



Community Redevelopment Authority (CRA)

**Wednesday, November 14, 2012
Regular Meeting Packet**

Board Members:

Michelle Fitzke

Tom Gdowski

Barry Sandstrom

Sue Pirnie

Glen Murray

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

Call to Order

Roll Call

A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS

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

B - RESERVE TIME TO SPEAK ON AGENDA ITEMS

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

DIRECTOR COMMUNICATION

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



Community Redevelopment Authority (CRA)

Wednesday, November 14, 2012
Regular Meeting

Item A1

Agenda

Staff Contact: Chad Nabity

AGENDA
Wednesday November 14, 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 October 10, 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 1135 S Locust, Auto One, Inc.
7. Consideration of Redevelopment contract for 1103 St. Paul Rd., Grand Island Area Habitat for Humanity.
8. Masonic Temple Life Safety Discussion & Potential Funding as other Grants.
9. Discussion concerning Purchase/Sale of Real Estate of property.
10. Approve Resolution or Resolutions to Purchase/Sell Real Estate.
11. Directors Report
12. Adjournment

Next Meeting December 12, 2012

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



Community Redevelopment Authority (CRA)

Wednesday, November 14, 2012
Regular Meeting

Item B1

October Meeting Minutes

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF October 10, 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 October 10, 2012 at City Hall 100 E First Street. Notice of the meeting was given in the October 3, 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: Michelle Fitzke, Sue Pirnie and Glen Murray. Also present were; Director, Chad Nabity; Secretary, Rose Rhoads; 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 September 19, 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 September 1, 2012 through September 30, 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 Fitzke and seconded by Pirnie to approve the bills in the amount of \$12,914.67. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling 12,914.67.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity reviewed the Committed Projects. YMCA project is completed. A request for payment should be coming in sometime. The Downtown BID is working on the Grand Generation/YMCA tree project. The Howard Johnson Façade is nearing completion; a request for payment is in pending on finals with the Building Department.

6. FAÇADE CONSIDERATION. Consideration of a Façade Request from Vince Mendez, 2404 W Lincoln Hwy & 2403-2423 W Lincoln Hwy, Grand Island.

Nabity explained Vince Mendez has submitted a request for Façade funds for Personal Automotive Services for \$83,801. This includes exterior signage, landscaping project, exterior concrete, gutters, downspouts and snow retention devices. Currently Mendez has invested \$1.4 million dollars.

Murray was a part of the Façade review committee he commented this was a great project and a lot had been done to improve the area.

Motion made by Murray and seconded by Pirnie to approve the Façade request in the amount \$83, 801. Upon roll call vote all present voted aye. Motion carried unanimously.

7. FACADE CONSIDERATION. Consideration of a Façade Request from Ron Nitzel 108, 110 & 112 W 4TH St., Grand Island.

Nabity explained Ron Nitzel is looking at removing the existing dilapidated neon sign and replace with a historical correct sign. Repaint metal wall sign and add fabric awnings over upper level windows also adding decorative panels around upper level windows.

Murray was a part of the Façade review committee he commented this would be a nice improvement to the 4th Street area.

Motion made by Murray and seconded by Fitzke to approve the Façade request in the amount \$31,948. Upon roll call vote all present voted aye. Motion carried unanimously.

8. CONSIDERATION OF RESOLUTION 151.
Consideration of a Resolution to forward a Site Specific redevelopment plan to the Hall County Regional Planning Commission for 809-811 S Kimball St. The CRA received a TIF application and staff has prepared a Site Specific redevelopment plan (the "Plan"), for redevelopment of an area within city limits of the City of Grand Island, Hall County, Nebraska.

Nabity and Todd Enck both briefly spoke about the purpose of the TIF request for 809-811 S Kimball St. This was previously owned by Larry Fowle and was approved earlier this year as the first mirco blight study area. Enck is proposing to build a duplex at this location.

A motion for approval of Resolution No. 151 to forward the Site Specific Redevelopment Plan to the Hall County Regional Planning Commission for 809-811 S Kimball St. was made by Fitzke and seconded by Pirnie. Upon roll call vote all present voted aye. Motion carried unanimously.

9. CONSIDERATION OF RESOLUTION 152.

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 809-811 S Kimball St.

A motion for approval of Resolution No. 152 to forward the Site Specific Redevelopment Plan to the City Council for 809-811 S Kimball St was made by Pirnie and seconded by Murray. Upon roll call vote all present voted aye. Motion carried unanimously.

10. ADJOURN TO EXECUTICE SESSION TO DISCUSS NEGOTIATIONS.
NONE

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

12. ELECTION OF OFFICERS. Fitzke made a motion to keep Barry Sandstrom as Chairman and Glen Murray as Vice Chairman, the motion was seconded by Pirnie. Upon roll call vote all present voted aye. Motion carried unanimously.

13. DIRECTORS REPORT.

14. ADJOURNMENT.
Sandstrom adjourned the meeting at 4:55 p.m.

The next meeting is scheduled for November 14, 2012 at 4:00 p.m.

Respectfully submitted
Chad Nabity
Director



Community Redevelopment Authority (CRA)

Wednesday, November 14, 2012
Regular Meeting

Item C1

Financial Reports

Staff Contact: Chad Nabity

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF OCTOBER 2012

	<u>MONTH ENDED</u> <u>OCTOBER 2012</u>	<u>2012-2013</u> <u>YEAR TO DATE</u>	<u>2013</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
CONSOLIDATED				
Beginning Cash	186,509	186,509	186,509	
REVENUE:				
Property Taxes - CRA	43,633	43,633	446,578	402,945
Property Taxes - Lincoln Pool	20,581	20,581	207,859	187,278
Property Taxes - TIF's	86,571	86,571	438,016	351,445
Loan Proceeds (Lincoln Pool)	1,800,000	1,800,000	1,800,000	-
Loan Income (Poplar Street Water Line)	1,487	1,487	5,000	3,513
Interest Income - CRA	11	11	1,000	989
Interest Income - TIF'S	10	10	-	(10)
Land Sales	-	-	100,000	100,000
Other Revenue - CRA	6,000	6,000	22,000	16,000
Other Revenue - TIF's	-	-	-	-
TOTAL REVENUE	<u>1,958,293</u>	<u>1,958,293</u>	<u>3,020,453</u>	<u>1,062,160</u>
TOTAL RESOURCES	<u>2,144,802</u>	<u>2,144,802</u>	<u>3,206,962</u>	<u>1,062,160</u>
EXPENSES				
Auditing & Accounting	-	-	5,000	5,000
Legal Services	-	-	3,000	3,000
Consulting Services	-	-	10,000	10,000
Contract Services	2,321	2,321	55,000	52,679
Printing & Binding	-	-	1,000	1,000
Other Professional Services	2,088	2,088	16,000	13,912
General Liability Insurance	-	-	250	250
Postage	19	19	200	181
Matching Grant	-	-	-	-
Legal Notices	464	464	2,500	2,036
Licenses & Fees	-	-	-	-
Travel & Training	-	-	1,000	1,000
Other Expenditures	-	-	-	-
Office Supplies	-	-	300	300
Supplies	-	-	300	300
Land	-	-	20,000	20,000
Bond Principal - Lincoln Pool	-	-	207,859	207,859
Facade Improvement	-	-	572,000	572,000
Lincoln Pool Project	27,823	27,823	1,800,000	1,772,177
Other Projects	-	-	50,000	50,000
Bond Principal	22,539	22,539	396,335	373,796
Bond Interest	-	-	41,681	41,681
Interest Expense	-	-	-	-
TOTAL EXPENSES	<u>55,254</u>	<u>55,254</u>	<u>3,182,425</u>	<u>3,127,171</u>
INCREASE(DECREASE) IN CASH	<u>1,903,039</u>	<u>1,903,039</u>	<u>(161,972)</u>	
ENDING CASH	<u>2,089,548</u>	<u>2,089,548</u>	<u>24,537</u>	<u>-</u>
CRA CASH	<u>231,872</u>			
Lincoln Pool Tax Income Balance	(5,843)			
LINCOLN POOL Bond Account	1,780,190			
TIF CASH	<u>83,329</u>			
Total Cash	<u>2,089,548</u>			

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF OCTOBER 2012

	<u>MONTH ENDED</u> <u>OCTOBER 2012</u>	<u>2012-2013</u> <u>YEAR TO DATE</u>	<u>2013</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
CRA				
GENERAL OPERATIONS:				
Property Taxes - CRA	43,633	43,633	446,578	402,945
Property Taxes - Lincoln Pool	20,581	20,581	207,859	187,278
Interest Income	11	11	1,000	989
Loan Income (Poplar Street Water Line)	1,487	1,487	5,000	3,513
Land Sales	-	-	100,000	100,000
Bond Proceeds Lincoln Pool	1,800,000	1,800,000	1,800,000	-
Other Revenue & Motor Vehicle Tax	6,000	6,000	22,000	16,000
TOTAL	1,871,712	1,871,712	2,582,437	710,725
CHERRY PARK LTD II				
Property Taxes	31,891	31,891	59,180	27,289
Interest Income	9	9	-	-
Other Revenue	-	-	-	-
TOTAL	31,900	31,900	59,180	27,289
GENTLE DENTAL				
Property Taxes	-	-	4,202	4,202
Interest Income	0	0	-	-
Other Revenue	-	-	-	-
TOTAL	0	0	4,202	4,202
PROCON TIF				
Property Taxes	-	-	19,162	19,162
Interest Income	1	1	-	(1)
Other Revenue	-	-	-	-
TOTAL	1	1	19,162	19,161
WALNUT HOUSING PROJECT				
Property Taxes	32,141	32,141	74,472	42,331
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	32,141	32,141	74,472	42,331
BRUNS PET GROOMING				
Property Taxes	-	-	13,500	13,500
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	13,500	13,500
GIRARD VET CLINIC				
Property Taxes	-	-	14,500	14,500
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	14,500	14,500

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FOR THE MONTH OF OCTOBER 2012

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GEDDES ST APTS-PROCON				
Property Taxes	-	-	30,000	30,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	30,000	30,000
SOUTHEAST CROSSING				
Property Taxes	-	-	12,000	12,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	12,000	12,000
Poplar Street Water				
Property Taxes	1,487	1,487	2,500	1,013
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	1,487	1,487	2,500	1,013
CASEY'S @ FIVE POINTS				
Property Taxes	4,278	4,278	10,000	5,722
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	4,278	4,278	10,000	5,722
SOUTH POINTE HOTEL PROJECT				
Property Taxes	-	-	90,000	90,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	90,000	90,000
TODD ENCK PROJECT				
Property Taxes	-	-	2,500	2,500
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	2,500	2,500
JOHN SCHULTE CONSTRUCTION				
Property Taxes	-	-	6,000	6,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	6,000	6,000
PHARMACY PROPERTIES INC				
Property Taxes	-	-	11,000	11,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	11,000	11,000
KEN-RAY LLC				
Property Taxes	16,775	-	34,000	34,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	16,775	-	34,000	34,000

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SKAGWAY				
Property Taxes	-	-	55,000	55,000
Interest Income	-	-	-	-
Other Revenue	-	-	-	-
TOTAL	-	-	55,000	55,000
TOTAL REVENUE	1,958,293	1,941,518	3,020,453	1,078,944
EXPENSES				
CRA				
GENERAL OPERATIONS:				
Auditing & Accounting	-	-	5,000	5,000
Legal Services	-	-	3,000	3,000
Consulting Services	-	-	10,000	10,000
Contract Services	2,321	2,321	55,000	52,679
Printing & Binding	-	-	1,000	1,000
Other Professional Services	2,088	2,088	16,000	13,912
General Liability Insurance	-	-	250	250
Postage	19	19	200	181
Matching Grant	-	-	-	-
Legal Notices	464	464	2,500	2,036
Licenses & Fees	-	-	-	-
Travel & Training	-	-	1,000	1,000
Other Expenditures	-	-	-	-
Office Supplies	-	-	300	300
Supplies	-	-	300	300
Land	-	-	20,000	20,000
Bond Principal - Lincoln Pool	-	-	207,859	207,859
PROJECTS				
Façade Improvement	-	-	572,000	572,000
Lincoln Pool Project	27,823	27,823	1,800,000	1,772,177
Alleyway Improvement	-	-	-	-
Other Projects	-	-	50,000	50,000
TOTAL CRA EXPENSES	32,715	32,715	2,744,409	2,711,694
CHERRY PARK LTD II				
Bond Principal	-	-	53,831	53,831
Bond Interest	-	-	5,349	5,349
TOTAL CHERRY PARK EXPENSES	-	-	59,180	59,180
GENTLE DENTAL				
Bond Principal	-	-	2,986	2,986
Bond Interest	-	-	1,216	1,216
TOTAL GENTLE DENTAL	-	-	4,202	4,202

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF OCTOBER 2012

	<u>MONTH ENDED</u> <u>OCTOBER 2012</u>	<u>2012-2013</u> <u>YEAR TO DATE</u>	<u>2013</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
PROCON TIF				
Bond Principal	-	-	12,467	12,467
Bond Interest	-	-	6,695	6,695
TOTAL PROCON TIF	-	-	19,162	19,162
WALNUT HOUSING PROJECT				
Bond Principal	-	-	46,051	46,051
Bond Interest	-	-	28,421	28,421
TOTAL WALNUT HOUSING	-	-	74,472	74,472
BRUNS PET GROOMING				
Bond Principal	-	-	13,500	13,500
Bond Interest	-	-	-	-
TOTAL BRUNS PET GROOMING	-	-	13,500	13,500
GIRARD VET CLINIC				
Bond Principal	-	-	14,500	14,500
Bond Interest	-	-	-	-
TOTAL GIRARD VET CLINIC	-	-	14,500	14,500
GEDDES ST APTS - PROCON				
Bond Principal	-	-	30,000	30,000
Bond Interest	-	-	-	-
TOTAL GEDDES ST APTS - PROCON	-	-	30,000	30,000
SOUTHEAST CROSSINGS				
Bond Principal	-	-	12,000	12,000
Bond Interest	-	-	-	-
TOTAL SOUTHEAST CROSSINGS	-	-	12,000	12,000
POPLAR STREET WATER				
Bond Principal	1,487	1,487	2,500	1,013
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
Contract Services	-	-	-	-
TOTAL POPLAR STREET WATER	1,487	1,487	2,500	1,013

COMMUNITY REDEVELOPMENT AUTHORITY
FOR THE MONTH OF OCTOBER 2012

	<u>MONTH ENDED</u> <u>OCTOBER 2012</u>	<u>2012-2013</u> <u>YEAR TO DATE</u>	<u>2013</u> <u>BUDGET</u>	<u>REMAINING</u> <u>BALANCE</u>
CASEY'S @ FIVE POINTS				
Bond Principal	4,278	4,278	10,000	5,722
Bond Interest	-	-	-	-
TOTAL CASEY'S @ FIVE POINTS	4,278	4,278	10,000	5,722
SOUTH POINTE HOTEL PROJECT				
Bond Principal	-	-	90,000	90,000
Bond Interest	-	-	-	-
TOTAL SOUTH POINTE HOTEL PROJECT	-	-	90,000	90,000
TODD ENCK PROJECT				
Bond Principal	-	-	2,500	2,500
Bond Interest	-	-	-	-
TOTAL TODD ENCK PROJECT	-	-	2,500	2,500
JOHN SCHULTE CONSTRUCTION				
Bond Principal	-	-	6,000	6,000
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL JOHN SCHULTE CONSTRUCTION	-	-	6,000	6,000
PHARMACY PROPERTIES INC				
Bond Principal	-	-	11,000	11,000
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL PHARMACH PROPERTIES INC	-	-	11,000	11,000
KEN-RAY LLC				
Bond Principal	16,775	16,775	34,000	17,225
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL KEN-RAY LLC	16,775	16,775	34,000	17,225
SKAGWAY				
Bond Principal	-	-	55,000	55,000
Bond Interest	-	-	-	-
Auditing & Accounting	-	-	-	-
TOTAL SKAGWAY	-	-	55,000	55,000
TOTAL EXPENSES	55,254	55,254	3,182,425	3,127,171



Community Redevelopment Authority (CRA)

Wednesday, November 14, 2012
Regular Meeting

Item D1

Bills

Staff Contact: Chad Nabity

14-Nov-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
Accounting
Officenet Inc.
Postage

Lawnscape
Mike Bacon
Baird Holm Attorneys at Law (Lincoln Pool)

Grand Island Independent monthly notices

JEO Consulting Lincoln Pool
Hausmann Construction, INC Lincoln Pool pd 11/1/2012
Hausmann Construction, INC Lincoln Pool

Mayer, Burns, Koenig & Janulewicz Legal Services

Total:

\$ 2,866.09

\$ 35.07

\$ 96.00
\$ 12,500.00
\$ 5,000.00

\$ 16.01

\$ 8,333.50
\$ 149,609.70
\$ 203,206.50

\$ 150.00

\$ 381,812.87



Community Redevelopment Authority (CRA)

Wednesday, November 14, 2012
Regular Meeting

Item E1

Committed Projects

Staff Contact: Chad Nabity

COMMITTED PROJECTS	TOTAL AMOUNT	2013 FISCAL YR	2014 FISCAL YR	ESTIMATED COMP
Downtown BID				
Grand Generation/YMCA	\$ 7,500.00	\$ 7,500.00		
Historic Lighting Projects	\$ 30,000.00	\$ 30,000.00		
Total Downtown BID *	\$ -			Fall 2012
Personal Automotive Service	\$ 83,801.00	\$ 83,801.00		Fall 2013
Ron Nitzel	\$ 31,948.00	\$ 31,948.00		
3333 Ramada Rd - Howard Johnson	\$ 100,000.00	\$ 100,000.00		complete waiting on final inspections
Fonner Park **	\$ 96,311.50	\$ 96,311.50		complete final payment Spring 2013
YMCA	\$ 48,000.00	\$ 48,000.00		complete waiting on bill
2014 Wayside Horns (Custer/Blaine)	\$ 100,000.00		\$ 100,000.00	Winter 2014
The Grand Façade \$300,000 (\$100k over 3 fiscal yrs) ***	\$ 100,000.00	\$ 100,000.00		complete final payment Spring 2013
Total Committed	\$ 513,759.50	\$ 497,560.50	\$ 100,000.00	\$ -

Façade Budget \$ Remaining	\$ 359,396.87	\$ 572,000.00
Other Projects	\$ 100,000.00	\$ 50,000.00
Land	\$ 100,000.00	\$ 20,000.00
 subtotal	\$ 559,396.87	\$ 642,000.00
Less committed	\$ (497,560.50)	\$ (100,000.00)
Balance remaining	\$ 61,836.37	\$ 542,000.00

CRA PROPERTIES

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

October 31, 2012

* Downtown BID 8 has been paid for the POW Marker and for the building evaluations.

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

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



Community Redevelopment Authority (CRA)

Wednesday, November 14, 2012
Regular Meeting

Item G1

Masonic Temple Life Safety Discussion

Staff Contact: Chad Nabity

November 7, 2012

From: Chad Nabity, AICP Director

To: CRA Board

Re: Life Safety Improvements – Masonic Temple Building.

Overview

Enclosed you will find a copy of an application on the Façade Improvement Application for life safety improvements at the Masonic Temple.

Amos Anson, representing Anson Investment and Development, has submitted an application requesting CRA funding for life safety improvements in the Masonic Temple building. Mr. Anson is aware that the CRA does not currently have money budgeted to make either grant or a loan to a project of this magnitude.

The Masonic Temple is an iconic building in Downtown Grand Island and it does present some special challenges for redevelopment. It is appropriate for the CRA to enter into discussions with the owner(s) of the building regarding how to go about redeveloping the property. The full request based on current estimates is just over \$261,000 to meet the basic life safety requirements as suggested by the Masonic Temple study conducted for the former property owner for the first four floors of the buildings. The Grand Island Building department has indicated that the first four floors could be redeveloped with these safety features and that the upper floors wait for improvement if those floors were left vacant. This will allow for some phased development of the building.

The enclosed application is making requests outside of the normal business model for the Grand Island CRA. This includes requests:

- that the CRA make the grant and provide funding up front instead of on a reimbursement basis
- that the CRA place a lien in first position on the building in exchange for the upfront funding

In further discussions with Mr. Anson, regarding the funding available or more specifically not available during this fiscal year he proposed that a portion of the work could be done in this year with additional work to be done in following

years. The CRA did designate \$50,000 within the budget for other projects. This would qualify as one of those "other projects". A portion of that money could be designated toward this project. If that designation were made it would be possible for Anson Investment and Development to begin work on the life safety issues, at least some of the initial demolition work, which could in turn help them market the building.

All of the improvements, life safety, remodeling etc... that are necessary to rent and redevelop this building are eligible for TIF. This is a significant and long term project for the Downtown. I believe that it is in the best interest of the City and of the Downtown to work with the developer in some manner to move this project forward.

The CRA could appoint a committee to work with the developer on developing a TIF application and financing package that would ultimately restore and renovate this building.



Life safety

Facade Improvement Program Application

Project Redeveloper Information

- I. Applicant Name: Anson Investment & Development (AID)
Address: 217 N Locust 1703 W 17th
Telephone No.: 391-0934
Contact: Charles Anson
- II. Legal Street Address of Project Site: 217 N Locust
- III. Zoning of Project Site: Commercial
- IV. Current and Contemplated Use of Project: Commercial & Residential
- V. Present Ownership of Project Site: AID
- VI. Proposed Project: Describe in detail; attach plans and specifications:
see Attached
- VII. Estimated Project Costs

Acquisition Costs:

A. Land \$ -

B. Building \$ -

Construction Costs:

A. Renovation or Building Costs Attributable
to Life Safety ~~Facade~~ Improvements (attach detail):

\$ 261,325

B. Other Construction Costs:

\$ 670,000

VIII. Source of Financing:

A. Developer Equity:

\$ 60,000

B. Commercial Bank Loan:

\$ _____

C. Historic Tax Credits:

\$ _____

D. Tax Increment Assistance:

\$ _____

E. Other (Describe _____)

\$ _____

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

see attached

X. Project Construction Schedule:

A. Construction Start Date: ASAP

B. Construction Completion Date: 6 months

Financing Request Information

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

see attached

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

III. Application of Grant Funds:

261,325 Grant to Redeveloper; or
Interest Rate Buy-Down

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

VI Proposed Project:

Install a second staircase and fire sprinklers from the basement to the fifth floor. A sprinkler company will be hired to design and install the fire sprinkler system, making provisions for development at a later date on the sixth and seventh floor. The staircase will be designed to fit into the inside of the structure and will meet all of the City Of Grand Island's current codes. There will be 14' x 9' openings cut through the floors of one, two, three, four and five. The structural loads will be picked up by 8" block and non structural walls will be constructed of steel studs and two layers of drywall on each side along with 2 hour rated fire doors. The stairs will be constructed of non combustible building materials. A continuous steel handrail will be fabricated and installed by a local welding company. The project includes hiring an engineer to check the structural implications of cutting the 14' x 9' openings in the floor. As we are not changing the occupancy of the building at this point, so there is no need for an architect at this time.

IX Name and address of Engineer and General Contractor:

Structural engineer: Scott Burney with Olsson Associates

GC: FAmos Construction Inc.

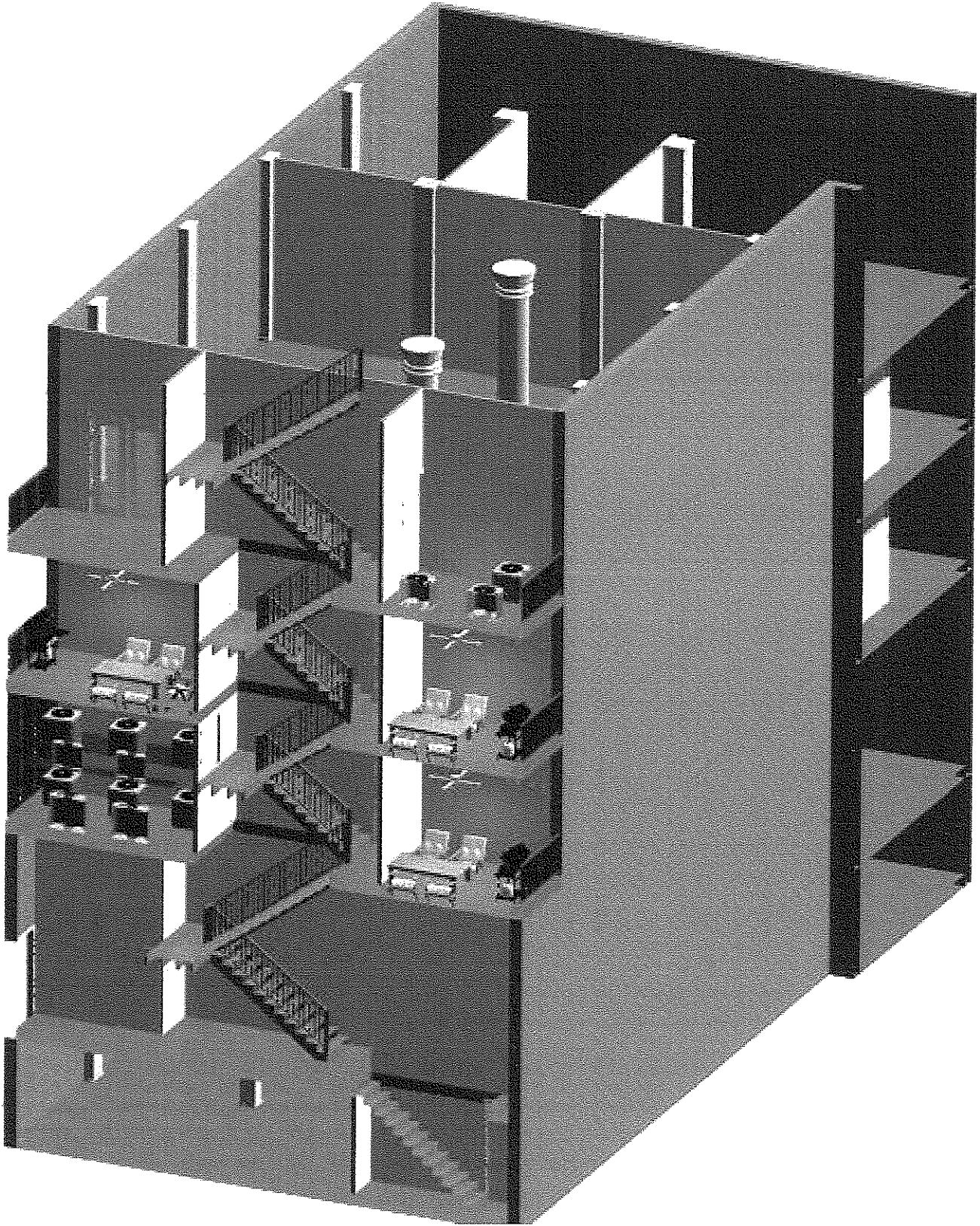
Permits, Insurance,	
Interest	\$ 6,000
Demo	\$ 8,815
Materials	\$ 44,033
Carpentry	\$ 46,020
Block	\$ 22,576
Electric	\$ 21,395
Professional services	\$ 5,400
Fire sprinklers, Service	\$ 73,000
Contractor Fee	\$ 34,086
Total	\$ 261,325

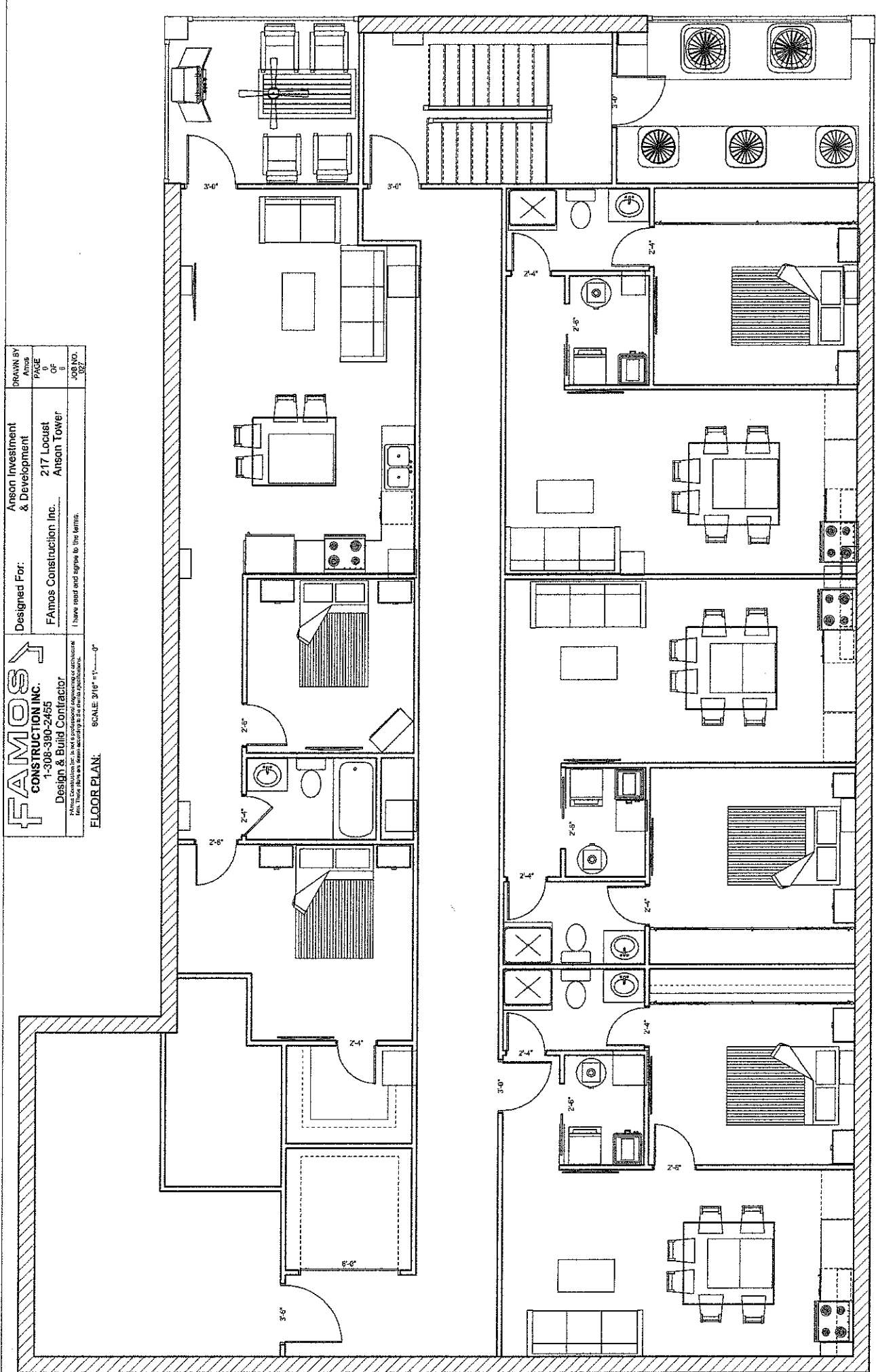
I Amount and purpose for which life safety program funds are requested:

The amount being asked for the life safety issues is \$261,325. The project has been designed around a life safety study done on the building by the previous tenant. The CRA paid for said study and retained the rights. Based on that study, it has been determined that a second staircase and fire sprinklers are required to bring the building up to code. AID (Anson Investment & Development) is asking a special request from the CRA. In the past the CRA has required the owner to put in their equity before the grant is issued. Due to the difficult nature of the current banking regulations, AID is asking for the grant money up front. In exchange for the grant money up front, the CRA would have the first position lien against the building. If the future development doesn't happen, the CRA would end up with the building. This seems an acceptable avenue as the CRA currently owns "undeveloped" property (the old desert rose) and this project would be of similar nature.

II Statement identifying financial gap and necessity for use of life safety improvement program funds of proposed project:

As most people know, the cost to bring the building up to code has caused many a developer to shy away from purchasing or developing the building. With the life safety issues addressed with this grant, AID (or, worst case scenario, a future tenant) will be much better positioned to move to phase two of the project. Phase two would include the development of floor two and three into eight residential "lofts". Based on the previous residential study done by the CRA, the future lofts are projected to bring in approximately \$5,600 a month in rent (\$1 per s.f.). The build out is currently projected to be \$670,000. If you add the purchase price (\$60,000), the build out (\$670,000) and the life safety issues (\$261,325), they add up to \$991,325. Based on the common assumption that rent should be 1% of the loan, that would mean the residential units should bring in \$9,913 to pay the bills. That is a deficit of \$4,313. With the life safety issues addressed by the CRA, that deficit would come down to \$1,700. With the fourth floor legally able to be used and the main floor and roof more appealing to commercial tenants, the income from the main floor, roof and fourth floor should be able to make up for the \$1,700 deficit.





FAMOS
CONSTRUCTION INC.
1-308-390-2455
Design & Build Contractor

FAMOS Construction Inc. is not a professional engineering or architectural firm. These plans are drawn according to the client's specifications.

Designed For: Anson Investment & Development

FAMOS Construction Inc. 217 Locust Anson Tower

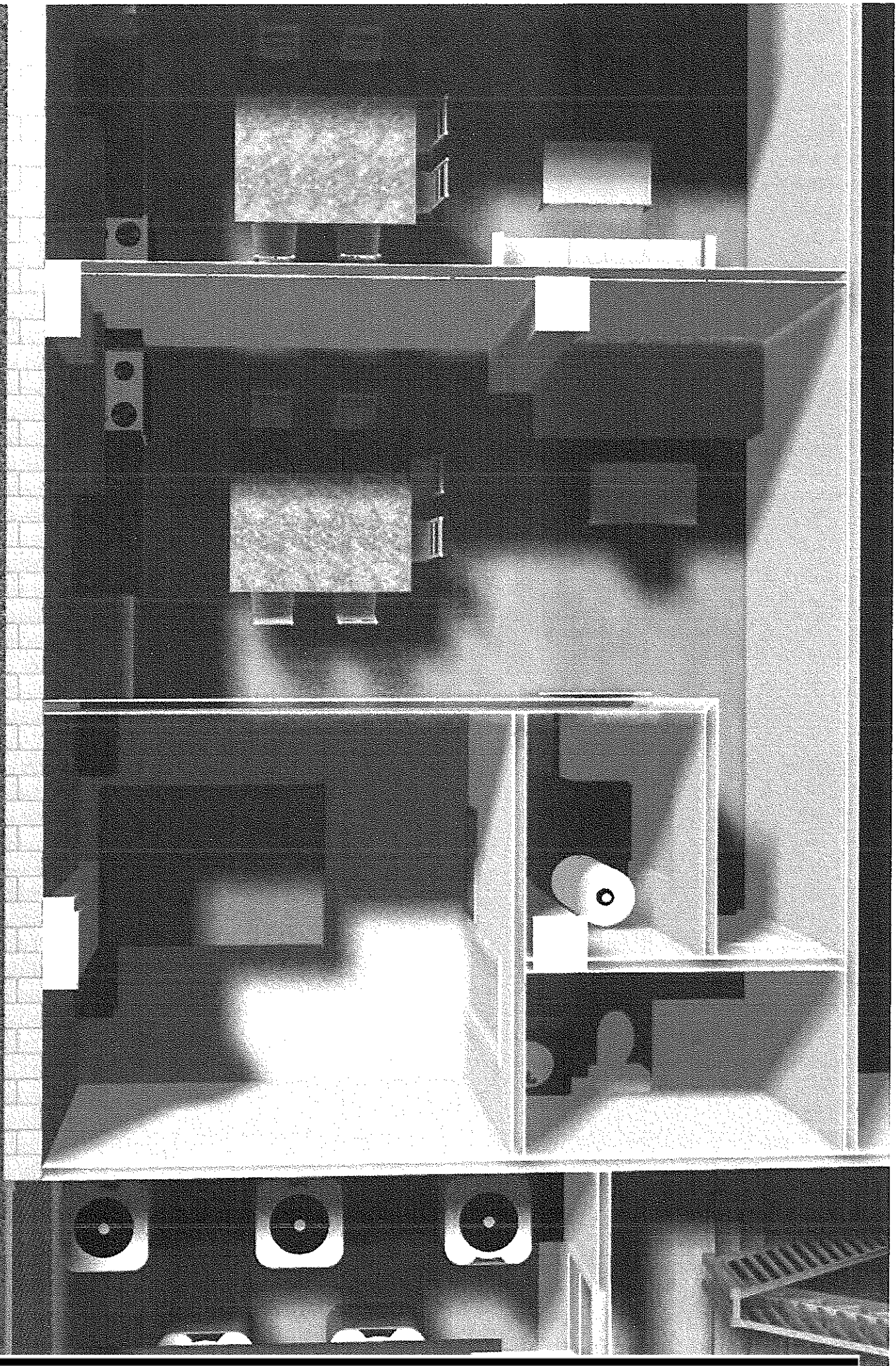
I have read and agree to the terms.

DRAWN BY: Amos

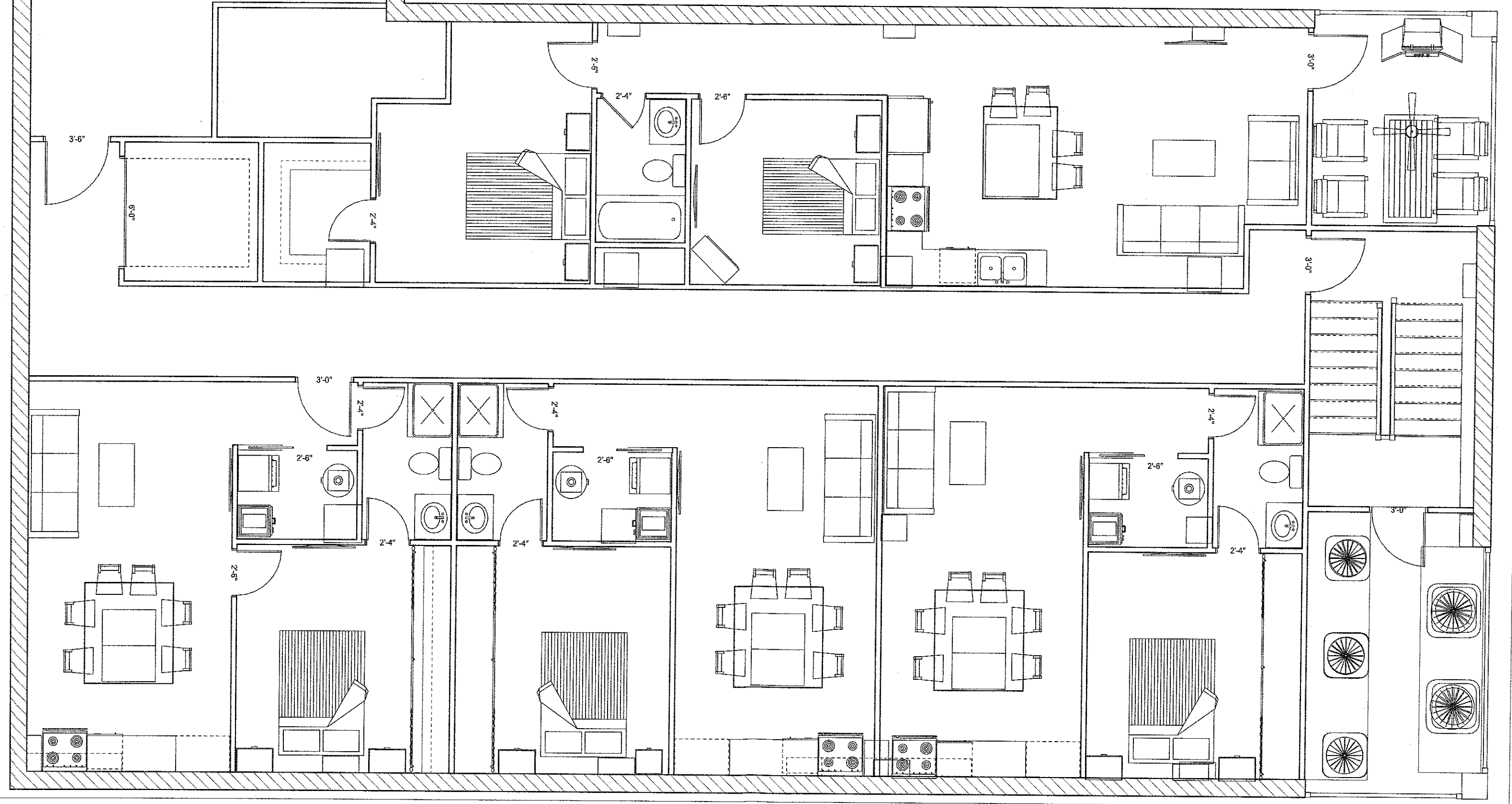
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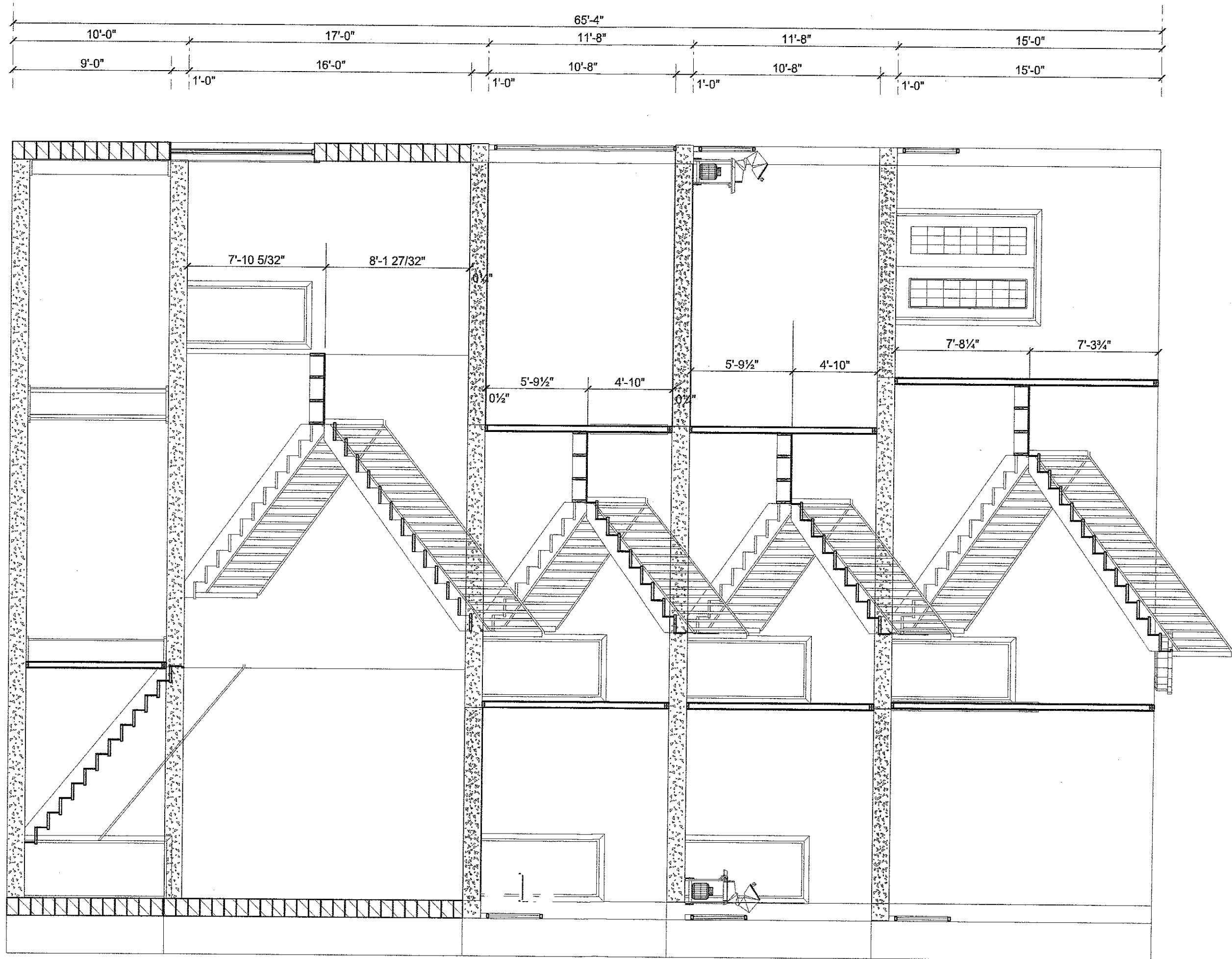
JOB NO.: 107

FLOOR PLAN: SCALE: 3/16" = 1' = 0"



FLOOR PLAN: SCALE: 3/16" = 1' - 0"







Community Redevelopment Authority (CRA)

**Wednesday, November 14, 2012
Regular Meeting**

Item H1

TIF Contract, 1135 S Locust, Auto One, Inc

Staff Contact: Chad Nabity

RESOLUTION NO. 153

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 Auto One, Inc. a Nebraska corporation (the "Redeveloper") for the construction and improvement of a redevelopment project of pursuant to a Redevelopment Plan Amendment for Grand Island CRA Area #2 (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 (Auto One, Inc. 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 (Auto One Project).

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

"Closing" means the date of issuance of any Note, but not before _____, 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 #2, 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 November ___, 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 #2.

(c) Exhibit C: Real Estate Pledged for January 1, 2014 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 (Auto One 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 \$159,000.00, and shall be dated as of the date of its issuance. No other Note related to this redevelopment project shall be

issued. The Note shall finally mature on December 31, 2028. 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 2015 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 Auto One, Inc. on such date selected by the Authority but before _____, 2012, in exchange for the grant provided in the redevelopment contract between Auto One 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 (Auto One, Inc. 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, 2015, 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, 2014, 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 (Auto One, Inc. 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 Auto One, Inc., 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 Auto One 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 Auto One. 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

Auto One, Inc. 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: Chad Nabity
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
AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(AUTO ONE PROJECT)

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$159,000	0.00%	December 31, 2028

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 the registered holder hereof, 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, 2028. This Note shall also be subject to mandatory partial redemption, without notice, on each June 1 and December 1, ("Payment Date") beginning June 1, 2015, 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 One Hundred Fifty Nine Thousand and no one hundredths Dollars (\$159,000.00) 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, 2028.

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.

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

[illegible]

Exhibit B

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

EXHIBIT C

DESCRIPTION OF PREMISES

Pledged with an effective date of January 1, 2014

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

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the ____th day of _____, 2012, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (**“Authority”**), and Auto One, Inc., a corporation (**“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 rehabilitation costs to the existing commercial building on a portion of 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 Auto One, Inc., a corporation.

“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 a corporation, 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 1 of Dowd Subdivision, in 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, 2014.

(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

The Authority shall execute and deliver to the Redeveloper, as Purchaser, at closing, the TIF Indebtedness 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. \$5,000 for legal expenses of Authority
- b. \$1,000 for City administrative accounting of incremental tax payments.
- c. \$500 for Authority administrative fees.

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 Five Hundred Seventy Five Thousand Dollars (\$575,000) no later than January 1, 2015. 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 Five Hundred Seventy Five Thousand Dollars (\$575,000) 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, 2015, 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

Auto One, Inc.

President

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 _____, President of Auto One, Inc., on behalf of the company.

Notary Public

EXHIBIT A

DESCRIPTION OF REDEVELOPMENT AREA

Lot 1 of Dowd Subdivision, in 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
(AUTO ONE PROJECT)

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$159,000	0.00%	December 31, 2028

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 the registered holder hereof, 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, 2028. This Note shall also be subject to mandatory partial redemption, without notice, on each June 1 and December 1, ("Payment Date") beginning June 1, 2015, 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 One Hundred Fifty Nine Thousand and no one hundredths Dollars (\$159,000.00) 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, 2028.

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.

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	Auto One, Inc.	_____

B- 1

EXHIBIT C

PROJECT COSTS

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

1. Existing building rehabilitation	\$150,000
2. Financing and audit	\$ 2,500
3. Authority costs	<u>\$ 6,500</u>
TOTAL	\$159,000



Community Redevelopment Authority (CRA)

Wednesday, November 14, 2012
Regular Meeting

Item H2

**TIF Contract, 1103 St. Paul Rd., Grand Island Area Habitat for
Humanity**

Staff Contact: Chad Nabity

RESOLUTION 154

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 Grand Island Area Habitat for Humanity, a Nebraska corporation (the "Redeveloper") for the construction and improvement of a redevelopment project of pursuant to a Redevelopment Plan Amendment for Grand Island CRA Area #1 (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 (Grand Island Area Habitat for Humanity, 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 (Grand Island Habitat for Humanity Project).

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

"Closing" means the date of issuance of any Note, but not before _____, 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 #1, 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 November ___, 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 #1.

(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 (Grand Island Area Habitat for Humanity 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 \$66,000.00, and shall be dated as of the date of its issuance. 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 Grand Island Area Habitat for Humanity, on such date selected by the Authority but before _____, 2012 and not later than December 1, 2012, in exchange for the grant provided in the redevelopment contract between Grand Island Habitat for Humanity 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 (Grand Island Area Habitat for Humanity, 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 are 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 (Grand Island Area Habitat for Humanity, 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 Grand Island Area Habitat for Humanity,, 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 Grand Island Habitat for Humanity 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 Grand Island Habitat for Humanity. 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

Grand Island Habitat for Humanity, 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: Chad Nabity
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
AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(GRAND ISLAND AREA HABITAT FOR HUMANITY PROJECT)

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$66,000	0.00%	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 the registered holder hereof, 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, 2014, 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 Sixty Six Thousand and no one hundredths Dollars (\$66,000.00) 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.

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	Grand Island Area Habitat for Humanity	_____

Exhibit B

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

EXHIBIT C

DESCRIPTION OF PREMISES

Pledged with an effective date of January 1, 2013

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

REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the ____th day of _____, 2012, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (**“Authority”**), and Grand Island Habitat for Humanity, a corporation (**“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 rehabilitation costs to the existing commercial building on a portion of 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 Grand Island Habitat for Humanity, a corporation.

“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 a corporation, 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: Lots 8, 9, 10, 11 and 12 Pleasant Hill 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, 2014.

(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

The Authority shall execute and deliver to the Redeveloper, as Purchaser, at closing, the TIF Indebtedness 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. \$1,750 for legal expenses of Authority (Should this be \$1250 or is our price going up)
- b. \$1,000 for City administrative accounting of incremental tax payments.
- c. \$500 for Authority administrative fees.

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 One Hundred Ninety Thousand Dollars (\$190,000) no later than January 1, 2013. During the period that any TIF Indebtedness is outstanding, neither the Redeveloper, nor its assigns, will 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 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. (Need to address selling these properties)

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, 2015, 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 or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Authority under this Redevelopment Contract shall be the issuance of the 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, 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

Grand Island Habitat for Humanity

President

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 _____, President of Grand Island Habitat for Humanity, on behalf
of the company.

Notary Public

EXHIBIT A

DESCRIPTION OF REDEVELOPMENT AREA

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

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
(HABITAT FOR HUMANITY PROJECT)

Principal Amount
\$66,000

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 the registered holder hereof, 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, 2014, 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 Sixty Six Thousand and no one hundredths Dollars (\$66,000.00) 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.

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	Grand Island Habitat for Humanity	_____

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EXHIBIT C

PROJECT COSTS

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

1. Existing building rehabilitation	\$47,673
2. Demolition & site preparation	\$19,000
3. Authority costs	\$ 2,750
4. Engineering	\$ 1,500
5. Administrative fee City	<u>\$ 500</u>
TOTAL	\$71,513 (exceeds TIF proceeds)