

**The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from development of a duplex housing unit at this location.**

**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, 2013.

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

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

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

Redevelopment Plan Amendment Complies with the Act:

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

**1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on December 19, 2000.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.**

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

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to acquire the necessary property and provide the necessary site work for the construction of a permitted use on this property.

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

***a. Land Acquisition:***

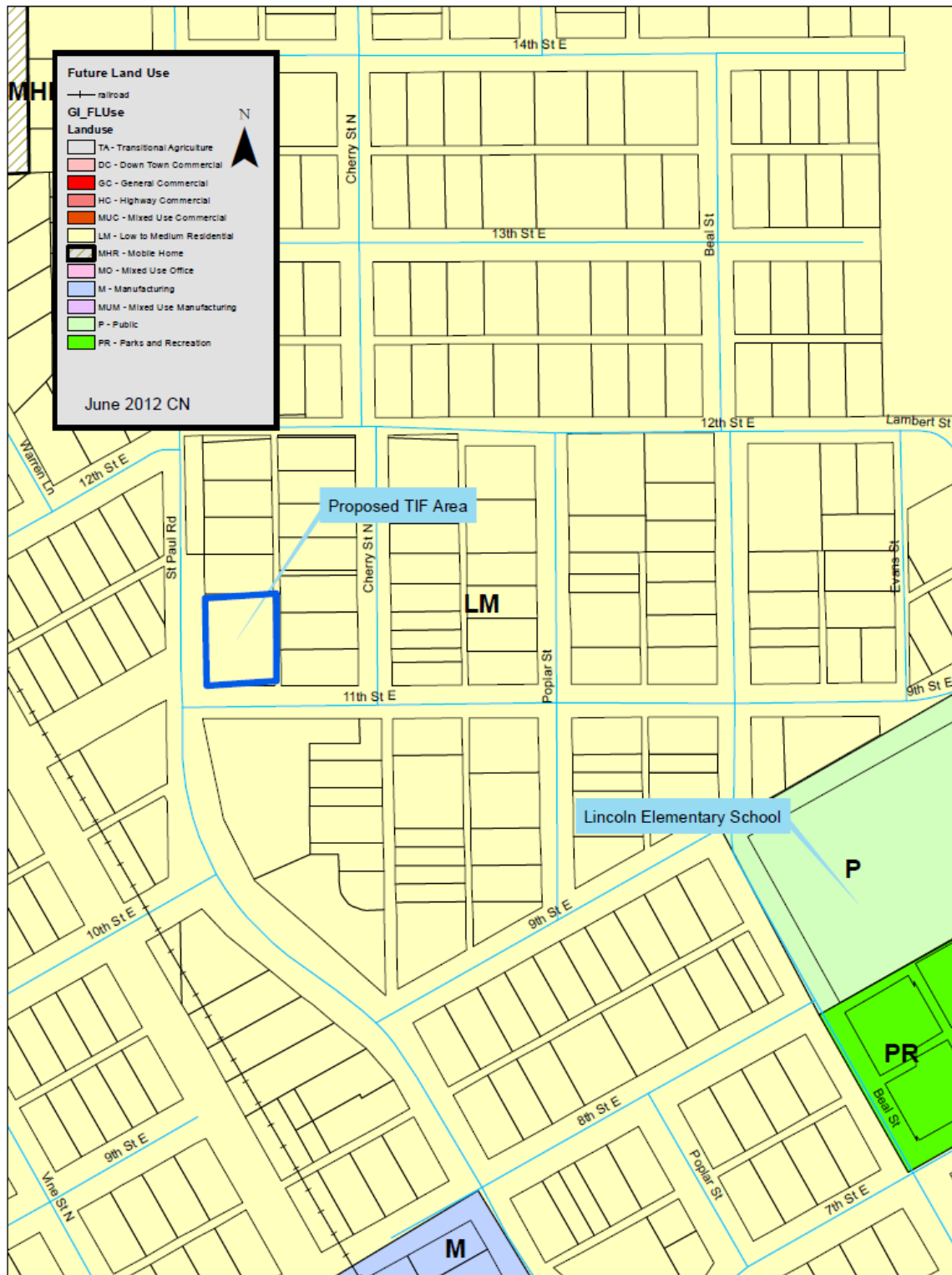
The Redevelopment Plan for Area #1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

***b. Demolition and Removal of Structures:***

The project to be implemented with this plan does for the demolition and removal of an existing substandard housing unit at this location. The structure to be demolished is a vacant substandard residential structure to be purchased by the applicant.

***c. Future Land Use Plan***

See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for low to medium density residential development; this includes housing of densities up to 14 units per acre. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

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

The area is zoned R4-High Density Residential zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

***e. Site Coverage and Intensity of Use***

The developer is proposing remove the existing structures from the property. The R4 zoning district allows 1 dwelling unit per 1000 square feet of property the size of each lot is approximately 7600 square feet; enough to legally accommodate a single family housing unit on each lot. The property is zoned R4 and could accommodate a building of up to 65% of the property area; allowable coverage would be about 4,950 square feet. The proposed units including detached sheds will cover less than 1,200 square feet, well within the allowable coverage. [§18-2103(b) and §18-2111]

***f. Additional Public Facilities or Utilities***

Sewer and water are available to support this development. New water and sewer services may be required for this building.

No other utilities would be impacted by the development.

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

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

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

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

**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 has a contract to purchase the property for \$47,763. The \$47,763 is included as a TIF eligible expense. Costs for demolition, site preparation, utilities and contingencies of \$19,000 are included as a TIF eligible expense. Surveying and Engineering fees of \$1,500 are included as a TIF eligible expense. Fees and reimbursement to the City and the CRA of \$2750 are included as a TIF eligible expense. Finance, interest and closing costs of \$500 are included as a TIF eligible expense. The total of eligible expenses for this project is \$71,513.

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

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$66,000 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, 2014 through December 2028.

***c. Statement of feasible method of relocating displaced families.***

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

**7. Section 18-2113 of the Act requires:**

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as

well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

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

### **8. Time Frame for Development**

Development of this project (including demolition, site preparation and new construction) is anticipated to be completed between November 2012 and December of 2014. Excess valuation should be available for this project for 15 years beginning with the 2014 tax year. It is anticipated that 2 of the houses will be built by December 31 of 2013 and that the 3<sup>rd</sup> house will be built in 2013.

### **9. Justification of Project**

This is a residential neighborhood characterized by single family dwellings on smaller lots. The existing structure is considered worn out by the Hall County Assessor's Office. The City of Grand Island is in need of additional housing units and this development will remove one very poor housing unit and replace it with 3 brand new units. This is infill development in an area with all city services available. This project does not propose to tear down any buildings with historic value.

**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.

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

The redevelopment project area currently has an estimated valuation of \$47,763. The proposed demolition and subsequent construction of single family homes at this location will result in approximately \$190,000 of additional taxable valuation based on the current valuation of other Habitat houses in the area. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.



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

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

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

The proposed project will have no impact on other firms locating or expanding in the area.

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

This project will not have a negative impact on other employers and will result in additional housing choices for employees within 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 project will increase the available quality housing in Grand Island by a net of three single family homes. The existing structure is worn out and not acceptable as a housing unit. These types of smaller projects spread throughout the city will have a less drastic impact on neighborhoods and schools than a centralized larger housing project.

This is a neighborhood that has benefited extensively from development by the Grand Island Habitat for Humanity Affiliate. This project will continue that investment and commitment.

**Time Frame for Development**

Development of this project is anticipated to be completed during between November 15, 2012 and December 31 of 2014. The base tax year should be calculated on the value of the property as of January 1, 2013. Excess valuation should be available for this project for 15 years beginning in 2014 with taxes due in 2015. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$66,000 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the cost of demolition, site preparation, engineering, expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend at least \$71,513 on TIF eligible activities.

**See Attached Building Plans and Photos included with application**

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

**RESOLUTION NO. 146**

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED  
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING  
COMMISSION FOR ITS RECOMMENDATION

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2012.

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

By \_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

EXHIBIT 1

REDEVELOPMENT PLAN AMENDMENT

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

**RESOLUTION NO. 147**

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within redevelopment area #1, from Grand Island Area Habitat for Humanity, (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within redevelopment area #1;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

**Section 1.** In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

**Section 2.** The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2012.

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

By \_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

Exhibit 1

Attach a copy of the Redevelopment Contract



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012  
Regular Meeting**

## **Item I1**

### **Redevelopment Contract with Token Properties, LLC**

Staff Contact: Chad Nabity

## REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 2012, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (**“Authority”**), and Token Properties, LLC, a 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, 2007, as amended (collectively the **“Act”**), has designated an area in the City as blighted and substandard; and

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

**NOW, THEREFORE**, in consideration of the 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, 2007, 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”** means the holders of TIF indebtedness issued by the Authority from time to



time outstanding.

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

**“Project”** means the improvements to the Redevelopment Area, as fully described in application of the Redeveloper to the Authority for assistance and the Redevelopment Plan Amendment, related to the application, approved by the Governing Body incorporated herein by reference and, as used herein, shall include the Redevelopment Area real estate.

**“Project Costs”** means only costs or expenses incurred by Redeveloper for the purposes set forth in §18-2103 (a) through (f), inclusive, of the Act as identified on Exhibit C.

**“Redeveloper”** means Token Properties, LLC, a limited liability company.

**“Redevelopment 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.

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

**“Redevelopment Plan”** means the Amended Redevelopment Plan for the Redevelopment Area related to the Project, prepared by the Authority and approved by the City pursuant to the Act.

**“Resolution”** means the Resolution of the Authority, as supplemented from time to time, approving this Redevelopment Contract and the issuance of the TIF Indebtedness.

**“TIF Indebtedness”** means the note incurred by the Authority pursuant to Article III hereof and secured in whole or in part by TIF Revenues, as shown on attached Exhibit B.

**“TIF Revenues”** means incremental ad valorem taxes generated by the Project which are 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) Wherever 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**

### **REPRESENTATIONS**

#### **Section 2.01 Representations by Authority.**

The Authority makes the following representations and 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 and adopted by the City 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 will achieve the public purposes of the Act by, among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening conditions of blight and substandard in the Redevelopment Area.

(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 plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(2) Based 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 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 an individual, having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract.

(b) The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance 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, except as disclosed in writing to the Authority, as in any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

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

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

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

(g) The Redeveloper is an accredited investor as that term is defined for purposes Regulation D, issued pursuant to the Securities Act of 1933, as amended.

(h) The Redeveloper hereby verifies it has been legally obligated to incur the costs set forth on Exhibit C as part of the Project.

### ARTICLE III

#### OBLIGATIONS OF THE AUTHORITY

##### Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Authority hereby provides that any ad valorem tax on the following real property in the Project: to wit: Lot 8 Block 31 of Packer and Barr's Second Addition to the City of Grand Island, Hall County, Nebraska, for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in this section. The effective date of this provision shall be January 1, 2013.

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

(b) That proportion of the ad valorem tax on real property in the Redevelopment Area in excess of such amount (the "Incremental Ad Valorem Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Project. When such bonds, loans, notes, advances of money, or indebtedness, including

interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Project shall be paid into the funds of the respective public bodies.

### Section 3.02 Issuance of TIF Indebtedness

Execute and deliver to the Redeveloper, as Purchaser, at closing, the Redevelopment Note in substantially the same form as the copy attached hereto as Exhibit B. The purchase price of the TIF Indebtedness shall be offset against the Grant described in Section 3.04 hereof.

The TIF Indebtedness issued pursuant to the provisions of this contract constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1) (b) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Redevelopment Area" The TIF Indebtedness shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. The TIF Indebtedness shall not constitute an obligation of the State of Nebraska or of the City or the Authority (except for such receipts as have been pledged pursuant to Section 3.03) and neither the State or Nebraska, the Authority nor the City shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 3.03). Neither the members of the Authority's governing body nor any person executing the TIF Indebtedness shall be liable personally on the TIF Indebtedness by reason of the issuance thereof. The Authority's obligation to the holder of the TIF Indebtedness shall terminate, in all events no later than 15 years from the effective date set forth in Section 3.01 hereof.

### Section 3.03 Pledge of TIF Revenues.

The Authority hereby pledges 100% of the annual TIF Revenues as security for the TIF Indebtedness.

### Section 3.04 Grant of Proceeds of TIF Indebtedness.

From the proceeds of the TIF indebtedness incurred as described on Exhibit B, the Authority shall grant the following sums to the following entities, to wit: 100% to the Redeveloper for Project Costs.

Notwithstanding the foregoing, the amount of the grant shall not exceed the amount of Project Costs certified pursuant to Section 4.02. The grants shall be paid to the Redeveloper upon certification that the Redeveloper has incurred or is obligated to incur such Project Costs which include supporting documentation requested by Authority from time to time.

### Section 3.05 Creation of Fund.

The Authority will create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay TIF Indebtedness issued pursuant to Sections 3.02 above.

## **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 the Project, the Redeveloper shall furnish to the Authority a Certificate of Completion. The certification by the Redeveloper shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Contract with respect to the obligations of Redeveloper and its successors and assigns to construct the Project. As used herein, the term "completion" shall mean substantial completion of the Project.

(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 as required by the Act. The City, the Authority and the Redeveloper shall be named as additional insured. Any contractor chosen by the Redeveloper or the Redeveloper itself, as an 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 or the Redeveloper, as the case may be, shall furnish the Authority 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.

Redeveloper shall submit to Authority a certification of Project Costs, on or before the issuance of the TIF Indebtedness which shall contain detail and documentation showing the payment or obligation for payment of Project Costs specified on the attached Exhibit C in an amount at least equal to the grant to Redeveloper pursuant to Section 3.05.

#### Section 4.03 Costs.

Redeveloper shall pay the Authority the following sums on execution of this agreement:

- a. \$1,250 for legal expenses of Authority
- b. \$1,000 for City administrative accounting of incremental tax payments.

Redeveloper understands that the law firm assisting with the issuance of the TIF Indebtedness represents the Authority and not the Redeveloper.

#### Section 4.04 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as any TIF Indebtedness is outstanding, 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 Pay Real Estate Taxes.

Redeveloper intends to create a taxable real property valuation of the Redevelopment Area and Project of Two Hundred Ten Thousand Dollars (\$210,000) no later than January 1, 2014. During the period that any TIF Indebtedness is outstanding, neither the Redeveloper, nor its assigns, will (1) file a protest seeking to obtain a real estate property valuation on the Redevelopment Area of less than Two Hundred Ten Thousand Dollars (\$210,000) after substantial completion or occupancy; (2) convey the Redevelopment Area on structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes; nor (3) allow real estate taxes and assessments levied on the Redevelopment Area and Project to become delinquent during the term that any TIF Indebtedness is outstanding.

#### Section 4.07 Assignment or Conveyance.

Any assignment or conveyance of the any portion of the Redevelopment, the Project or any interest therein prior to the termination of the 15 year period commencing on the effective date specified in Section 3.01 hereof Area by the Redeveloper shall be subject to the terms and conditions of this Redevelopment Contract.

#### Section 4.08 Purchase of TIF Indebtedness.

The Redeveloper shall purchase the TIF Indebtedness at 100% of the principal amount thereof upon issuance of such debt. The Authority offset such purchase against the grant provided in Section 3.04 hereof.

#### Section 4.09 Penal Bond.

The Redeveloper shall execute a penal bond for the Project with good and sufficient surety to be approved by the Authority meeting the requirements of Section 18-2151, Reissue Revised Statutes of Nebraska, as amended, on or prior to its execution of this Contract.

#### Section 4.10 Immigration Status.

Redeveloper agrees that any contractor providing services on the Project site will utilize the federal immigration verification system, as defined in Section 4-114, Reissue Revised Statutes of Nebraska, (Supp. 2009), to determine the work eligibility status of new employees physically performing services on the Project.

### **ARTICLE V**

#### **FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES**

##### Section 5.01 Financing.

Redeveloper shall pay all Project Costs and any and all other costs related to the Redevelopment Area and the Project which are in excess of the amounts paid from the proceeds of the TIF Indebtedness granted to Redeveloper. Prior to issuance of the TIF Indebtedness, Redeveloper shall provide Authority with evidence satisfactory to the Authority that private funds have been committed to the Redevelopment Project in amounts sufficient to complete the Redevelopment Project. 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 on in breach of its obligations.



## Section 6.02 Additional Remedies of Authority

### In the event that:

(a) The Redeveloper, on successor in interest, shall fail to complete the construction of the Project on or before January 1, 2014, or shall abandon construction work for any period of 90 days,

(b) The Redeveloper, on successor in interest, shall fail to pay real estate taxes or assessments on the Redevelopment Area on any part thereof or payments in lieu of taxes pursuant to Section 4.07 when due; or

(c) There is, in violation of Section 4.08 of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 30 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 TIF Indebtedness, plus interest on such amounts as provided herein (the **“Liquidated Damages Amount”**). The Liquidated Damages Amount shall be paid by Redeveloper to Authority within 30 days of demand from Authority.

Interest shall accrue on the Liquidated Damages Amount at the rate of one percent (1%) over the prime rate as published and modified in the Wall Street Journal from time to time 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 Project.

## 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 the default covered by this Section shall not give rise to a right of 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 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 officers, directors, employees, agents nor 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 TIF Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, as specifically set forth in Sections 3.02 and 3.04. The obligation of the City and Authority on any TIF Indebtedness shall be limited solely to the payment of the TIF Revenues on the TIF Indebtedness. 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 or 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 directors, officers, agents, employees and member 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 on not related to the Project, or resulting from or in any way connected with specified events, including the management of 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 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract shall be recorded with the County Register of Deeds in which the Redevelopment Area is located.

#### Section 7.02 Governing Law.

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

#### Section 7.03 Binding Effect; Amendment.

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

#### Section 7.04 Third Party Enforcement.

The provisions of this Redevelopment Contract which obligate the Redeveloper shall inure to the benefit of the holder of the TIF Indebtedness, the Hall County Assessor, the City and the Authority, any of whom may, but are not obligated to enforce the terms of this Redevelopment Contract in a court of law.

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

ATTEST:

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Chairman

Token Properties, LLC

\_\_\_\_\_  
Managing Member

STATE OF NEBRASKA     )  
  ) ss.  
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_, Chair 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 \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by \_\_\_\_\_, Managing Member of Token Properties, LLC, on behalf of  
the company.

\_\_\_\_\_  
Notary Public

## EXHIBIT A

### DESCRIPTION OF REDEVELOPMENT AREA

Lots 7 and 8 Block 37 of Packer and Barr's Second Addition to the City of Grand Island, Hall County, Nebraska.

A-I

EXHIBIT B

FORM OF TIF INDEBTEDNESS

Exhibit B

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (1933 ACT) AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE 1933 ACT SHALL BE IN EFFECT WITH RESPECT HERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE 1933 ACT AND ALL RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND (THE AUTHORITY) PRIOR TO SUCH TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION, AN OPINION OF COUNSEL, SATISFACTORY TO THE AUTHORITY TO THE EFFECT THAT REGISTRATION UNDER THE 1933 ACT IS NOT REQUIRED.

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY  
AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA  
(TOKEN PROPERTIES, LLC (TODD ENCK) PROJECT)

Principal Amount  
\$76,812

Interest Rate Per Annum  
0.00%

Final Maturity Date  
December 31, 2027

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to Token Properties, LLC, or order, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest at the rate of zero percent [0.00%] per annum on the unpaid balance. This Note is due and payable in full on December 31, 2027. This Note shall also be subject to mandatory partial redemption, without notice, on each June 1 and December 1, ("Payment Date") beginning June 1, 2013, from all funds available in the Debt Service Fund established by the Grand Island City Treasurer for the tax increment revenues pledged to payment of this Note, rounded down to the nearest one hundred dollars (which funds are referred to in this Note as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each payment date and shall be remitted to the registered owner of the Note. The payment of principal due upon the final

maturity is payable upon presentation and surrender of this Note to the Treasurer of said Authority, as Paying Agent and Registrar for said Authority, at the offices of the Community Redevelopment Authority of the City of Grand Island at City Hall, in Grand Island, Nebraska. The payments of mandatory partial redemption of principal on each payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this Note, as shown on the books or record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the payment date occurs, to such owner's address as shown on such books and records.

The Authority, however, reserves the right and option of prepaying principal of this Note, in whole or in part, from any available sources at any time at the principal amount thereof. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this Note at said registered owner's address. The principal of this Note shall be subject to mandatory redemptions made in part on any payment date, as set forth in this Note, from available funds without any requirement for notice.

This Note is the single Note in the total principal amount of Seventy Six Thousand Eight Hundred Twelve and no one hundredths Dollars (\$76,812.00) issued by the Authority for the purpose of paying the costs of redevelopment of certain real estate located in the City of Grand Island, as designated in that redevelopment plan amendment recommended by the Authority and approved by the City Council of the City of Grand Island, Nebraska, (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, and has been duly authorized by resolution passed and approved by the governing body of the Authority (the "Resolution").

This Note constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" (as defined in the Redevelopment Contract). Pursuant to Section 18-2150, R.R.S. Neb. 2007, said portion of taxes has been pledged for the payment of this Note, as the same become subject to mandatory redemption. This Note shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Note shall not constitute an obligation of the State of Nebraska or of the City or Grand Island (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007) and neither the State or Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007). Neither the members of the Authority's governing body nor any person executing this Note shall be liable personally on this Note by reason of the issuance hereof.

This Note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Note for notation of transfer as provided on the reverse hereof and subject to the conditions provided for established by the Authority. The Authority, the Paying Agent and Registrar and any other person may treat the person whose name this Note is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this Note be overdue or not.



THIS NOTE MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS ESTABLISHED BY THE AUTHORITY.

If the day for payment of the principal of this 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 date shall have the same force and effect as if made on the nominal date of payment.

THE PRINCIPAL AND INTEREST DUE ON THIS NOTE SHALL BE REDUCED TO ZERO AFTER ALL AVAILABLE FUNDS PLEDGED TO THIS NOTE HAVE BEEN PAID TO THE HOLDER HEREOF REGARDLESS OF WHETHER SUCH PAYMENTS ARE SUFFICIENT TO AMORTIZE THE ORIGINAL PRINCIPAL AND INTEREST HEREON. "AVAILABLE FUNDS" IN THIS REGARD SHALL MEAN ALL INCREMENTAL AD VALOREM TAXES RELATED TO THE PROJECT WHICH BECOME DELINQUENT PRIOR TO JANUARY 1, 2027.

IN WITNESS WHEREOF, the Chair and Secretary of the Community Redevelopment Authority of the City of Grand Island have caused this Note to be executed on behalf of said Authority by being signed by the Chair and Secretary and by causing the official seal of said Authority to be affixed hereto, all as of the date of issue shown above.

Delivered this \_\_\_\_th day of \_\_\_\_\_, 2012.

(SEAL)

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

:

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

PROVISION FOR REGISTRATION

The ownership of this Note shall be registered as to both principal and interest on the books and records of the Community Redevelopment Authority of the City of Grand Island, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing Note, who shall make notation of such registration in the registration blank below, and the transfer of this Note may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration	Name of Registered Owner	Signature of Paying Agent and Registrar
_____, 2012	Token Properties, LLC	

## EXHIBIT C

### PROJECT COSTS

All Project Costs payable from the proceeds of TIF indebtedness pursuant to the Act including:

1. Acquisition	\$42,000
2. Demolition site preparation and concrete	\$ 28,662
3. Finance & Closing	\$ 2,000
4. Architectural	\$ 1,400
5. Authority costs	<u>\$ 2,750</u>
TOTAL	\$76,812

RESOLUTION NO. 149

BE IT RESOLVED this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by the Community Redevelopment Authority of the City of Grand Island, (" Authority"), a Community Redevelopment Authority duly organized and existing within the State of Nebraska,

W I T N E S S E T H:

WHEREAS, the Authority is a duly organized and existing Community Redevelopment Authority, a body politic and corporate under the laws of the State of Nebraska; and

WHEREAS, the Authority is authorized by the Act (hereinafter defined) to issue and sell its revenue Note or other obligations for the purpose of providing money to pay or otherwise provide funds to pay costs of redevelopment projects and is further authorized to pledge the revenues as herein provided to secure the payment of principal, premium, if any, and interest on its obligations; and

WHEREAS, the Authority has determined it to be in the best interests of the Authority to issue its Note or other obligations for the purpose of making funds available to Token Properties, LLC, a Nebraska limited liability company (the "Redeveloper") for the construction and improvement of a redevelopment project of pursuant to a Redevelopment Plan Amendment for Grand Island CRA Area #6 (the "Redevelopment Plan"); and

WHEREAS, the Authority has made the necessary arrangements for financing a portion of the costs of the redevelopment project in part by issuing Community Development Revenue Note (Token Properties, LLC, Project), in the form of fully registered Note without coupons (the "Note") of the Authority and for use of the proceeds of the Note in connection with the project, in amounts determined pursuant to Section 2.01 of this Resolution; and

WHEREAS, the issuance of the Note has been in all respects duly and validly authorized by the Members of the Authority pursuant to this resolution (the "Resolution"); and

WHEREAS, the Note is in substantially the form attached hereto as Exhibit A which is incorporated herein by this reference, with the necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution.

NOW, THEREFORE, and it is expressly declared, that the Note shall be issued and delivered upon and subject to the terms, conditions, stipulations, uses and purposes as hereinafter expressed, that is to say:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

#### Section 1.01 Defined Terms.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Note Resolution, 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, 2007, as amended, known as the Community Development Law and acts amendatory thereof and supplemental thereto.

"Authorized Issuer Representative" means the person at the time designated to act on behalf of the Authority.

"Noteholder" mean the holders of the Note from time to time.

"Note" means the Authority's Community Development Revenue Note (Token Project).

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

"Closing" means the date of issuance of any Note, but not before September 20, 2012.

"Collateral" means all property pledged as security for the Noteholder pursuant to Section 5.01 of this Note Resolution.

"Debt Service Fund" means the fund created with the Paying Agent pursuant to Section 4.01 of this Resolution.

"Governing Body" means the Members of the Authority.

"Paying Agent" means the paying agent with respect to the Note appointed pursuant to Section 10.01 of this Resolution.

"Project" means the improvements to be constructed, as further described in Exhibit B attached hereto and incorporated herein by reference.

"Project Costs" means only costs or expenses incurred by Redeveloper to implement the Project and related infrastructure costs, including water line and stub installation, including but not limited to costs of engineering, including reimbursement for any such costs, and cost of financing administration in the City of Grand Island, Hall County, Nebraska, pursuant to the Act and shall include costs of issuing the Note.

"Redevelopment Plan" means the Redevelopment Plan Amendment Grand Island CRA Area #6, a true and correct copy of is attached hereto and marked as Exhibit "B" and adopted in accordance with the Act, as amended from time to time.

"Registrar" means the registrar responsible for maintaining records of holders of the Note appointed pursuant to Section 10.01 of this Note Resolution.

"Resolution" means this Resolution of the Authority adopted on September \_\_, 2012, authorizing the issuance and sale of the Note, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

"Tax Increment Revenues" means excess ad valorem taxes generated by the Project and Future Project Plans which are divided pursuant to section 18-2147 of the Act with effective dates established in the Redevelopment Plan as amended from time to time.

#### Section 1.02 Provisions as to Interpretation.

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

(a) This Resolution shall be interpreted in accordance with and governed by the laws of the State of Nebraska.

(b) Wherever in this Resolution 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.

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

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

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

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

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

(h) The captions to the sections of this Resolution 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.

Section 1.03                      Exhibits.

The following Exhibits are attached to and by reference made a part of this Resolution:

(a) Exhibit A:                      Form of Note.

(b) Exhibit B:                      Redevelopment Plan Amendment Grand Island CRA

Area #6.

(c) Exhibit C:                      Real Estate Pledged for January 1, 2013 Effective Date.

ARTICLE II

THE NOTE

Section 2.01                      Form and Maturity of Note.

The Note to be issued pursuant to this Resolution shall be issued pursuant to the Act, including specifically but without limitation Sections 18-2124 et seq., shall be dated as of the date of their issuance, and shall be issued in one series designated "Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Token Project). The Note shall be substantially in the form and of the tenor as set forth in the form of the Note attached hereto as Exhibit A (Note) with such appropriate variations, omissions and insertions as are permitted or required by this Resolution.

The Note shall be issued in the amount of \$76,812, and shall be dated as of the date of its issuance, which shall not occur prior to September 20, 2012. No other

Note related to this redevelopment project shall be issued. The Note shall finally mature on December 31, 2027. The Note shall bear interest at the rate of zero percent (0.0%) per annum from and after the date of issuance of such Note. The Note shall be subject to mandatory partial redemption on each June 1 and December 1, (the "payment date") beginning in the year 2014 from Available Funds, as hereafter defined.

Principal on the Note shall be payable in such coin and currency of the United States of America as may be, on the respective dates of the payment thereof, legal tender for the payment of public and private debts at the principal office of the Paying Agent. Principal and interest will be paid by check or draft mailed to the Noteholder in whose name a Note is registered as of the 15th calendar day (whether or not a business day) next preceding the payment date at his address as it appears on the registration books of the Registrar.

The Note shall originally be issued as fully registered Note without coupon. Upon the written request of a Noteholder, and at its expense, Note may be surrendered to the Authority and the Authority shall deliver in exchange and substitution therefore new Note of like tenor, aggregating the then outstanding principal amount of the Note.

#### Section 2.02 Execution. Limited Obligation.

The Note shall be signed in the name and on behalf of the Authority by the manual or facsimile signature of the Chair or Vice Chair of the Authority and attested with the manual or facsimile signature of its Secretary. In the event that any of the officers who shall have signed and sealed the Note shall cease to be officers of the Authority before the Note shall have been issued and delivered, the Note may, nevertheless, be issued and delivered, and upon such issue and delivery shall be binding upon the Authority as though those officers who signed and sealed the same had continued to be such officers of the Authority. The Note may be signed and sealed on behalf of the Authority by such person who, at the actual date of execution of the Note, shall be the proper officer of the Authority, although at the date of the Note such person shall not have been such an officer of the Authority.

The Note shall not be a general obligation of the Authority, but only a limited obligation payable solely from the tax increment revenues pledged as security for the Note pursuant to the Redevelopment Plan or other financing documents (except to the extent paid out of monies attributable to income from the temporary investment of the proceeds of the Note) and shall be a valid claim of the registered owner thereof and otherwise secured for the payment of the Note and shall be used for no other purpose than to pay the principal and interest on the Note, except as may be otherwise expressly authorized by this Note Resolution.

Neither the Authority, the State of Nebraska, the City nor any other political subdivision of the State of Nebraska shall be obligated to pay the principal of the Note or the interest thereon or other costs incident thereto except from the money pledged



therefore. Neither the faith and credit nor the taxing power (except to the extent of ad valorem taxes pledged hereunder) of the Authority, the City, the State of Nebraska or any political subdivision of the State of Nebraska shall be pledged to the payment of the principal of the Note or the interest thereon or other costs incident thereto. The Note shall never constitute an indebtedness of the Authority or the City within the meaning of any state constitutional provision or statutory limitation, nor shall the Note or the interest thereon ever give rise to any pecuniary liability of the Authority or the City or a charge against its general credit or taxing powers.

Section 2.03 Registration and Authentication of Note.

The Note shall not be valid or obligatory for any purpose unless the Note shall have been authenticated by the manual signature of the Registrar.

Section 2.04A Delivery of Note.

The Authority shall execute and deliver the Note to the Noteholder which shall be Token Properties, LLC, on such date selected by the Authority but before September 20, 2012 and not later than December 1, 2012, in exchange for the grant provided in the redevelopment contract between Token Properties, LLC and the Authority.

Section 2.05 Registration of Note.

Ownership of the Note shall at all times be registered as to principal and interest with the Registrar. Transfer of the Note may be made only by an assignment duly executed by the registered owner or by his registered assigns, or his legal representative or attorney, in such form as shall be reasonably satisfactory to the Registrar, who shall endorse such registration or transfer on the Note. No transfer of the Note shall be effective unless and until notice of such transfer shall be delivered in writing to the Registrar. The Registrar shall retain records showing all registrations, transfers and assignments of the Note. In the event of any such transfer, the Registrar shall require the payment by the person requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06 Ownership of Note.

As to the Note the Authority and the Registrar, and their respective successors, each in its discretion, may deem and treat the person in whose name the Note for the time being shall be registered as the absolute owner thereof for all purposes, and neither the Authority nor the Registrar, nor their respective successors, shall be affected by any notice to the contrary. Payment of or on account of the principal on the Note shall be made only to or upon the order of such registered owner, but such registration may be changed as provided herein. All such payments shall be valid and effective to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

Section 2.07   Valid Obligation.

The Note executed, issued and delivered as provided in this Note Resolution provided shall be a valid special obligation of the Authority.

Section 2.08   Loss or Destruction of Note.

In case any Note shall become mutilated or be destroyed or lost, the Authority shall, if not then prohibited by law, cause to be executed and delivered a new Note of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and substitution for such lost Note, upon the Noteholder paying the reasonable expenses and charges of the Authority in connection therewith and, in the event the Note is destroyed or lost, the filing with the Issuer of evidence satisfactory to it that the Note was destroyed or lost, and furnishing the Authority with indemnifications satisfactory to the Authority.

Section 2.09   Transfer of the Note.

All transfers of the Note shall be upon the basis of a private placement and each proposed transferee registered owner shall furnish the Registrar with assurances in form satisfactory to the Registrar that such Note is being purchased for investment purposes only, without a view to redistribution and upon the independent credit judgment and investigation of the proposed transferee.

ARTICLE III

APPLICATION OF NOTE PROCEEDS

The proceeds of the Note shall be granted to the Redeveloper and Authority, pursuant to the terms of the Redevelopment Plan upon receipt of such proceeds and used by the Redeveloper to pay Project Costs pursuant to the Redevelopment Plan. The grant of proceeds shall be offset against the purchase of the Note by the Redeveloper.

ARTICLE IV

PAYMENT OF NOTE

Section 4.01   Debt Service Fund.

There is hereby created and established a separate fund with the Paying Agent in the name of the Authority to be designated "Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Token, Project), Debt Service Fund" into which the Authority shall make the following deposits:

- (a) Accrued interest, if any, received upon sale of the Note.
- (b) All Tax Increment Revenues received by the Authority with respect to the Project as described in the Redevelopment Contract;
- (c) All other monies received by the Authority when accompanied by directions that such monies are to be paid into the Debt Service Fund or used for purposes for which monies in the Debt Service Fund may be used; and

Section 4.02 Pledge of Debt Service Fund.

The monies and investments in the Debt Service Fund are hereby irrevocably pledged to and shall be used by the Authority from time to time, to the extent required, solely for the payment of the principal of, premium, if any, and interest on the Note.

Section 4.03 Funds Held in Trust or Secured.

All monies deposited in the Debt Service Fund under the provisions of this Resolution or the Redevelopment Contract or Future Plan Amendments shall be held in trust or fully secured by pledged assets and applied only in accordance with the provisions of this Resolution and the Redevelopment Contract, future Redevelopment Contracts and Future Plan Amendments and shall not be subject to a lien or attachment by any creditor of the Authority.

Section 4.04 Application of Funds.

If at any time the monies and investments in the Debt Service Fund shall not be sufficient to pay in full the principal, premium, if any, and interest on the Note as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of this Note Resolution), such funds, together with any monies then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied as follows:

FIRST: to the unpaid interest, if any, to the extent of Available Funds;  
SECOND: to the payment of principal on the Note.

#### Section 4.05    Redemption of Note Before Maturity.

(a)     The Note is callable for redemption at any time in whole or in part, without premium, in the event the Authority wishes to prepay the Note.

(b)     The Note shall also be subject to mandatory partial redemption, without notice, on each June 1 and December 1, ("Payment Date") beginning June 1, 2014, from all funds available in the Debt Service Fund, excluding amounts, if any, from investment earnings for such fund which the Authority shall be entitled to apply to administrative costs related to the Note, rounded down to the nearest one hundred dollars (which funds are referred to in this Resolution as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each payment date and shall be remitted to the registered owner of the Note. The Agent shall mark the Agent's records with respect to each mandatory partial principal prepayment made from Available Funds and it shall not be necessary for the registered owner to present the Note for notation of such prepayment. The records of the Agent shall govern as to any determination of the principal amount of the Note outstanding at anytime and the registered owner shall have the right to request information in writing from the Agent at any time as to the principal amount outstanding upon the Note.

#### Section 4.06    Redemption Date.

In the event the Note or any portion thereof are called for redemption or prepayment as provided in Section 4.05 of this Note Resolution, except for partial mandatory redemption, notice thereof will be given by registered or certified mail to the Noteholder not less than thirty (30) days prior to the date fixed for prepayment or redemption, specifying such date, the aggregate principal amount of the Note to be prepaid on such date and the amount of interest, if any, on such principal amount accrued to such date.

#### Section 4.07    Investment of Funds.

Monies on deposit to the credit of the Debt Service Fund shall be invested in (i) direct obligations of or obligations fully guaranteed by the United States of America or an Authority or instrumentality of the United States of America, (ii) fully insured certificates of deposit or time deposits of banks or trust companies. Obligations so purchased shall be deemed at all times a part of the Debt Service Fund, respectively.

#### Section 4.08    Disposition of Excess Funds.

Monies on deposit in the Debt Service Fund remaining after payment of principal and interest, if any, on the Note in full shall, immediately be paid to Authority and shall no longer be subject to this Resolution.

Section 4.09 Cancellation on Due Date.

Regardless of the whether the Note is paid in full as of the due date, the obligation of the Authority to pay the principal and interest, if any, under the Note shall terminate in all respects on the due date and the Note shall be deemed cancelled in full on such date.

ARTICLE V

SECURITY FOR THE NOTE

Section 5.01 Pledge of Tax Increment Revenues as Security.

(a) In accordance with section 18-2147 of the Act, the Authority hereby adopts the Redevelopment Plan amendment of the Authority by approving the Project and by providing that any ad valorem tax on real property in the Development Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in section 18-2147 of the Act. The effective date of this provision shall be January 1, 2013, as to the real estate described in Exhibit "C" to this resolution.

(b) In accordance with section 18-2150 of the Act, the Tax Increment Revenues are hereby pledged for payment of principal, premium, if any and interest on the Note. The Authority shall execute a notice providing for such pledge of taxes and shall file a copy of such notice with the Hall County Treasurer and Hall County Assessor.

ARTICLE VI

LEGAL AUTHORIZATION; FINDINGS

Section 6.01 Legal Authorization.

The Authority is a body politic and corporate under the laws of the State of Nebraska and is authorized under the Act to provide funds for the Project and construct public improvements related thereto, and to issue and sell its tax increment revenue notes such as the Note for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Resolution.

Section 6.02 Findings.

The Authority has heretofore determined, and does hereby determine, as follows:

(a) The Project financed by the Note is a qualified "redevelopment project" as defined the Act and has been approved as part of the Redevelopment Plan;

(b) The issuance of the Note and the construction of the Project will promote the public welfare and carry out the purposes of the Act, by, among other things, decreasing blighted and substandard conditions in the Redevelopment Area;

(c) The amounts necessary to acquire and construct the Project will be equal to or exceed the amount of the Note;

(d) The Redevelopment Contract is in full and complete compliance and conformity with all of the provisions of the Act

(e) The Redevelopment Project in the Plan would not be economically feasible without the use of tax-increment financing;

(f) The Redevelopment Project would not occur in the Community Redevelopment Area without the use of tax-increment financing; and

(g) The costs and benefits of the Redevelopment Project, including the 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 governing body and have been found to be in the long-term best interest of the community impacted by the Redevelopment Project.

(h) The Note will not constitute a debt of the Authority within the meaning of any constitutional or statutory limitation.

## ARTICLE VII

### AUTHORIZATION TO EXECUTE DOCUMENTS AND SELL NOTE

#### Section 7.01 Approval and Authorization of Documents.

The Redevelopment Plan amendment in the form and content presented to the Authority on this date, is in all respects hereby approved, authorized and confirmed, and the execution thereof by Chair or Vice Chair of the Authority and the Secretary be and they are hereby authorized and ratified

#### Section 7.02 Authorization of Sale and Purchase of Note.

The issuance and sale of the Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Token, Project), of the form and content set forth in Exhibit A attached hereto, be and the same are in all respects hereby approved, authorized and confirmed, and the Chair of the Authority and the Secretary be and they are hereby authorized and directed to execute and deliver the same for and on behalf of the Authority to Token Properties, LLC, upon

receipt of the purchase price therefore, and to deposit the proceeds thereon to be applied in the manner set forth in Articles III and IV hereof. The purchase price of the Note shall be offset against the grant as provided in Article III hereof.

Section 7.03 Ratification of Actions Taken By the Authority.

The Authority hereby ratifies and approves all action taken and expenditures made by the Authority, if any, in connection with the Project based upon prior resolutions of the Authority.

Section 7.04 Authority to Execute and Deliver Additional Documents.

The Chair and Secretary of the Authority and other appropriate Authority officials are hereby authorized to execute and deliver for and on behalf of Issuer any and all additional certificates, documents or other papers and to perform all other acts as they may deem necessary or appropriate in order to implement and carry out the matters herein authorized and the implementation of the Project.

Section 7.05 Copies of Documents Presented to Authority Available for Inspection.

True and correct copies of all documents presented to the Authority and identified and referred to in this Resolution are on file in the main office of the Authority and are available for inspection by the general public during regular business hours.

## ARTICLE VIII

### PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees, so long as the Note shall be outstanding and subject to the limitations on its obligations herein set forth, that:

Section 8.01 First Lien.

The lien on Tax Increment Revenues created by this Resolution is a first and prior lien and the Authority will take no actions which would subject the Tax Increment Revenues pledged hereunder or the rights, privileges and appurtenances thereto to any lien claim of any kind whether superior, equal or inferior to such lien of this Resolution.

Section 8.02 Payment of Note.

It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Note Resolution and in the Note executed and delivered there under; will pay the principal, premium, if any, and interest on the Note on the dates, at the places and in the manner prescribed in the Note 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; provided, however, that the principal, premium, if any, and interest on the Note and all other covenants, undertakings, stipulations, provisions and agreements contained in this Note Resolution, the Note and any other documents delivered in connection with any of the foregoing are not and shall not be deemed to (i) represent a debt or pledge the faith or credit of the Authority or the City or (ii) grant to the Noteholder directly, indirectly or contingently, any right to have the Authority or the City levy any taxes or appropriate any funds to the payment of principal or interest on the Note, such payment or other obligation to be made or satisfied solely and only out of the Tax Increment Revenues and from any other security pledged pursuant to this Resolution, the Guaranty or the Deed of Trust.

Section 8.03 Extensions of Payment of Note.

It will not directly or indirectly extend or assent to the extension of the due date of any installment of principal, premium, if any, on the Note, or of the maturity of the Note or any principal installment thereof, or the time of payment of any claims for interest thereon.

Section 8.04 Authority of the Issuer.

It is duly authorized under the Constitution and laws of the State of Nebraska to provide funds to construct and install the Project, to create and issue the Note and to make the covenants as herein provided. All necessary action and proceedings on its part to be taken for the creation and issuance of the Note and the execution and delivery of this Note Resolution have been duly and effectively taken and the Note in the hands of the Noteholder is and will be a valid and enforceable special obligation of the Authority in accordance with its terms.

Section 8.05 Further Assurances.

The Authority will execute or cause to be executed any and all further instruments that may reasonably be requested by the Noteholder and be authorized by law to perfect the pledge of an lien on the revenues and income of the Project granted in this Resolution, or intended so to be, or to vest in the Noteholder the right to receive and apply the same to the payment or protection and security of the Note.

Section 8.06 Proper Books and Records.

So long as the Note shall remain outstanding and unpaid, the Authority shall keep proper books and records in which full, true and correct entries will be made of all dealings and transactions relating to the ownership of the Project and the Note. Such books and records shall be open to inspection by the Noteholder.

Section 8.07 To Observe all Covenants and Terms - Limitations on Authority's



Obligations.

It will not issue or permit to be issued the Note in any manner other than in accordance with the provisions of the Resolution, and will not suffer or permit any default to occur under this Resolution, but will faithfully observe and perform all the conditions, covenants and requirements hereof. Under the Act, the Authority has no obligation to levy taxes for or to make any advance or payment or to incur any expense or liability from its general funds in performing any of the conditions, covenants or requirements of the Note or this Resolution or to make any payments from any funds other than revenues and income of the Project or monies in the funds and accounts provided for in this Resolution.

ARTICLE IX

PAYING AGENT AND REGISTRAR

Section 9.01 Appointment of Paying Agent and Registrar.

The Authority hereby appoints the City Treasurer of the City of Grand Island, Nebraska, as Paying Agent and Registrar. The Paying Agent shall make all payments to Noteholder out of the Debt Service Fund as provided in Section 4.04 hereof. The Registrar shall maintain registration books of the holders of the Note.

Section 9.02 Reliance on Documents.

The Paying Agent and Registrar may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Section 9.03 Liability.

The Paying Agent and Registrar shall not be liable for any error of judgment made in good faith by the Paying Agent and Registrar unless it shall be proved that the Paying Agent and Registrar was negligent in ascertaining the pertinent facts.

Section 9.04 Holding Note.

The Paying Agent and Registrar may acquire and hold, or become the pledgee of, any of the Note, and otherwise deal with the Authority or Token Properties, LLC in the same manner and to the same extent and with like effect as though it were not Paying Agent and Registrar hereunder.

#### Section 9.05 Resignation.

The Paying Agent and Registrar may resign and be discharged by giving to the Authority and the Noteholder 30 days' notice in writing of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, unless previously a successor paying agent and note registrar shall have been appointed by the Noteholder as hereinafter provided, in which event such resignation shall take effect immediately on the appointment at any time for failure to perform its obligations set forth in this Resolution by an instrument or instruments in writing, appointing a successor to the Paying Agent and Registrar so removed, filed with the Paying Agent and Registrar and executed by the Noteholder.

#### Section 9.06 Appointment of Successor.

In case at any time the Paying Agent and Registrar shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged bankruptcy or insolvent, or if a receiver of the Paying Agent and Registrar or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Paying Agent and Registrar or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Paying Agent and Registrar hereunder, and a successor shall be appointed by the holders of the Note hereby secured and then outstanding by an instrument or instruments in writing filed with the Paying Agent and Registrar and executed by such Noteholder, notification thereof being given to the Authority and Token Properties, LLC. If no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this paragraph within 30 days after vacancy shall have occurred in the office of Paying Agent and Registrar, the Authority shall serve as Paying Agent and Registrar until appointment of a successor.

### ARTICLE X

#### MISCELLANEOUS

#### Section 10.01 Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or in the Note is intended or shall be construed to give to any person other than the Authority and the Noteholder any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Authority and the Noteholder as herein provided.

#### Section 10.02 Supplemental Resolutions.

The Authority may, upon the request of and with the written consent of

Token Properties, LLC, and the Noteholder, pass and execute resolutions supplemental to this Resolution which shall not be inconsistent with the terms and provisions hereof.

Section 10.03 Severability.

If any provision of this Note Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 10.04 Immunity of Officers.

No recourse for the payment of any part of the principal of or interest on the Note or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Note shall be had against any officer, member or agent of the Authority or the State of Nebraska, as such, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale and purchase of the Note.

Section 10.05 Incorporation of Act.

This Resolution does hereby incorporate by reference, the same as though fully set out herein, the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended.

Section 10.06 Prior Resolutions.

All resolutions or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflicts hereby repealed.

Section 10.07 Effective Date.

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

Section 10.08 Notices to Parties.

Any notice, demand, certificate, request, instrument or other communication authorized or required by this Resolution shall be in writing and shall be deemed to have been sufficiently given or filed for all purposes of this Resolution if and when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE REDEVELOPMENT  
AUTHORITY:

Grand Island  
Community Redevelopment Authority  
Attention: City Clerk  
100 E First Street,  
P.O. Box 1968,  
Grand Island, NE 68802-1968

IF TO THE PAYING AGENT AND REGISTRAR:

Grand Island City Treasurer  
100 E First Street,  
P.O. Box 1968,  
Grand Island, NE 68802-1968

Section 10.09 Captions.

The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Resolution.

IN WITNESS WHEREOF, the undersigned hereby certify that the Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska passed and adopted this Resolution, and caused these presents to be signed in its name and behalf by a majority of its Members and its official seal to be hereunto affixed, and to be attested by its Secretary, on the date first above written.

COMMUNITY DEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

Exhibit A

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (1933 ACT) AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE 1933 ACT SHALL BE IN EFFECT WITH RESPECT HERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE 1933 ACT AND ALL RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND (THE AUTHORITY) PRIOR TO SUCH TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION, AN OPINION OF COUNSEL, SATISFACTORY TO THE AUTHORITY TO THE EFFECT THAT REGISTRATION UNDER THE 1933 ACT IS NOT REQUIRED.

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY  
REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA  
(TOKEN PROJECT)

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$76,812	0.0%	December 31, 2027

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to Token Properties, LLC, a Nebraska limited liability company, or order, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest at the rate of zero percent [0.0 %] per annum on the unpaid balance. This Note is due and payable in full on December 31, 2027. This Note is subject to mandatory partial prepayment as provided in the Resolution of the Authority authorizing the issuance of this Note. The payment of principal due upon the final maturity is payable upon presentation and surrender of this Note to the Treasurer of said Authority, as Paying Agent and Registrar for said Authority, at the offices of the Community Redevelopment Authority of the City of Grand Island at City Hall, in Grand Island, Nebraska. The payments of mandatory partial redemption of principal on each payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this Note, as shown on the books or record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the payment date occurs, to such owner's address as shown on such books and records.

The Authority, however, reserves the right and option of prepaying principal of this Note, in whole or in part, from any available sources at any time at the principal amount thereof. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this Note at said registered owner's address in the manner provided in the resolution authorizing said Note. The principal of this Note shall be subject to mandatory redemptions made in part on any payment date, as set forth in the resolution authorizing the issuance of this Note, from available funds without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the resolution authorizing this Note.

This Note is the single Note in the total principal amount of Seventy Six Thousand Eight Hundred Twelve and no one hundredths Dollars (\$76,812) issued by the Authority for the purpose of paying the costs of redevelopment of certain real estate located in the City of Grand Island, as designated in that redevelopment plan amendment recommended by the Authority and approved by the City Council of the City of Grand Island, Nebraska, (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, and has been duly authorized by resolution passed and approved by the governing body of the Authority (the "Resolution").

This Note constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" (as defined in the Resolution). Pursuant to the Resolution and Section 18-2150, R.R.S. Neb. 2007, said portion of taxes has been pledged for the payment of this Note, as the same become subject to mandatory redemption. This Note shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Note shall not constitute an obligation of the State of Nebraska or of the City or Grand Island (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007) and neither the State or Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007). Neither the members of the Authority's governing body nor any person executing this Note shall be liable personally on this Note by reason of the issuance hereof.

This Note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Note for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the resolution authorizing the issuance of this Note. The Authority, the Paying Agent and Registrar and any other person may treat the person whose name this Note is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this Note be overdue or not.

THIS NOTE, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of this 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 date shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Authority, including this Note, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, the Chair and Secretary of the Community Redevelopment Authority of the City of Grand Island have caused this Note to be executed on behalf of said Authority by being signed by the Chair and Secretary and by causing the official seal of said Authority to be affixed hereto, all as of the date of issue shown above.

Delivered this \_\_\_\_th day of September, 2012.

(SEAL)

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

:

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

### PROVISION FOR REGISTRATION

The ownership of this Note shall be registered as to both principal and interest on the books and records of the Community Redevelopment Authority of the City of Grand Island, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing Note, who shall make notation of such registration in the registration blank below, and the transfer of this Note may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration	Name of Registered Owner	Signature of Paying Agent and Registrar
September ____, 2012	Token Properties, LLC	



Exhibit B

**Redevelopment Plan Amendment  
Grand Island CRA Area #6  
2012**

## EXHIBIT C

### DESCRIPTION OF PREMISES

Pledged with an effective date of January 1, 2013

Lots 7 and 8 Block 37 of Packer and Barr's Second Addition to the City of Grand Island, Hall County, Nebraska.



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item I2**

### **Redevelopment Contract with Gordman Grand Island, LLC**

Staff Contact: Chad Nabity

## REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the \_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 2012, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (“Authority”), and Gordman Grand Island, LLC, a Nebraska limited liability company (“Redeveloper”).

### WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska (the “City”), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended (collectively the “Act”), has designated an area in the City as blighted and substandard; and

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

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

### ARTICLE I

#### DEFINITIONS AND INTERPRETATION

##### Section 1.01 Terms Defined in this Redevelopment Contract.

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

“Act” means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2007, 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” means the holders of TIF indebtedness issued by the Authority from time to time outstanding.

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

“Project” means the improvements to the Redevelopment Area, as further described in Exhibit B attached hereto and incorporated herein by reference and, as used herein, shall include the Redevelopment Area real estate.

“Project Cost Certification” means a statement prepared and signed by the Redeveloper 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 (a) through (f), inclusive, of the Act as identified on Exhibit D.

“Redeveloper” means Gordman Grand Island, LLC, a Nebraska limited liability company.

“Redevelopment 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.

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

“Redevelopment Plan” means the Amended Redevelopment Plan for the Redevelopment Area related to the Project, prepared by the Authority and approved by the City pursuant to the Act.

“Resolution” means the Resolution of the Authority, as supplemented from time to time, approving this Redevelopment Contract and the issuance of the TIF Indebtedness.

“TIF Indebtedness” means any bonds, notes, loans, and advances of money or other indebtedness, including interest and premiums, if any, thereon, incurred by the Authority pursuant to Article III hereof and secured in whole or in part by TIF Revenues.

“TIF Revenues” means incremental ad valorem taxes generated by the Project which are 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) Wherever 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

### REPRESENTATIONS

#### Section 2.01 Representations by Authority.

The Authority makes the following representations and 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 and adopted by the City 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 will achieve the public purposes of the Act by, among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening conditions of blight and substandard in the Redevelopment Area.

(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 plan is in conformity with the legislative declarations and determinations set forth in the Act, and

(2) Based 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 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.

(b) The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance 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, except as disclosed in writing to the Authority, as in any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

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

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

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

(g) The Redeveloper is an accredited investor as that term is defined for purposes Regulation D, issued pursuant to the Securities Act of 1933, as amended.

### ARTICLE III

#### OBLIGATIONS OF THE AUTHORITY

##### Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Authority hereby provides that any ad valorem tax on the following real property in the Project: to wit: the property shown on attached Exhibit A, for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in this section. The effective date of this provision shall be January 1, 2013.

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

(b) That proportion of the ad valorem tax on real property in the Redevelopment Area in excess of such amount (the "Incremental Ad Valorem Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of



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

### Section 3.02 Issuance of TIF Indebtedness

Authority shall incur TIF Indebtedness in the form and principal amount and bearing interest and being subject to such terms and conditions as are specified on the attached exhibit C. No TIF Indebtedness will be issued until Redeveloper has (a) acquired fee title to the Redevelopment Area; (b) obtained financing commitments as described in Section 5.01; and (c) entered into a contract for construction of the Project. The Authority shall have no obligation to find a lender or investor to acquire the TIF Indebtedness, but rather shall issue the TIF Indebtedness to the Redeveloper upon payment of the principal amount thereof. The purchase price of the TIF Indebtedness may be offset against the Grant described in Section 3.04 hereof, in the sole discretion of the Authority.

The TIF Indebtedness issued pursuant to the provisions of this contract constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Redevelopment Area" The TIF Indebtedness shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. The TIF Indebtedness shall not constitute an obligation of the State of Nebraska or of the City or the Authority (except for such receipts as have been pledged pursuant to Section 3.03) and neither the State or Nebraska, the Authority nor the City shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 3.03). Neither the members of the Authority's governing body nor any person executing the TIF Indebtedness shall be liable personally on the TIF Indebtedness by reason of the issuance thereof. The Authority's obligation to the holder of the TIF Indebtedness shall terminate, in all events no later than 15 years from the effective date set forth in Section 3.01 hereof.

### Section 3.03 Pledge of TIF Revenues.

The Authority hereby pledges 100% of the annual TIF Revenues as security for the TIF Indebtedness.

### Section 3.04 Grant of Proceeds of TIF Indebtedness.

From the proceeds of the TIF indebtedness incurred as described on Exhibit C, the Authority shall grant the following sums to the following entities, to wit: 100% to the

Redeveloper for Project Costs.

Notwithstanding the foregoing, the amount of the grant shall not exceed the amount of Project Costs certified pursuant to Section 4.02. The grants shall be paid to the Redeveloper upon certification that the Redeveloper has incurred or is obligated to incur such Project Costs which include supporting documentation requested by Authority and shall, if requested by Redeveloper, be made in one or more advances.

#### Section 3.05 Creation of Fund.

The Authority will create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay TIF Indebtedness issued pursuant to Sections 3.02 above.

### 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 the Project, the Redeveloper shall furnish to the Authority a Certificate of Completion. The certification by the Redeveloper shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Contract with respect to the obligations of Redeveloper and its successors and assigns to construct the Project. As used herein, the term "completion" shall mean substantial completion of the Project.

(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 as required by the Act. The City, the Authority and the Redeveloper shall be named as additional insured. Any contractor chosen by the Redeveloper or the Redeveloper itself, as an 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 or the Redeveloper, as the case may be, shall furnish the Authority with a Certificate of Insurance evidencing policies as required above. Such certificates shall state that the insurance companies shall give the Authority prior written notice in the event of cancellation of or material change in any of any of the policies.

(c) Redeveloper shall pay, on execution hereof the sum of \$1,000.00 to the City of Grand

Island for administrative expenses related to payment of the tax increment revenue.

#### Section 4.02 Cost Certification.

Redeveloper shall submit to Authority a certification of Project Costs, on or before the issuance of the TIF Indebtedness which shall contain detail and documentation showing the payment or obligation for payment of Project Costs specified on the attached Exhibit D in an amount at least equal to the grant to Redeveloper pursuant to Section 3.05.

#### Section 4.03 Legal Costs.

Redeveloper shall pay the Authority the sum of \$5,000 for the costs incurred by the Authority associated with the issuance of the TIF Indebtedness. Redeveloper understands that the law firm assisting with the issuance of the TIF Indebtedness represents the Authority and not the Redeveloper.

#### Section 4.04 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as any TIF Indebtedness is outstanding, 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 Pay Real Estate Taxes.

Redeveloper intends to create a taxable real property valuation [over and above the valuation thereof as the same existed on January 1, 2012] of the Redevelopment Project Area of Three Million Seventy Three Thousand Dollars (\$3,073,000) no later than no later than January 1, 2013. During the period that any TIF Indebtedness is outstanding, neither the Redeveloper, nor its assigns, will (1) file a protest seeking to obtain a real estate property valuation on the Redevelopment Area of less than the sum of: (a) Three Million Seventy Three Thousand Dollars (\$3,073,000) and (b) the valuation of the Redevelopment Project Area as the same existed on January 1, 2012; (2) convey the Redevelopment Area or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes; nor (3) allow real estate taxes and assessments levied on the Redevelopment Area and Project to become delinquent during the term that any TIF Indebtedness is outstanding. Redeveloper shall pay the real property ad valorem taxes for the project for the year 2027 prior to January 1, 2028.

#### Section 4.07 Assignment or Conveyance.

Any assignment or conveyance of the any portion of the Redevelopment, the Project or

any interest therein prior to the termination of the 15 year period commencing on the effective date specified in Section 3.01 hereof Area by the Redeveloper shall be subject to the terms and conditions of this Redevelopment Contract.

#### Section 4.08 Purchase of TIF Indebtedness.

The Redeveloper shall purchase the TIF Indebtedness at 100% of the principal amount thereof upon issuance of such debt. The Authority may provide that such purchase be offset against the grant provided in Section 3.04 hereof.

#### Section 4.09 Penal Bond.

The Developer shall execute a penal bond for the Project with good and sufficient surety to be approved by the Authority meeting the requirements of Section 18-2151, Reissue Revised Statutes of Nebraska, as amended, on or prior to its execution of this Contract.

#### Section 4.10 Immigration Status.

The Redeveloper agrees that any contractor for the Project shall be required to agree to use a federal immigration verification system (as defined in §4-114, R.S. Supp. 2009) 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.S. Supp. 2009.

### ARTICLE V

#### FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

##### Section 5.01 Financing.

Redeveloper shall pay all Project Costs and any and all other costs related to the Redevelopment Area and the Project which are in excess of the amounts paid from the proceeds of the TIF Indebtedness granted to Redeveloper. Prior to issuance of the TIF Indebtedness, Redeveloper shall provide Authority with evidence satisfactory to the Authority that private funds have been committed to the Redevelopment Project in amounts sufficient to complete the Redevelopment Project. Redeveloper shall timely pay all costs, expenses, fees, charges and other amounts associated with the Project which shall include such other fees and expenses imposed by the Authority.

### 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 on in breach of its obligations.

#### Section 6.02 Additional Remedies of Authority

In the event that:

(a) The Redeveloper, on successor in interest, shall fail to complete the construction of the Project on or before January 1, 2013, or shall abandon construction work for any period of 90 days,

(b) The Redeveloper, on successor in interest, shall fail to pay real estate taxes or assessments on the Redevelopment Area on any part thereof or payments in lieu of taxes pursuant to Section 4.07 when due; or

(c) There is, in violation of Section 4.08 of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 30 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 TIF Indebtedness, plus interest on such amounts as provided herein (the "Liquidated Damages Amount"). The Liquidated Damages Amount shall be paid by Redeveloper to Authority within 30 days of demand from Authority.

Interest shall accrue on the Liquidated Damages Amount at the rate of one percent (1%) over the prime rate as published and modified in the Wall Street Journal from time to time 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 Project.

### 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 the default 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 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 officers, directors, employees, agents nor 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 TIF Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, as specifically set forth in Sections 3.02 and 3.04. The obligation of the City and Authority on any TIF Indebtedness shall be limited solely to the payment of the TIF Revenues on the TIF Indebtedness. Specifically, but without limitation, neither the City or 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 or 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 directors, officers, agents, employees and member 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 on not related to the Project, or resulting from or in any way connected with specified events, including the management of 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 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract shall be recorded with the County Register of Deeds in which the Redevelopment Area is located.

#### Section 7.02 Governing Law.

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

#### Section 7.03 Binding Effect; Amendment.

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

#### Section 7.04 Third Party Enforcement,

The provisions of this Redevelopment Contract which obligate the Redeveloper shall inure to the benefit of the holder of the TIF Indebtedness, the Hall County Assessor, the City and the Authority, any of whom may, but are not obligated to enforce the terms of this Redevelopment Contract in a court of law.

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

ATTEST:

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

\_\_\_\_\_  
Secretary

By:\_\_\_\_\_

Chairman



Gordman Grand Island, LLC

By: \_\_\_\_\_  
Manager

STATE OF NEBRASKA     )  
  ) ss.  
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_, Chair 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 \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by \_\_\_\_\_, Manager of Gordman Grand Island, LLC, on behalf of the  
limited liability company.

\_\_\_\_\_  
Notary Public

## EXHIBIT A

Lots 1 and 2 of Grand Island Plaza Second Subdivision in the City of Grand Island, Hall County, Nebraska.

A-I

## EXHIBIT B

### DESCRIPTION OF PROJECT

Demolition, rehabilitation and construction of a exterior façade and interior remodeling of 89438 square feet of tenant space together with sidewalk space, parking lot rehabilitation and site drainage.

B- 1

EXHIBIT C  
TIF INDEBTEDNESS

1. Principal Amount: \$1,072,784.00 [annual payment amounts assumed are \$71,519.00]
2. Payments: Semi-annually or more frequent, with payments limited to annual incremental taxes revenues from the project.
3. Interest Rate: Zero percent (0.00%)
4. Maturity Date: On or before December 31, 2027.

C-1

## EXHIBIT D

### PROJECT COSTS

All Project Costs payable from the proceeds of TIF indebtedness pursuant to the Act including:

1. Redevelopment Area rehabilitation and remodeling cost
2. Site demolition work and site preparation
3. Utility extensions, installation of gas, water, sewer and electrical lines and equipment
4. Façade improvements
5. Interior rehabilitation
6. Parking lot and sidewalk rehabilitation
7. Site Drainage

D-1

RESOLUTION NO. 150

BE IT RESOLVED this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by the Community Redevelopment Authority of the City of Grand Island, (" Authority"), a Community Redevelopment Authority duly organized and existing within the State of Nebraska,

W I T N E S S E T H:

WHEREAS, the Authority is a duly organized and existing Community Redevelopment Authority, a body politic and corporate under the laws of the State of Nebraska; and

WHEREAS, the Authority is authorized by the Act (hereinafter defined) to issue and sell its revenue Note or other obligations for the purpose of providing money to pay or otherwise provide funds to pay costs of redevelopment projects and is further authorized to pledge the revenues as herein provided to secure the payment of principal, premium, if any, and interest on its obligations; and

WHEREAS, the Authority has determined it to be in the best interests of the Authority to issue its Note or other obligations for the purpose of making funds available to Gordman Grand Island, LLC, a Nebraska limited liability company (the "Redeveloper") for the construction and improvement of a redevelopment project of pursuant to a Redevelopment Plan Amendment for Grand Island CRA Area #9 (the "Redevelopment Plan"); and

WHEREAS, the Authority has made the necessary arrangements for financing a portion of the costs of the redevelopment project in part by issuing Community Development Revenue Note (Gordman Grand Island, LLC, Project), in the form of fully registered Note without coupons (the "Note") of the Authority and for use of the proceeds of the Note in connection with the project, in amounts determined pursuant to Section 2.01 of this Resolution; and

WHEREAS, the issuance of the Note has been in all respects duly and validly authorized by the Members of the Authority pursuant to this resolution (the "Resolution"); and

WHEREAS, the Note is in substantially the form attached hereto as Exhibit A which is incorporated herein by this reference, with the necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution.

NOW, THEREFORE, and it is expressly declared, that the Note shall be issued and delivered upon and subject to the terms, conditions, stipulations, uses and purposes as hereinafter expressed, that is to say:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

#### Section 1.01 Defined Terms.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Note Resolution, 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, 2007, as amended, known as the Community Development Law and acts amendatory thereof and supplemental thereto.

"Authorized Issuer Representative" means the person at the time designated to act on behalf of the Authority.

"Noteholder" means the holder of the Note from time to time.

"Note" means the Authority's Community Development Revenue Note (Gordman Grand Island Project).

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

"Closing" means the date of issuance of any Note, but not before September 20, 2012.

"Collateral" means all property pledged as security for the Noteholder pursuant to Section 5.01 of this Note Resolution.



"Debt Service Fund" means the fund created with the Paying Agent pursuant to Section 4.01 of this Resolution.

"Governing Body" means the Members of the Authority.

"Paying Agent" means the paying agent with respect to the Note appointed pursuant to Section 10.01 of this Resolution.

"Project" means the improvements to be constructed, as further described in Exhibit B attached hereto and incorporated herein by reference.

"Project Costs" means only costs or expenses incurred by Redeveloper to implement the Project and related infrastructure costs, including water line and stub installation, including but not limited to costs of engineering, including reimbursement for any such costs, and cost of financing administration in the City of Grand Island, Hall County, Nebraska, pursuant to the Act and shall include costs of issuing the Note.

"Redevelopment Plan" means the Redevelopment Plan Amendment Grand Island CRA Area #9, a true and correct copy of is attached hereto and marked as Exhibit "B" and adopted in accordance with the Act, as amended from time to time.

"Registrar" means the registrar responsible for maintaining records of holders of the Note appointed pursuant to Section 10.01 of this Note Resolution.

"Resolution" means this Resolution of the Authority adopted on September \_\_, 2012, authorizing the issuance and sale of the Note, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

"Tax Increment Revenues" means excess ad valorem taxes generated by the Project and Future Project Plans which are divided pursuant to section 18-2147 of the Act with effective dates established in the Redevelopment Plan as amended from time to time.

#### Section 1.02 Provisions as to Interpretation.

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

(a) This Resolution shall be interpreted in accordance with and governed by the laws of the State of Nebraska.

(b) Wherever in this Resolution 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.

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

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

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

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

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

(h) The captions to the sections of this Resolution 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.

Section 1.03                      Exhibits.

The following Exhibits are attached to and by reference made a part of this Resolution:

(a) Exhibit A:                      Form of Note.

(b) Exhibit B:                      Redevelopment Plan Amendment Grand Island CRA

Area #9.

(c) Exhibit C:                      Real Estate Pledged for January 1, 2013 Effective Date.

ARTICLE II

THE NOTE

Section 2.01                      Form and Maturity of Note.

The Note to be issued pursuant to this Resolution shall be issued pursuant to the Act, including specifically but without limitation Sections 18-2124 et seq., shall be dated as of the date of their issuance, and shall be issued in one series designated "Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Gordman Grand Island Project). The Note shall be substantially in the form and of the tenor as set forth in the form of the Note attached hereto as Exhibit A (Note) with such appropriate variations, omissions and insertions as are permitted or required by this Resolution.

The Note shall be issued in the amount of \$1,072,785, and shall be dated as of the date of its issuance, which shall not occur prior to September 20, 2012. No

other Note related to this redevelopment project shall be issued. The Note shall finally mature on December 31, 2027. The Note shall bear interest at the rate of zero percent (0.0%) per annum from and after the date of issuance of such Note. The Note shall be subject to mandatory partial redemption on each June 1 and December 1, (the "payment date") beginning in the year 2014 from Available Funds, as hereafter defined.

Principal on the Note shall be payable in such coin and currency of the United States of America as may be, on the respective dates of the payment thereof, legal tender for the payment of public and private debts at the principal office of the Paying Agent. Principal and interest will be paid by check or draft mailed to the Noteholder in whose name a Note is registered as of the 15th calendar day (whether or not a business day) next preceding the payment date at his address as it appears on the registration books of the Registrar.

The Note shall originally be issued as fully registered Note without coupon. Upon the written request of a Noteholder, and at its expense, Note may be surrendered to the Authority and the Authority shall deliver in exchange and substitution therefore new Note of like tenor, aggregating the then outstanding principal amount of the Note.

#### Section 2.02 Execution. Limited Obligation.

The Note shall be signed in the name and on behalf of the Authority by the manual or facsimile signature of the Chair or Vice Chair of the Authority and attested with the manual or facsimile signature of its Secretary. In the event that any of the officers who shall have signed and sealed the Note shall cease to be officers of the Authority before the Note shall have been issued and delivered, the Note may, nevertheless, be issued and delivered, and upon such issue and delivery shall be binding upon the Authority as though those officers who signed and sealed the same had continued to be such officers of the Authority. The Note may be signed and sealed on behalf of the Authority by such person who, at the actual date of execution of the Note, shall be the proper officer of the Authority, although at the date of the Note such person shall not have been such an officer of the Authority.

The Note shall not be a general obligation of the Authority, but only a limited obligation payable solely from the tax increment revenues pledged as security for the Note pursuant to the Redevelopment Plan or other financing documents (except to the extent paid out of monies attributable to income from the temporary investment of the proceeds of the Note) and shall be a valid claim of the registered owner thereof and otherwise secured for the payment of the Note and shall be used for no other purpose than to pay the principal and interest on the Note, except as may be otherwise expressly authorized by this Note Resolution.

Neither the Authority, the State of Nebraska, the City nor any other political subdivision of the State of Nebraska shall be obligated to pay the principal of the Note or the interest thereon or other costs incident thereto except from the money pledged

therefore. Neither the faith and credit nor the taxing power (except to the extent of ad valorem taxes pledged hereunder) of the Authority, the City, the State of Nebraska or any political subdivision of the State of Nebraska shall be pledged to the payment of the principal of the Note or the interest thereon or other costs incident thereto. The Note shall never constitute an indebtedness of the Authority or the City within the meaning of any state constitutional provision or statutory limitation, nor shall the Note or the interest thereon ever give rise to any pecuniary liability of the Authority or the City or a charge against its general credit or taxing powers.

Section 2.03 Registration and Authentication of Note.

The Note shall not be valid or obligatory for any purpose unless the Note shall have been authenticated by the manual signature of the Registrar.

Section 2.04A Delivery of Note.

The Authority shall execute and deliver the Note to the Noteholder which shall be Gordman Grand Island, LLC, on such date selected by the Authority but before September 20, 2012 and not later than December 1, 2012, in exchange for the grant provided in the redevelopment contract between Gordman Grand Island, LLC and the Authority.

Section 2.05 Registration of Note.

Ownership of the Note shall at all times be registered as to principal and interest with the Registrar. Transfer of the Note may be made only by an assignment duly executed by the registered owner or by his registered assigns, or his legal representative or attorney, in such form as shall be reasonably satisfactory to the Registrar, who shall endorse such registration or transfer on the Note. No transfer of the Note shall be effective unless and until notice of such transfer shall be delivered in writing to the Registrar. The Registrar shall retain records showing all registrations, transfers and assignments of the Note. In the event of any such transfer, the Registrar shall require the payment by the person requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06 Ownership of Note.

As to the Note the Authority and the Registrar, and their respective successors, each in its discretion, may deem and treat the person in whose name the Note for the time being shall be registered as the absolute owner thereof for all purposes, and neither the Authority nor the Registrar, nor their respective successors, shall be affected by any notice to the contrary. Payment of or on account of the principal on the Note shall be made only to or upon the order of such registered owner, but such registration may be changed as provided herein. All such payments shall be valid and effective to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

Section 2.07   Valid Obligation.

The Note executed, issued and delivered as provided in this Note Resolution provided shall be a valid special obligation of the Authority.

Section 2.08   Loss or Destruction of Note.

In case any Note shall become mutilated or be destroyed or lost, the Authority shall, if not then prohibited by law, cause to be executed and delivered a new Note of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and substitution for such lost Note, upon the Noteholder paying the reasonable expenses and charges of the Authority in connection therewith and, in the event the Note is destroyed or lost, the filing with the Issuer of evidence satisfactory to it that the Note was destroyed or lost, and furnishing the Authority with indemnifications satisfactory to the Authority.

Section 2.09   Transfer of the Note.

All transfers of the Note shall be upon the basis of a private placement and each proposed transferee registered owner shall furnish the Registrar with assurances in form satisfactory to the Registrar that such Note is being purchased for investment purposes only, without a view to redistribution and upon the independent credit judgment and investigation of the proposed transferee.

ARTICLE III

APPLICATION OF NOTE PROCEEDS

The proceeds of the Note shall be granted to the Redeveloper and Authority, pursuant to the terms of the Redevelopment Plan upon receipt of such proceeds and used by the Redeveloper to pay Project Costs pursuant to the Redevelopment Plan. The grant of proceeds shall be offset against the purchase of the Note by the Redeveloper.

ARTICLE IV

PAYMENT OF NOTE

Section 4.01   Debt Service Fund.

There is hereby created and established a separate fund with the Paying Agent in the name of the Authority to be designated "Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Gordman Grand Island, Project), Debt Service Fund" into which the Authority shall make the following deposits:

- (a) Accrued interest, if any, received upon sale of the Note.
- (b) All Tax Increment Revenues received by the Authority with respect to the Project as described in the Redevelopment Contract;
- (c) All other monies received by the Authority when accompanied by directions that such monies are to be paid into the Debt Service Fund or used for purposes for which monies in the Debt Service Fund may be used; and

Section 4.02 Pledge of Debt Service Fund.

The monies and investments in the Debt Service Fund are hereby irrevocably pledged to and shall be used by the Authority from time to time, to the extent required, solely for the payment of the principal of, premium, if any, and interest on the Note.

Section 4.03 Funds Held in Trust or Secured.

All monies deposited in the Debt Service Fund under the provisions of this Resolution or the Redevelopment Contract or Future Plan Amendments shall be held in trust or fully secured by pledged assets and applied only in accordance with the provisions of this Resolution and the Redevelopment Contract, future Redevelopment Contracts and Future Plan Amendments and shall not be subject to a lien or attachment by any creditor of the Authority.

Section 4.04 Application of Funds.

If at any time the monies and investments in the Debt Service Fund shall not be sufficient to pay in full the principal, premium, if any, and interest on the Note as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of this Note Resolution), such funds, together with any monies then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied as follows:

FIRST: to the unpaid interest, if any, to the extent of Available Funds;

SECOND: to the payment of principal on the Note.

#### Section 4.05    Redemption of Note Before Maturity.

(a)     The Note is callable for redemption at any time in whole or in part, without premium, in the event the Authority wishes to prepay the Note.

(b)     The Note shall also be subject to mandatory partial redemption, without notice, on each June 1 and December 1, ("Payment Date") beginning June 1, 2014, from all funds available in the Debt Service Fund, excluding amounts, if any, from investment earnings for such fund which the Authority shall be entitled to apply to administrative costs related to the Note, rounded down to the nearest one hundred dollars (which funds are referred to in this Resolution as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each payment date and shall be remitted to the registered owner of the Note. The Agent shall mark the Agent's records with respect to each mandatory partial principal prepayment made from Available Funds and it shall not be necessary for the registered owner to present the Note for notation of such prepayment. The records of the Agent shall govern as to any determination of the principal amount of the Note outstanding at anytime and the registered owner shall have the right to request information in writing from the Agent at any time as to the principal amount outstanding upon the Note.

#### Section 4.06    Redemption Date.

In the event the Note or any portion thereof are called for redemption or prepayment as provided in Section 4.05 of this Note Resolution, except for partial mandatory redemption, notice thereof will be given by registered or certified mail to the Noteholder not less than thirty (30) days prior to the date fixed for prepayment or redemption, specifying such date, the aggregate principal amount of the Note to be prepaid on such date and the amount of interest, if any, on such principal amount accrued to such date.

#### Section 4.07    Investment of Funds.

Monies on deposit to the credit of the Debt Service Fund shall be invested in (i) direct obligations of or obligations fully guaranteed by the United States of America or an Authority or instrumentality of the United States of America, (ii) fully insured certificates of deposit or time deposits of banks or trust companies. Obligations so purchased shall be deemed at all times a part of the Debt Service Fund, respectively.

#### Section 4.08    Disposition of Excess Funds.

Monies on deposit in the Debt Service Fund remaining after payment of principal and interest, if any, on the Note in full shall, immediately be paid to Authority and shall no longer be subject to this Resolution.

Section 4.09 Cancellation on Due Date.

Regardless of the whether the Note is paid in full as of the due date, the obligation of the Authority to pay the principal and interest, if any, under the Note shall terminate in all respects on the due date and the Note shall be deemed cancelled in full on such date.

ARTICLE V

SECURITY FOR THE NOTE

Section 5.01 Pledge of Tax Increment Revenues as Security.

(a) In accordance with section 18-2147 of the Act, the Authority hereby adopts the Redevelopment Plan amendment of the Authority by approving the Project and by providing that any ad valorem tax on real property in the Development Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in section 18-2147 of the Act. The effective date of this provision shall be January 1, 2013, as to the real estate described in Exhibit "C" to this resolution.

(b) In accordance with section 18-2150 of the Act, the Tax Increment Revenues are hereby pledged for payment of principal, premium, if any and interest on the Note. The Authority shall execute a notice providing for such pledge of taxes and shall file a copy of such notice with the Hall County Treasurer and Hall County Assessor.

ARTICLE VI

LEGAL AUTHORIZATION; FINDINGS

Section 6.01 Legal Authorization.

The Authority is a body politic and corporate under the laws of the State of Nebraska and is authorized under the Act to provide funds for the Project and construct public improvements related thereto, and to issue and sell its tax increment revenue notes such as the Note for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Resolution.

Section 6.02 Findings.

The Authority has heretofore determined, and does hereby determine, as follows:

(a) The Project financed by the Note is a qualified "redevelopment project" as defined the Act and has been approved as part of the Redevelopment Plan;



(b) The issuance of the Note and the construction of the Project will promote the public welfare and carry out the purposes of the Act, by, among other things, decreasing blighted and substandard conditions in the Redevelopment Area;

(c) The amounts necessary to acquire and construct the Project will be equal to or exceed the amount of the Note;

(d) The Redevelopment Contract is in full and complete compliance and conformity with all of the provisions of the Act

(e) The Redevelopment Project in the Plan would not be economically feasible without the use of tax-increment financing;

(f) The Redevelopment Project would not occur in the Community Redevelopment Area without the use of tax-increment financing; and

(g) The costs and benefits of the Redevelopment Project, including the 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 governing body and have been found to be in the long-term best interest of the community impacted by the Redevelopment Project.

(h) The Note will not constitute a debt of the Authority within the meaning of any constitutional or statutory limitation.

## ARTICLE VII

### AUTHORIZATION TO EXECUTE DOCUMENTS AND SELL NOTE

#### Section 7.01 Approval and Authorization of Documents.

The Redevelopment Plan amendment in the form and content presented to the Authority on this date, is in all respects hereby approved, authorized and confirmed, and the execution thereof by Chair or Vice Chair of the Authority and the Secretary be and they are hereby authorized and ratified

#### Section 7.02 Authorization of Sale and Purchase of Note.

The issuance and sale of the Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Gordman Grand Island, Project), of the form and content set forth in Exhibit A attached hereto, be and the same are in all respects hereby approved, authorized and confirmed, and the Chair of the Authority and the Secretary be and they are hereby authorized and directed to execute and deliver the same for and on behalf of the Authority to Gordman Grand

Island, LLC,, upon receipt of the purchase price therefore, and to deposit the proceeds thereon to be applied in the manner set forth in Articles III and IV hereof. The purchase price of the Note shall be offset against the grant as provided in Article III hereof.

Section 7.03 Ratification of Actions Taken By the Authority.

The Authority hereby ratifies and approves all action taken and expenditures made by the Authority, if any, in connection with the Project based upon prior resolutions of the Authority.

Section 7.04 Authority to Execute and Deliver Additional Documents.

The Chair and Secretary of the Authority and other appropriate Authority officials are hereby authorized to execute and deliver for and on behalf of Issuer any and all additional certificates, documents or other papers and to perform all other acts as they may deem necessary or appropriate in order to implement and carry out the matters herein authorized and the implementation of the Project.

Section 7.05 Copies of Documents Presented to Authority Available for Inspection.

True and correct copies of all documents presented to the Authority and identified and referred to in this Resolution are on file in the main office of the Authority and are available for inspection by the general public during regular business hours.

## ARTICLE VIII

### PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees, so long as the Note shall be outstanding and subject to the limitations on its obligations herein set forth, that:

Section 8.01 First Lien.

The lien on Tax Increment Revenues created by this Resolution is a first and prior lien and the Authority will take no actions which would subject the Tax Increment Revenues pledged hereunder or the rights, privileges and appurtenances thereto to any lien claim of any kind whether superior, equal or inferior to such lien of this Resolution.

Section 8.02 Payment of Note.

It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Note Resolution and in the Note executed and delivered there under; will pay the principal, premium, if any, and interest on the

Note on the dates, at the places and in the manner prescribed in the Note 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; provided, however, that the principal, premium, if any, and interest on the Note and all other covenants, undertakings, stipulations, provisions and agreements contained in this Note Resolution, the Note and any other documents delivered in connection with any of the foregoing are not and shall not be deemed to (i) represent a debt or pledge the faith or credit of the Authority or the City or (ii) grant to the Noteholder directly, indirectly or contingently, any right to have the Authority or the City levy any taxes or appropriate any funds to the payment of principal or interest on the Note, such payment or other obligation to be made or satisfied solely and only out of the Tax Increment Revenues and from any other security pledged pursuant to this Resolution, the Guaranty or the Deed of Trust.

Section 8.03 Extensions of Payment of Note.

It will not directly or indirectly extend or assent to the extension of the due date of any installment of principal, premium, if any, on the Note, or of the maturity of the Note or any principal installment thereof, or the time of payment of any claims for interest thereon.

Section 8.04 Authority of the Issuer.

It is duly authorized under the Constitution and laws of the State of Nebraska to provide funds to construct and install the Project, to create and issue the Note and to make the covenants as herein provided. All necessary action and proceedings on its part to be taken for the creation and issuance of the Note and the execution and delivery of this Note Resolution have been duly and effectively taken and the Note in the hands of the Noteholder is and will be a valid and enforceable special obligation of the Authority in accordance with its terms.

Section 8.05 Further Assurances.

The Authority will execute or cause to be executed any and all further instruments that may reasonably be requested by the Noteholder and be authorized by law to perfect the pledge of an lien on the revenues and income of the Project granted in this Resolution, or intended so to be, or to vest in the Noteholder the right to receive and apply the same to the payment or protection and security of the Note.

Section 8.06 Proper Books and Records.

So long as the Note shall remain outstanding and unpaid, the Authority shall keep proper books and records in which full, true and correct entries will be made of all dealings and transactions relating to the ownership of the Project and the Note. Such books and records shall be open to inspection by the Noteholder.

Section 8.07 To Observe all Covenants and Terms - Limitations on Authority's Obligations.

It will not issue or permit to be issued the Note in any manner other than in accordance with the provisions of the Resolution, and will not suffer or permit any default to occur under this Resolution, but will faithfully observe and perform all the conditions, covenants and requirements hereof. Under the Act, the Authority has no obligation to levy taxes for or to make any advance or payment or to incur any expense or liability from its general funds in performing any of the conditions, covenants or requirements of the Note or this Resolution or to make any payments from any funds other than revenues and income of the Project or monies in the funds and accounts provided for in this Resolution.

ARTICLE IX

PAYING AGENT AND REGISTRAR

Section 9.01 Appointment of Paying Agent and Registrar.

The Authority hereby appoints the City Treasurer of the City of Grand Island, Nebraska, as Paying Agent and Registrar. The Paying Agent shall make all payments to Noteholder out of the Debt Service Fund as provided in Section 4.04 hereof. The Registrar shall maintain registration books of the holders of the Note.

Section 9.02 Reliance on Documents.

The Paying Agent and Registrar may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Section 9.03 Liability.

The Paying Agent and Registrar shall not be liable for any error of judgment made in good faith by the Paying Agent and Registrar unless it shall be proved that the Paying Agent and Registrar were negligent in ascertaining the pertinent facts.

Section 9.04 Holding Note.

The Paying Agent and Registrar may acquire and hold, or become the pledgee of, any of the Note, and otherwise deal with the Authority or Gordman Grand Island, LLC in the same manner and to the same extent and with like effect as though it were not Paying Agent and Registrar hereunder.

#### Section 9.05 Resignation.

The Paying Agent and Registrar may resign and be discharged by giving to the Authority and the Noteholder 30 days' notice in writing of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, unless previously a successor paying agent and note registrar shall have been appointed by the Noteholder as hereinafter provided, in which event such resignation shall take effect immediately on the appointment at any time for failure to perform its obligations set forth in this Resolution by an instrument or instruments in writing, appointing a successor to the Paying Agent and Registrar so removed, filed with the Paying Agent and Registrar and executed by the Noteholder.

#### Section 9.06 Appointment of Successor.

In case at any time the Paying Agent and Registrar shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged bankruptcy or insolvent, or if a receiver of the Paying Agent and Registrar or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Paying Agent and Registrar or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Paying Agent and Registrar hereunder, and a successor shall be appointed by the holders of the Note hereby secured and then outstanding by an instrument or instruments in writing filed with the Paying Agent and Registrar and executed by such Noteholder, notification thereof being given to the Authority and Gordman Grand Island, LLC. If no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this paragraph within 30 days after vacancy shall have occurred in the office of Paying Agent and Registrar, the Authority shall serve as Paying Agent and Registrar until appointment of a successor.

### ARTICLE X

#### MISCELLANEOUS

#### Section 10.01 Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or in the Note is intended or shall be construed to give to any person other than the Authority and the Noteholder any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Authority and the Noteholder as herein provided.

#### Section 10.02 Supplemental Resolutions.

The Authority may, upon the request of and with the written consent of

Gordman Grand Island, LLC, and the Noteholder, pass and execute resolutions supplemental to this Resolution which shall not be inconsistent with the terms and provisions hereof.

Section 10.03 Severability.

If any provision of this Note Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 10.04 Immunity of Officers.

No recourse for the payment of any part of the principal of or interest on the Note or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Note shall be had against any officer, member or agent of the Authority or the State of Nebraska, as such, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale and purchase of the Note.

Section 10.05 Incorporation of Act.

This Resolution does hereby incorporate by reference, the same as though fully set out herein, the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended.

Section 10.06 Prior Resolutions.

All resolutions or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflicts hereby repealed.

Section 10.07 Effective Date.

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

Section 10.08 Notices to Parties.

Any notice, demand, certificate, request, instrument or other communication authorized or required by this Resolution shall be in writing and shall be deemed to have been sufficiently given or filed for all purposes of this Resolution if and when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE REDEVELOPMENT  
AUTHORITY:

Grand Island  
Community Redevelopment Authority  
Attention: City Clerk  
100 E First Street,  
P.O. Box 1968,  
Grand Island, NE 68802-1968

IF TO THE PAYING AGENT AND REGISTRAR:

Grand Island City Treasurer  
100 E First Street,  
P.O. Box 1968,  
Grand Island, NE 68802-1968

Section 10.09 Captions.

The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Resolution.

IN WITNESS WHEREOF, the undersigned hereby certify that the Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska passed and adopted this Resolution, and caused these presents to be signed in its name and behalf by a majority of its Members and its official seal to be hereunto affixed, and to be attested by its Secretary, on the date first above written.

COMMUNITY DEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

Exhibit A

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (1933 ACT) AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE 1933 ACT SHALL BE IN EFFECT WITH RESPECT HERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE 1933 ACT AND ALL RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND (THE AUTHORITY) PRIOR TO SUCH TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION, AN OPINION OF COUNSEL, SATISFACTORY TO THE AUTHORITY TO THE EFFECT THAT REGISTRATION UNDER THE 1933 ACT IS NOT REQUIRED.

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY  
REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA  
(GORDMAN GRAND ISLAND PROJECT)

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$1,072,785	0.0%	December 31, 2027

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to Gordman Grand Island, LLC, a Nebraska limited liability company, or order, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest at the rate of zero percent [0.0 %] per annum on the unpaid balance. This Note is due and payable in full on December 31, 2027. This Note is subject to mandatory partial prepayment as provided in the Resolution of the Authority authorizing the issuance of this Note. The payment of principal due upon the final maturity is payable upon presentation and surrender of this Note to the Treasurer of said Authority, as Paying Agent and Registrar for said Authority, at the offices of the Community Redevelopment Authority of the City of Grand Island at City Hall, in Grand Island, Nebraska. The payments of mandatory partial redemption of principal on each payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this Note, as shown on the books or record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the payment date occurs, to such owner's address as shown on such books and records.



The Authority, however, reserves the right and option of prepaying principal of this Note, in whole or in part, from any available sources at any time at the principal amount thereof. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this Note at said registered owner's address in the manner provided in the resolution authorizing said Note. The principal of this Note shall be subject to mandatory redemptions made in part on any payment date, as set forth in the resolution authorizing the issuance of this Note, from available funds without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the resolution authorizing this Note.

This Note is the single Note in the total principal amount of One Million Seventy Two Thousand Seven Hundred Eighty Five Thousand and no one hundredths Dollars (\$1,072,785) issued by the Authority for the purpose of paying the costs of redevelopment of certain real estate located in the City of Grand Island, as designated in that redevelopment plan amendment recommended by the Authority and approved by the City Council of the City of Grand Island, Nebraska, (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, and has been duly authorized by resolution passed and approved by the governing body of the Authority (the "Resolution").

This Note constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" (as defined in the Resolution). Pursuant to the Resolution and Section 18-2150, R.R.S. Neb. 2007, said portion of taxes has been pledged for the payment of this Note, as the same become subject to mandatory redemption. This Note shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Note shall not constitute an obligation of the State of Nebraska or of the City or Grand Island (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007) and neither the State or Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007). Neither the members of the Authority's governing body nor any person executing this Note shall be liable personally on this Note by reason of the issuance hereof.

This Note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Note for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the resolution authorizing the issuance of this Note. The Authority, the Paying Agent and Registrar and any other person may treat the person whose name this Note is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this Note be overdue or not.

THIS NOTE, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of this 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 date shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Authority, including this Note, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, the Chair and Secretary of the Community Redevelopment Authority of the City of Grand Island have caused this Note to be executed on behalf of said Authority by being signed by the Chair and Secretary and by causing the official seal of said Authority to be affixed hereto, all as of the date of issue shown above.

Delivered this \_\_\_\_th day of September, 2012.

(SEAL)

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

:

By: \_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Secretary

### PROVISION FOR REGISTRATION

The ownership of this Note shall be registered as to both principal and interest on the books and records of the Community Redevelopment Authority of the City of Grand Island, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing Note, who shall make notation of such registration in the registration blank below, and the transfer of this Note may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration	Name of Registered Owner	Signature of Paying Agent and Registrar
September ____, 2012	Gordman Grand Island, LLC	

Exhibit B

**Redevelopment Plan Amendment  
Grand Island CRA Area #9  
2012**

## EXHIBIT C

### DESCRIPTION OF PREMISES

Pledged with an effective date of January 1, 2013

Lots 1 and 2 of Grand Island Plaza Second Subdivision in the City of Grand Island, Hall County,  
Nebraska.



# Community Redevelopment Authority (CRA)

**Wednesday, September 19, 2012**  
**Regular Meeting**

## **Item X1**

### **Resolution for Lincoln Pool Bonds**

Staff Contact: Chad Nabity

## **RESOLUTION NO. 148**

A RESOLUTION OF THE MEMBERS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, AUTHORIZING THE ISSUANCE OF REDEVELOPMENT REVENUE BONDS (LINCOLN PARK PROJECT – LIMITED TAX PLEDGE), SERIES 2012, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,800,000; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BONDS AND AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DETERMINE THE FINAL TERMS AND PROVISIONS OF SAID BONDS WITHIN CERTAIN PARAMETERS; PLEDGING CERTAIN RECEIPTS FROM THE LEVYING OF LIMITED TAXES UPON TAXABLE PROPERTY WITHIN THE CITY FOR PAYMENT OF PRINCIPAL AND INTEREST ON SAID BONDS AS THE SAME FALL DUE AND ALSO PLEDGING CERTAIN FUNDS TO BE HELD UNDER THE TERMS OF THIS RESOLUTION; AUTHORIZING THE ISSUANCE AND DELIVERY OF SAID BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT FOR SAID BONDS; PRESCRIBING THE FORM FOR SAID BONDS; AND PROVIDING FOR THE EFFECTIVENESS OF THIS RESOLUTION.

BE IT RESOLVED by the Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska, (the “Authority”), as follows:

Section 1. The Authority hereby finds and determines (a) that under the terms of Ordinance No. 8021, passed and approved by the Mayor and Council of the City of Grand Island, Nebraska, (the “City”) on June 27, 1994, the Authority has been created and authorized to exercise the powers provided for in Sections 18-2101 to 18-2144 and Sections 18-2147 to 18-2153, R.R.S. Neb. 2007, as amended (collectively, the “Act”); (b) that the City, by resolution adopted on December 19, 2000, declared a portion of the City blighted and substandard (the “Designated Area”), after submission for review by the City’s Planning Commission and after publication of notice and holding of a hearing, as required by the Act; (c) that there was prepared on behalf of the Authority a modification of an existing redevelopment plan entitled “Plan Modification for CRA Area #1 (Lincoln Park Swimming Pool) (including the prior plan as so modified the “Plan”) which Plan was approved by the Mayor and Council of the City on March 26, 2012 providing for the redevelopment of a portion of the Designated Area as described on Exhibit A to the Plan (the “Project Area”) to provide for the

construction of a replacement swimming pool facility (the “Project”); (c) that the City 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 submitted to the City Planning Commission of the City and approved and thereafter recommended by the Authority to the Mayor and Council of the City, all prior to the approval of the Plan by the Mayor and Council; (e) that on March 26, 2012, the Mayor and Council of the City held a public hearing on the Plan prior to the approval thereof, for which notice was given by publication as required by law; (f) that the Project represents a general benefit to the City and will maintain and promote the quality of life in CRA Area #1; (h) that in accordance with the terms of Section 18-2107(11) of the Act, the Authority is authorized to certify annually to the Mayor and Council of the City a tax not to exceed 2.6¢ on each \$100 of taxable valuation in the City (the “Authority Taxes”) and such Authority Taxes are to be employed to assist in the defraying of expenses of redevelopment projects, including the payment of principal and interest on bonds issued to pay the cost of redevelopment projects and, in that such Authority Taxes represent a property tax levy for bonds as defined in Section 10-134 approved according to law and secured by a levy on property, such Authority Taxes are not included in the levy limits established by Section 77-3442, R.R.S. Neb. 2009, nor subject to allocation under Section 77-3443, R.R.S. Neb. 2009, as amended; (i) that it is necessary and appropriate for the Authority under the terms of the Act to issue redevelopment revenue bonds to provide permanent financing for costs of the Project, with such bonds to be payable solely from Authority Taxes and any other amounts pledged under the terms of this Resolution; and (k) that all conditions, acts and things required by law to exist or to be done precedent to the authorizing of the Authority’s redevelopment revenue bonds as provided for in this Resolution do exist and have been done as provided by the Act and other applicable law.



Section 2. For the purposes described in Section 1 hereof, there shall be and there are hereby ordered issued the Authority's Redevelopment Revenue Bonds (Lincoln Park Pool Project – Limited Tax Pledge), Series 2012, in the aggregate principal amount of not to exceed One Million Eight Hundred Twenty Thousand Dollars (\$1,800,000) (the "Bonds").

Section 3. The Bonds shall bear interest at the rates per annum (said interest to be computed on the basis of a 360-day year consisting of twelve 30-day months) and mature on December 15 of each year in the principal amounts as follows:

<u>Principal Amount</u>	<u>Maturing on December 15 of</u> <u>Year</u>	<u>Interest Rate Per Annum</u>
\$170,000	2013	
175,000	2014	
175,000	2015	
175,000	2016	
175,000	2017	
180,000	2018	
180,000	2019	
185,000	2020	
190,000	2021	
195,000	2022	

*provided, that the Bonds shall bear such series designation, and shall bear interest at the rates per annum as shall be determined in a written designation (the "Designation") signed by the Chairperson or Secretary of the Authority (each, an "Authorized Officer") on behalf of the Authority and which may be agreed to by Ameritas Investment Corp. (the "Underwriter"), which Designation may also determine or modify the principal amount for each maturity of the Bonds, mandatory redemption provisions (if any), and pricing terms as set forth in Section 8 below, all within the following limitations:*

- (a) the aggregate principal amount of the Bonds shall not exceed the maximum amount set forth in this Section 3;*

;

- (b) *the all-in true interest cost of the Bonds shall not exceed \_\_\_\_\_%;*
- (c) *the aggregate amount of original issue premium and original issue discount (if any) may result in an aggregate net original issue discount (if any) provided that the net proceeds of the Bonds are sufficient to pay the costs of the Project;*
- (d) *the longest maturity of the Bonds may not be later than December 15, 2022; and*
- (e) *two or more of the principal maturities may be combined and issued as “term bonds” and the Authorized Officer may determine the mandatory sinking fund payments and mandatory redemption amounts. Any Bonds issued as “term bonds” shall be redeemed at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption and may be selected for redemption by any random method of selection determined appropriate by the Paying Agent and Registrar (as hereinafter designated) or by the Depository (as hereinafter designated).*

*The Authorized Officers (or any one of them) are hereby authorized to make such determinations on behalf of the Authority and to evidence the same by execution and delivery of the Designation and such determinations, when made and agreed to by the Underwriter, shall constitute the action of the Authority without further action of the Authority.*

The Bonds shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the Bonds shall be the date of delivery thereof. Interest on the Bonds, at the respective rates for each maturity, shall be payable on June 15, 2013, and semiannually thereafter on June 15 and December 15 of each year (each of said dates an “Interest Payment Date”) and the Bonds shall bear such interest from the date of original issue or the most recent Interest Payment Date to which interest has been paid or provided for, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the close of business on the last business day of the month

immediately preceding the month in which the Interest Payment Date occurs (the “Record Date”), subject to the provisions of Section 5 hereof. The Bonds shall be numbered from 1 upwards in the order of their issuance. None of the Bonds shall be issued originally or upon transfer or partial redemption having more than one principal maturity. The initial bond numbering and principal amounts for each of the Bonds issued shall be designated by the City Treasurer (Finance Director) as *ex officio* treasurer of the Authority (the “Authority Treasurer”) as directed by the initial purchaser thereof. Payments of interest due on the Bonds prior to maturity or date of redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 4 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each Bond, as of the Record Date for such Interest Payment Date, to such owner’s registered address as shown on the books of registration as required to be maintained in Section 4 hereof. Payments of principal and accrued interest thereon due at maturity or at any date fixed for redemption prior to maturity shall be made by the Paying Agent and Registrar to the registered owners upon presentation and surrender of the Bonds to the Paying Agent and Registrar. The Authority and the Paying Agent and Registrar may treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of making payments thereon and for all other purposes and neither the Authority nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such Bond 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 any Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the Authority and the

Paying Agent and Registrar, in respect of the liability upon the Bonds or claims for interest to the extent of the sum or sums so paid.

Section 4. Wells Fargo Bank, National Association, is hereby designated as Paying Agent and Registrar for the Bonds. Said Paying Agent and Registrar shall serve in such capacities under the terms of an agreement entitled "Paying Agent and Registrar's Agreement" between the Authority and said Paying Agent and Registrar, in substantially the form presented in connection with the adoption of this Resolution, which form is hereby approved. The Chairperson and Secretary are hereby authorized to execute said agreement on behalf of the Authority in the form presented or with such changes, modifications and completions as such officers shall deem appropriate on behalf of the Authority. The Paying Agent and Registrar shall keep and maintain for the Authority books for the registration and transfer of the Bonds at its designated corporate trust office (the "Designated Office"). The names and registered addresses of the registered owner or owners of the Bonds shall at all times be recorded in such books. Any Bond may be transferred pursuant to its provisions at the Designated Office of the Paying Agent and Registrar by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to the Paying Agent and Registrar, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Paying Agent and Registrar on behalf of the Authority will deliver at the Designated Office (or send by registered mail to the transferee owner or owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new Bond or Bonds of the same interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Bonds by this Resolution, one Bond may be transferred for

several such Bonds of the same interest rate and maturity, and for a like aggregate principal amount, and several such Bonds may be transferred for one or several such Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Bond, the surrendered Bond shall be canceled and destroyed. All Bonds issued upon transfer of the Bonds so surrendered shall be valid obligations of the Authority evidencing the same obligations as the Bonds surrendered and shall be entitled to all the benefits and protection of this Resolution to the same extent as the Bonds upon transfer of which they were delivered. The Authority and the Paying Agent and Registrar shall not be required to transfer any Bond during any period from any Record Date until its immediately following Interest Payment Date or to transfer any Bond called for redemption for a period of 30 days next preceding the date fixed for redemption.

Section 5. In the event that payments of interest due on the Bonds on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners of the Bonds as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 6. If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the Designated Office of the Paying Agent and Registrar is located 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 7. The Bonds shall be subject to redemption, in whole or in part, prior to maturity at any time on or after the fifth anniversary of the date of original issue thereof, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The Bonds may be subject to mandatory sinking fund redemption as and to the extent determined in the Designation. The Authority may select the Bonds to be redeemed in its sole discretion but the Bonds shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Bonds redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for new Bonds evidencing the unredeemed principal thereof. Notice of redemption of any Bond called for redemption shall be given at the direction of the Authority by the Paying Agent and Registrar by mail not less than 30 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Bond at said owner's registered address. Such notice shall designate the Bond or Bonds to be redeemed by maturity or otherwise, the date of original issue and the date fixed for redemption and shall state that such Bond or Bonds are to be presented for prepayment at the office of the Paying Agent and Registrar. In case of any Bond partially redeemed, such notice shall specify the portion of the principal amount of such Bond to be redeemed. No defect in the mailing of notice for any Bond shall affect the sufficiency of the proceedings of the Authority designating the Bonds called for redemption or the effectiveness of such call for Bonds for which notice by mail has been properly given and the Authority shall have the right to further direct notice of redemption for any such Bond for which defective notice has been given.

Section 8. The Bonds shall be in substantially the following form:

**UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF HALL  
COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND,  
NEBRASKA**

**REDEVELOPMENT REVENUE BONDS (LINCOLN PARK POOL PROJECT –  
LIMITED TAX PLEDGE), SERIES 2012**

No. \_\_\_\_\_ \$ \_\_\_\_\_

Interest Rate \_\_\_\_\_ Maturity Date \_\_\_\_\_ Date of Original Issue \_\_\_\_\_ CUSIP No. \_\_\_\_\_  
December 15, \_\_\_\_\_, 2012

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ )

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, (the “Authority”) hereby acknowledges itself to owe and for value received promises to pay, but only from the specific pledged sources as described and referred to herein, to the registered owner specified above, or registered assigns, the principal amount specified above in lawful money of the United States of America on the date of maturity specified above with interest thereon to maturity (or earlier redemption) from the date of original issue or most recent Interest Payment Date to which interest has been paid or provided for, whichever is later, at the rate per annum specified above, payable on June 15, 2013 and semiannually thereafter on June 15 and December 15 of each year (each of said dates an “Interest Payment Date”). Said interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of this bond together with interest thereon unpaid and accrued at maturity (or earlier redemption) is payable upon presentation and surrender of this bond at the designated corporate trust office of \_\_\_\_\_, as Paying Agent and Registrar, in \_\_\_\_\_. Interest on this bond due prior to maturity or earlier redemption will be paid on each Interest Payment Date by a check or draft mailed by the Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the month immediately preceding the month in which the Interest Payment Date occurs, to such owner’s registered address as shown on such books and records. Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.



This bond is one of a series and issue of fully registered bonds of the total principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), of even date and like tenor except as to date of maturity, rate of interest and denomination which were issued by the Authority for the purpose of paying the costs of a replacement swimming pool facility for Lincoln Park in the Authority's Redevelopment Area #1, all as located within the corporate limits of the City of Grand Island, Nebraska (the "City"), as a redevelopment project designated in that Redevelopment Plan Modification approved by the Mayor and Council of the City, on March 26, 2012 (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, (the "Act") and has been duly authorized by resolution adopted by the Members of the Authority on September 19, 2012 (the "Resolution").

This bond constitutes a limited obligation of the Authority payable exclusively from the limited tax which the City is authorized to provide for pursuant to Section 18-2107(11) of the Act (the "Authority Taxes") and reserve funds (if any) held under the terms of the Resolution. Pursuant to the Resolution and Section 18-2124 and 18-2130 of the Act, the Authority Taxes have been pledged for the payment of this bond, both principal and interest as the same fall due. The Authority hereby agrees to provide for the Authority Taxes in a sufficient amount in each year to pay the principal and interest of this bond and the other bonds of this issue as the same fall due. **This bond shall not constitute a general obligation of the City or the Authority and neither the City nor the Authority shall be liable for the payment thereof out of any sources other than amounts received from the Authority Taxes and reserve funds (if any) held for the payment of principal and interest on this bond under the terms of the Resolution. This bond shall not constitute an obligation of the State of Nebraska or of the City of Grand Island (except for amounts from the Authority Taxes and any such reserve funds) and neither the State of Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for amounts from the Authority Taxes). Neither the Members of the Authority's governing body nor any person executing this bond shall be liable personally on this bond by reason of the issuance hereof.**

Bonds of this issue are subject to redemption at the option of the Authority, in whole or in part, at any time on or after the fifth anniversary of the date of original issue thereof, at par plus interest accrued on the principal amount redeemed to the date fixed for redemption. Notice of redemption shall be given by mail to the registered owner of any bond to be redeemed at said registered owner's address in the manner specified in the Resolution authorizing said issue of bonds. Individual bonds may be redeemed in part but only in \$5,000 amounts or integral multiples thereof.

[ADD MANDATORY SINKING FUND PROVISIONS, IF ANY]

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender and cancellation of this bond, and thereupon a new bond or bonds of the same aggregate principal amount, interest rate and maturity will be issued to the transferee as provided in the Resolution,

subject to the limitations therein prescribed. The Authority, the Paying Agent and Registrar and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

If the date for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated corporate trust office of the Paying Agent and Registrar is located 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.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of the Authority, including this bond, does not exceed any limitation imposed by law.

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE RESOLUTION TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT AND REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE PAYING AGENT AND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT AND REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREOF IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

This bond shall not be valid and binding on the Authority until authenticated by the Paying Agent and Registrar.

IN WITNESS WHEREOF, the Chairperson and Secretary of the Authority have caused this bond to be executed on behalf of the Authority with the facsimile signatures of the Chairperson and Secretary, all as of the date of original issue specified above.

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

By: \_\_\_\_\_ (Sample – Do Not Sign)  
Chairperson

ATTEST:

\_\_\_\_\_  
(Sample – Do Not Sign)  
Secretary

**CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION**

This bond is one of the series designated therein and has been registered to the owner named in said bond and the name of such owner has been recorded in the books of record maintained by the undersigned as Paying Agent and Registrar for said issue of bonds.

\_\_\_\_\_  
(Sample – Do Not Sign)  
Paying Agent and Registrar

By: \_\_\_\_\_  
Authorized Officer

(Form of Assignment)

For value received \_\_\_\_\_ hereby sells,  
assigns and transfers unto \_\_\_\_\_  
\_\_\_\_\_ (Social Security or Taxpayer I.D. No.  
\_\_\_\_\_) the within bond and hereby irrevocably constitutes and appoints  
\_\_\_\_\_, attorney, to transfer the  
same on the books of registration in the office of the within mentioned Paying Agent and  
Registrar with full power of substitution in the premises.

Dated: \_\_\_\_\_

Registered Owner(s)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature Guaranteed

By \_\_\_\_\_

\_\_\_\_\_  
Authorized Officer(s)

Note: The signature(s) on this assignment MUST CORRESPOND with the name(s) as  
written on the face of the within bond in every particular, without alteration, enlargement or any  
change whatsoever, and must be guaranteed by a commercial bank or a trust company or by a  
firm having membership on the New York, Midwest or other stock exchange.

Section 9. Each of the Bonds shall be executed on behalf of the Authority with the facsimile signatures of the Chairperson and the Secretary. The Bonds shall be issued initially as “book-entry-only” bonds under the services of The Depository Trust Company (the “Depository”), with one typewritten bond certificate per maturity being issued to the Depository. In such connection said officers are authorized to execute and deliver a Letter of Representations (the “Letter of Representations”) in the form required by the Depository (which may be in the form of a blanket letter, including any such letter previously or concurrently executed and delivered), for and on behalf of the Authority, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Bonds. With respect to the issuance of the Bonds as “book-entry-only” bonds, the following provisions shall apply:

(a) The Authority and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds as securities depository (each, a “Bond Participant”) or to any person who is an actual purchaser of a Bond from a Bond Participant while the Bonds are in book-entry form (each, a “Beneficial Owner”) with respect to the following:

- (i) the accuracy of the records of the Depository, any nominees of the Depository or any Bond Participant with respect to any ownership interest in the Bonds,
- (ii) the delivery to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or
- (iii) the payment to any Bond Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Bonds.

The Paying Agent and Registrar shall make payments with respect to the Bonds only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Bonds to the extent of the sum or sums so paid. No person other

than the Depository shall receive an authenticated Bond, except as provided in (e) below.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Bonds requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the Authority, for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (ii) to make available Bonds registered in whatever name or names as the Beneficial Owners transferring or exchanging such Bonds shall designate.

(c) If the Authority determines that it is desirable that certificates representing the Bonds be delivered to the ultimate beneficial owners of the Bonds and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Bond Participants of the availability through the Depository of bond certificates representing the Bonds. In such event, the Paying Agent and Registrar shall issue, transfer and exchange bond certificates representing the Bonds as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Depository or any nominee thereof, all payments with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the Bonds may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the Bonds may be delivered in physical form to the following:

(i) any successor securities depository or its nominee; or

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section.

(f) In the event of any partial redemption of a Bond unless and until such partially redeemed Bond has been replaced in accordance with the provisions of this Resolution, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such bond as is then outstanding and all of the Bonds issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository is terminated or resigns and is not replaced, the Authority shall immediately provide a supply of printed bond certificates for issuance upon the transfers from the Depository and subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement certificates upon transfer or partial redemption, the Authority agrees to order printed an additional supply of such certificates and to direct their execution by manual or facsimile signatures of its then duly qualified and acting Chairperson and Secretary. In case any officer whose signature or facsimile thereof shall appear on any Bond shall cease to be such officer before the delivery of such Bond (including such certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such bond. The Bonds shall not be valid and binding on the Authority until authenticated by the Paying Agent and Registrar. Thereafter the Bonds shall be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Bonds, they shall be delivered to the City Treasurer, who is authorized to deliver them to Ameritas Investment Corp., as initial purchaser thereof, upon receipt of a purchase price in the amount of \_\_\_\_% of the principal amount of the Bonds (or such other purchase price as may be determined in the Designation) plus accrued interest thereon to date of payment for the Bonds. Said initial purchaser shall have the right to direct the registration of the Bonds and the denominations thereof within each maturity, subject to the restrictions of this Resolution. Such purchaser and its agents, representatives and the Authority's bond counsel are hereby authorized

to take such actions on behalf of the Authority as are necessary to effectuate the closing of the issuance and sale of the Bonds, including, without limitation, authorizing the release of the Bonds by the Depository at closing. The officers of the Authority (or any one of them) are hereby authorized to execute and deliver the Bond Purchase Agreement for and on behalf of the Authority.

Section 10. The Authority's Secretary is directed to make and certify one or more transcripts of the proceedings of the Authority precedent to the issuance of the Bonds. One such certified transcript shall be delivered to the original purchaser of the Bonds. All amounts received from the sale of the Bonds shall be applied to costs of the Project upon order of the Authority. Costs of the Project shall include but not be limited to costs incurred by the City for accomplishing the Project.

Section 11. There is hereby ordered established and created with the Treasurer of the City, acting as Authority's Treasurer, a special fund and account to be designated as the "Series 2012 Bond Payment Account". Amounts from the previously certified levy of taxes may be deposited to the Series 2012 Bond Payment Account, to assure timely payment of the first year's principal and interest on the Bonds, as determined appropriate by the officers of the Authority. The Authority hereby agrees that it will certify for levy and levy annually, in accordance with the authorization set forth in Section 18-2107(11) of the Act, taxes on all the taxable property in the City at a rate not to exceed 2.6¢ on each \$100 of taxable valuation sufficient to provide for the payments of principal and interest on the Bonds as the same fall due, such taxes being referred to in this Resolution as the "Authority Taxes". The Authority, hereby pledges the Authority Taxes for the prompt payment of the principal and interest on the Bonds as the same fall due, in accordance



with and as authorized by Sections 18-2124 and 18-2130 of the Act. Amounts from the Authority Taxes shall be deposited to the Series 2012 Bond Payment Account at such times as are required for making the payments of principal and interest on the 2012 Bonds as the same fall due.

Section 12. The Authority reserves the right, but with no legal obligation to do so, to provide for payments of principal and interest on the Bonds from any other available income, including revenues from the Project, in the sole discretion of the Authority, as exercised from time to time. The Authority hereby agrees that, so long as any of the Bonds remain outstanding, it will not issue any additional bonds, in addition to the Bonds (or bonds issued to refund the Bonds) payable from the Authority Taxes. The Authority, further reserves the right to provide for payment of principal and interest on the Bonds from the proceeds of refunding bonds. The Authority Taxes extend to and include only those amounts required by this Resolution to be applied to payments of principal and interest on the Bonds. Other amounts from the tax levy permitted to be certified by the Authority under the terms of Section 18-2107(11) of the Act shall remain subject to the control and use by the Authority for its programs and purposes as determined from time to time.

Section 13. The officers of the Authority, or any one or more 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 14. The obligations under this Resolution with respect to the Bonds herein authorized shall be fully discharged and satisfied as to any such Bond and any Bond shall no longer be deemed to be outstanding hereunder if such Bond has been purchased by the Authority and cancelled or when the payment of principal of and interest thereon to the respective date of maturity or redemption (a) shall have been made or caused to be made in accordance with the terms thereof

or (b) shall have been provided for by depositing with a national or state bank having trust powers, or trust company, in trust, solely for such payment (i) sufficient money to make such payment and/or (ii) direct general obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America) or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (herein referred to as “U.S. Government Obligations”) in such amount and bearing interest payable and maturing or redeemable at stated fixed prices at the option of the holder as to principal, at such time or times, as will ensure the availability of sufficient money to make such payments; provided, however, that if any Bond is to be paid prior to maturity, the Authority shall have duly called such Bond for redemption and given notice of such redemption as provided by law or made irrevocable provision for the giving of such notice. Any money so deposited with such bank or trust company in excess of the amount required to pay principal of and interest on the Bonds for which deposit has been made shall be paid over to the Authority as and when collected.

Section 15. The Authority hereby agrees that continuing disclosure information shall be provided as set forth in a resolution of the Mayor and Council of the City with respect to the Bonds contemporaneously passed and approved with this Resolution and by reference hereby incorporated in this Resolution.

Section 16. The Authority hereby covenants to the purchasers and holders of the Bonds hereby authorized that it will make no use of the proceeds of said bond issue, including monies held in any sinking fund for the payment of said bonds, which would cause said bonds to be “private activity bonds” within the meaning of such terms as set forth in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”) or “arbitrage bonds” within the

meaning of Sections 103(b) and 148 of the Code and further covenants to comply with said Sections 103 and 148 and all applicable regulations thereunder throughout the term of said bond issue, including payment and reporting of rebate amounts as and to the extent required by law and applicable regulations. The Authority hereby covenants and agrees to take all actions necessary under the Code to maintain the tax-exempt status of interest payable on the Bonds. The Authority hereby designates the Bonds as its “qualified tax-exempt obligations” pursuant to Section 265(b)(3)(B)(i)(III) of the Code, and covenants and warrants that it does not anticipate issuing tax-exempt obligations in calendar 2012 in an amount in excess of \$10,000,000.

Section 17. In order to promote compliance with certain federal tax and securities laws relating to the Bonds herein authorized the policy and procedures attached hereto as Exhibit “A” (the “Post-Issuance Compliance Policy and Procedures”) are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Post-Issuance Compliance Policy and Procedures and any similar policy or procedures previously adopted and approved, the Post-Issuance Compliance Policy and Procedures shall control.

Section 18. 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 19. This Resolution shall be in force and take effect from and after its adoption as provided by law.

Adopted this 19th day of September, 2012.

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Chairperson

ATTEST:

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Secretary

**Policy and Procedures  
Federal Tax Law and Disclosure Requirements for  
Tax-exempt Bonds and/or Build America Bonds**

**ISSUER NAME:** The City of Grand Island, Nebraska/The Community Redevelopment Authority of the City of Grand Island, Nebraska

**COMPLIANCE OFFICER (BY TITLE):** Finance Director/Treasurer, City of Grand Island, Nebraska

**POLICY**

It is the policy of the Issuer identified above (the “Issuer”) to comply with all Federal tax requirements and securities law continuing disclosure obligations for its obligations issued as tax-exempt bonds or as direct pay build America bonds to ensure, as applicable (a) that interest on its tax-exempt bonds remains exempt from Federal income tax, (b) that the direct payments associated with its bonds issued as “build America bonds” are received by the Issuer in a timely manner and (c) compliance with any continuing disclosure obligations of the Issuer with respect to its outstanding bonds.

**PROCEDURES**

Compliance Officer. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Compliance Officer identified above (the “Compliance Officer”). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

Training. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service (either on its website at <http://www.irs.gov/taxexemptbond>, or elsewhere) and the Municipal Securities Rulemaking Board (either on its Electronic Municipal Market Access website [“EMMA”] at <http://www.emma.msrb.org>, or elsewhere).

Compliance Review. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The review shall occur at the time the Issuer’s annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period or frequency of review would be more appropriate.

Scope of Review.

Document Review. At the compliance review, the following documents (the “Bond Documents”) shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue:

- (a) the resolution(s) and/or ordinance(s), as applicable, adopted by the governing body of the Issuer authorizing the issuance of its outstanding bonds, together with any documents setting the final rates and terms of such bonds (the “Authorizing Proceedings”),
- (b) the tax documentation associated with each bond issue, which may include some or all of the following (the “Tax Documents”):
  - (i) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
  - (ii) Form 8038 series filed with the Internal Revenue Service;
  - (iii) tax certificates, tax compliance agreements, tax regulatory agreement or similar documents;

- (iv) covenants, agreements, instructions or memoranda with respect to rebate or private use;
  - (v) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and
  - (vi) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings relating to federal tax matters.
- (c) the Issuer's continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the "Continuing Disclosure Obligations"), and
- (d) any communications or other materials received by the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer's bonds or relating to the Issuer's Continuing Disclosure Obligations.

*Use and Timely Expenditure of Bond Proceeds.* Expenditure of bond proceeds shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents, and (c) that any mandatory redemptions from excess bond proceeds are timely made if required under the Authorizing Proceedings and Tax Documents.

*Arbitrage Yield Restrictions and Rebate Matters.* The Tax Documents shall be reviewed by the Compliance Officer to ensure compliance with any applicable yield restriction requirements under Section 148(a) of the Internal Revenue Code (the "Code") and timely calculation and payment of any rebate and the filing of any associated returns pursuant to Section 148(f) of the Code. A qualified rebate analyst shall be engaged as appropriate or as may be required under the Tax Documents.

*Use of Bond Financed Property.* Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed by the Compliance Officer to ensure compliance. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, contracts related to operation or management of bond-financed property, sponsored research agreements, take-or-pay contracts or other agreements or arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed property which were not anticipated at the time the bonds were issued. Such actions could be prohibited by the Authorizing Proceedings, the Tax Documents or Federal tax law.

*Continuing Disclosure.* Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated (a) to ensure timely compliance with any annual disclosure requirement, and (b) to ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

*Record Keeping.* If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus six (6) years.

*Incorporation of Tax Documents.* The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

*Consultation Regarding Questions or Concerns.* Any questions or concerns which arise as a result of any review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as “VCAP”) operated by the Internal Revenue Service which allows issuers under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to issuers of certain bonds under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued. In general, if the Issuer identifies a violation of Federal tax requirements in accordance with the implementation of the foregoing procedures the Issuer can generally expect to receive more favorable treatment in resolving its tax violation under VCAP than if the Issuer had not implemented such procedures.

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