



Community Redevelopment Authority (CRA)

Wednesday, May 29, 2013
Regular Meeting

Item J1

Chief TIF Resolution & Contract

Staff Contact: Chad Nabity

**CITY OF GRAND ISLAND
COMMUNITY REDEVELOPMENT AUTHORITY**

RESOLUTION NO. 158

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA, APPROVING THE
REDEVELOPMENT CONTRACT AND REDEVELOPMENT PLAN AND
AUTHORIZING THE ISSUANCE OF TAX INCREMENT REVENUE NOTES
(CHIEF INDUSTRIES PROJECT) SERIES 2013 A AND SERIES 2013 B.

WHEREAS, the Community Redevelopment Authority of the City of Grand Island, Nebraska ("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, notes 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, notes or other obligations for the purpose of making funds available for the acquisition, construction and improvement of a Redevelopment Project of Chief Industries, Inc. ("Chief") and related infrastructure pursuant to a Redevelopment Contract ("Redevelopment Contract"); and

WHEREAS, the Redevelopment Authority has made the necessary arrangements for financing a portion of the costs of the development project in part by issuing Community Development Revenue Notes (Chief Project), in the form of fully registered Notes without coupons (the "Notes" or "Series 2013 Notes") of the Redevelopment Authority and for use of the proceeds of the Notes in connection with the project, in amounts determined pursuant to Sections 2.01, 2.04A and 2.04B; and

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

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

NOW, THEREFORE, BE IT RESOLVED and expressly declared, that the Notes shall be issued and delivered upon and subject to the terms, conditions, stipulations, uses and purposes as hereinafter expressed, which are:

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, and Sections 18-2101 through 18-2154 of the Nebraska Revised Statutes, as amended, known as the Nebraska Community Development Law and acts amendatory thereof and supplemental thereto.

“Authorized Representative” means the person at the time designated to act on behalf of Chief by written certificate furnished to the Noteholders and the Authority, containing the specimen signature of such person. Such certificate may designate an alternate or alternates.

“Authorized Issuer Representative” means the person at the time designated to act on behalf of the Authority by written certificate furnished to Chief and the Noteholders containing the specimen signature of such person and signed on behalf of the Authority by its Chair or Vice Chair. Such certificate may designate an alternate or alternates.

"Note" means the Redevelopment Authority 's Community Development Revenue Notes (Chief Industries, Project) Series A and B.

“Noteholder” means the holders of the Note from time to time outstanding.

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

“Closing” means the date of issuance of any Note.

“Collateral” means all property pledged as security for the Noteholders pursuant to Section 5.01 of this Note Resolution.

“Chief” means Chief Industries, Inc., its successors and assigns, and any resulting or transferee corporation or entity.

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

“Governing Body” means the members of the Authority.

“Paying Agent” means the paying agent with respect to the Note appointed pursuant to Section 11.01 of this Note Resolution.

“Project” means the real property and improvements to be constructed thereon, as further described in Exhibit B attached hereto and incorporated herein by reference.

“Project Costs” means only costs or expenses incurred by Chief and Authority to acquire the Project and to acquire, improve and prepare for development and redevelopment an industrial area and related infrastructure costs, including but not limited to costs of engineering, streets, curbs, gutters, water mains, sanitary sewer lines and lift stations, storm sewer lines, retention ponds and related facilities, including reimbursement for any such costs, in the City of Grand Island, Hall County, Nebraska, pursuant to the Act and shall include costs of issuing the Note.

“Redevelopment Contract” means the redevelopment contract between the Authority and Chief dated _____, 2013, with respect to the Project.

“Redevelopment Plan” means the Redevelopment Plan submitted by Chief with respect to the Project, as set forth in the Redevelopment Contract 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 11.01 of this Note Resolution.

“Resolution” means this Note Resolution of the Authority adopted on _____, 2013, 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 ad valorem property taxes pledged to payment of the Note in accordance with Sections 18-2147 and 18-2150 of the Act, including those pledged pursuant to this Note Resolution and those pledged hereafter by action of the Authority pursuant to redevelopment plan amendments, as described in the Redevelopment Contract.

Section 1.02 Provisions as to Interpretation.

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

- (a) This Note Resolution shall be interpreted in accordance with and governed by the laws of the State of Nebraska.
- (b) Wherever in this Note 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 Note 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 Note 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 Note Resolution:

- (a) Exhibit A: Form of Series 2013 A Note.
- (b) Exhibit B: Form of Series 2013 B Note.
- (c) Exhibit C: Description of Premises and Project.
- (c) Exhibit D: Real Estate Pledged for January 1, 2014.

ARTICLE II

THE NOTES

Section 2.01. Form and Maturity of Notes.

The Notes 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 two or more series designated "Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Notes (Chief Project), Series ____". The Redevelopment Authority shall issue one Series A Note, designated "Series 2013 A Notes", and one or more series of "B" Notes, "Series 2013 B Notes". The Notes shall be substantially in the form and of the tenor as set forth in the form of the Notes attached hereto as Exhibit A (Series A Notes) and Exhibit B (Series B Notes) with such appropriate variations, omissions and insertions as are permitted or required by this

Resolution.

The Series A Note shall be issued in one series in the amount of \$579,870.00, and shall be dated as of the date its issuance. No other Series "A" Notes shall be issued. The Series A Notes shall finally mature on December 31, 2028. The Series A Note shall bear interest at the rate of zero percent (0.00%) per annum from and after the date of issuance of such Note.

The Series B Note shall be issued in one series in the amount of \$100,000.00, and shall be dated as of the date its issuance. No other Series "B" Notes shall be issued. The Series "B" Notes shall finally mature on December 31, 2028. The Series "B" Note shall bear interest at the rate of zero percent (0.00%) per annum from and after the date of issuance of such Note.

Principal and interest on the Notes 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 Noteholders in whose name a Note is registered as of the 15th calendar day (whether or not a business day) next preceding the interest payment date at his address as it appears on the registration books of the Registrar.

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

Section 2.02 Execution. Limited Obligation.

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

The Notes shall not be a general obligation of the Redevelopment Authority, but only a limited obligation payable solely from the tax increment revenues

pledged as security for the Notes, and from any other security pledged by Chief pursuant to the Redevelopment Contract or other financing documents (except to the extent paid out of monies attributable to income from the temporary investment of the proceeds of the Notes) and shall be a valid claim of the registered owner thereof and otherwise secured for the payment of the Notes and shall be used for no other purpose than to pay the principal and interest on the Notes, except as may be otherwise expressly authorized by this Note Resolution.

Neither the Redevelopment 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 Notes 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 Redevelopment 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 Notes or the interest thereon or other costs incident thereto. The Notes shall never constitute an indebtedness of the Redevelopment Authority or the City within the meaning of any state constitutional provision or statutory limitation, nor shall the Notes or the interest thereon ever give rise to any pecuniary liability of the Redevelopment Authority or the City or a charge against its general credit or taxing powers.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Note are insufficient to pay in full all amounts due and owing on December 31, 2028, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Grand Island, Nebraska, and have been paid, as required by the Redevelopment Agreement and this Note Resolution, towards the retirement of the amounts due hereunder, then, on December 31, 2028, neither the Redevelopment Authority or the City of Grand Island, Nebraska, shall have any further payment or other obligations under this Note and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Redevelopment Authority or the City.

Section 2.03 Registration and Authentication of Notes.

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

Section 2.04A Conditions for Delivery of Series A Notes.

The Redevelopment Authority shall execute and deliver the Series A Notes to the Noteholders or to their assigns, on such date selected by the Authority, provided that Chief is not then in default under the Redevelopment Contract, and upon the filing with the Secretary of the Redevelopment Authority the following:

- (a) A certified copy of this Note Resolution;

Section 2.04B Conditions for Delivery of Series B Notes.

The Redevelopment Authority shall execute and deliver the Series "B" Notes, to the Authority for purposes of reimbursing the Authority for a grant made to Chief as part of the Redevelopment Plan related to the Redevelopment Project, upon issuance thereof.

Section 2.05 Registration of Notes.

Ownership of the Notes 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 Notes and any interest thereon, 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 and interest 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 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 the 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

One hundred percent of the proceeds of the Series 2013 A Note shall be granted to Chief upon receipt of such proceeds and used by Chief to pay Project Costs pursuant to the Redevelopment Contract.

One hundred percent of the proceeds of the Series 2013 B Note shall be granted to the Authority upon receipt of such proceeds to reimburse the Authority for a grant made to Chief to pay Project Costs pursuant to the Redevelopment Contract.

ARTICLE IV

PAYMENT OF NOTE

Section 4.01 Debt Service Fund.

There is hereby created and established a separate fund for the Series 2013 A Note and a separate fund for the Series 2013 B Note 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 (Chief Project), Debt Service Fund Series 2013 A" and a Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), Debt Service Fund Series 2013 B" into which the Authority shall make the following deposits as to each fund:

- (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 from the respective incremental ad valorem TIF Revenues pledged for payment of respective such Note;
- (c) All other monies required to be deposited in the Debt Service Fund pursuant to any provision of the Redevelopment Contract or this Note Resolution; and
- (d) All Tax Increment Revenues received by the Authority with respect to Redevelopment Plan Amendments with respect to the Project.

Section 4.02 Pledge of Debt Service Funds.

The monies and investments in the respective Debt Service Funds 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. That is to say, the funds deposited to and held in the ACommunity Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), Debt Service Fund Series 2013 A” are pledged to the payment of the Series 2013 A Note; and the funds deposited to and held in the Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), Debt Service Fund Series 2013 B” are pledged to the payment of the Series 2013 B Note.

Section 4.03 Funds Held in Trust or Secured.

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

Section 4.04 Application of Funds.

If at any time the monies and investments in the Debt Service Funds 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:

- (a) Unless the principal of all of the Note shall have become or shall have been declared due and payable, all such monies shall be applied in the following order:

FIRST:

To the payment of all installments of interest then due and payable on the Note in the order in which such installments of interest became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective interests specified in the Note;

SECOND:

To the payment of all principal then due and payable on the Note which shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of the Note due and payable, then ratably to the payment of such principal due on such date, to the persons entitled thereto, without discrimination.

Section 4.05 Redemption of Note Before Maturity.

- (a) The Series 2013 A Note is callable for redemption at any time in whole or in part, without premium, in the event Chief directs the Authority that it wishes to prepay the Note.
- (b) Both the Series 2013 A and Series 2013 B Notes are also callable for redemption in the event the registered owner thereof has declared the entire unpaid principal amount at the time outstanding to be payable due to an Event of Default as that term is defined in this Note Resolution, which shall have occurred and be continuing upon the conditions, in the manner and with the effect provided in this Note Resolution.
- (c) Both the Series 2013 A and Series 2013 B Notes shall also be subject to mandatory partial redemption, without notice, on each interest payment date from all funds to be available in the respective Debt Service Funds, 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, after payment of all accrued but unpaid interest on each interest payment date (which funds are referred to in this Note Resolution as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each interest payment date and shall be remitted to the registered owner of the Note with interest payments. 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 Noteholders not less than thirty 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 on such principal amount accrued to such date. The principal amount of the Note so called for

prepayment or redemption will cease to bear interest after the specified prepayment or redemption date provided funds for such prepayment or redemption are paid to the Noteholders at that time in cash or certified funds; but, if the Series 2013 A Note has been called for payment at the option of Chief and is not prepaid or redeemed as required, the unpaid principal balance shall thereafter bear interest until paid.

Section 4.07 Investment of Funds.

Monies on deposit to the credit of the respective Debt Service Funds 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 respective Debt Service Funds remaining after payment of principal and interest on the Note in full shall, if neither Chief nor the Authority are then in default under the Redevelopment Contract or this Note Resolution, immediately be paid to Authority and shall no longer be subject to this Note Resolution.

ARTICLE V

SECURITY FOR THE SERIES 2013 A 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 of the Authority by approving the Project and by providing that any ad valorem tax on real property in the Redevelopment 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 on Exhibit D.
- (b) In accordance with Section 18-2150 of the Act, the Tax Increment Revenues divided pursuant to subsection (a) hereof are hereby pledged for payment of principal, premium, if any, and interest on the Series 2013 A Note. The Authority shall execute a notice with the City providing for such pledge of taxes and shall file a copy of such notice with the Hall County Clerk, Hall County Treasurer and Hall County Assessor.

ARTICLE VI

SECURITY FOR THE SERIES 2013 B NOTE

Section 6.01 Pledge of Tax Increment Revenues as Security.

- (a) In accordance with Section 18-2147 of the Act, the Authority hereby adopts the Redevelopment Plan of the Authority by approving the Project and by providing that any ad valorem tax on real property in the Redevelopment 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 on Exhibit D.
- (b) In accordance with Section 18-2150 of the Act, the Tax Increment Revenues divided pursuant to subsection (a) hereof are hereby pledged for payment of principal, premium, if any, and interest on the Series 2013 B Note, PROVIDED, HOWEVER, IN ALL EVENTS, THE PLEDGE OF SECURITY FOR THE 2013 B NOTES SHALL BE JUNIOR AND INFERIOR TO THE PLEDGE OF SECURITY FOR THE 2013 A NOTES, AND NO PAYMENTS SHALL BE MADE ON THE 2013 B NOTES UNTIL THE 2013 A NOTES SHALL HAVE BEEN PAID AND REDEEMED.

ARTICLE VII

LEGAL AUTHORIZATION; FINDINGS

Section 7.01 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 thereon, and to issue and sell its development 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 Note Resolution.

Section 7.02 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 by 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;
- (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; and

ARTICLE VIII

AUTHORIZATION TO EXECUTE DOCUMENTS AND ISSUE NOTE

Section 8.01 Approval and Authorization of Documents.

The Redevelopment Contract in the form and content presented to the Authority on this date, is in all respects hereby approved, authorized and confirmed, and the Chair or Vice Chair of the Authority and the Secretary be and they are hereby authorized and directed to execute and deliver the Redevelopment Contract in substantially the form and content as presented to the Authority on this date, but with such changes, modifications, additions and deletions therein as shall to them seem necessary, desirable or appropriate, for and on behalf of the Authority.

Section 8.02 Authorization to Issue Notes.

The issuance and delivery of the Community Redevelopment Authority of the City of Grand Island, Nebraska, Community Development Revenue Note (Chief Project), in the form and content set forth in Exhibits A and B 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 the Noteholder's order, upon satisfaction of conditions for delivery pursuant to this resolution, and to deposit the proceeds thereon to be applied in the manner set forth in

Articles III and IV hereof. The proceeds of the Series 2013 A Note may be offset against the grant to Chief.

Section 8.03 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 8.04 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 acquisition of the Project.

Section 8.05 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 Note 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 IX

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 9.01 First Lien.

The lien on Tax Increment Revenues created by this Note 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 Note Resolution.

Section 9.02 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 Notes executed and delivered here 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 of the faith or credit of the Authority or the City or (ii) grant to the Noteholders 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 Note Resolution.

Section 9.03 Extensions of Payment of Note and Interest.

It will not directly or indirectly extend or assent to the extension of the due date of any installment of principal, premium, if any, or interest 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 9.04 Authority of the Issuer.

It is duly authorized under the Constitution and laws of the State of Nebraska to provide funds to acquire, 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 9.05 Further Assurances.

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

Section 9.06 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 Noteholders.

Section 9.07 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 this Note Resolution, and will not suffer or permit any default to occur under this Note 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 Note 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 Note Resolution.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default.

The following shall be "Events of Default" under this Note Resolution and the term "Event of Default" shall mean, whenever used in this Note Resolution, any one or more of the following events:

- (a) If the Authority fails to pay any installment of principal and interest, if any, on any Note when the same shall become due and payable (whether at maturity, on acceleration or otherwise) and such failure shall continue for a period of seven business days after written notice thereof shall have been given to the Authority by the holder of the Note; or
- (b) Upon Event of Default by Chief occurs under the Redevelopment Contract; or
- (c) If any representation or warranty made by the Authority in this Note Resolution is or was, at the time it is made, false or misleading in any material respect.

Section 10.02 Remedies.

- (a) Upon the occurrence of an Event of Default, the holders of a majority of outstanding principal amount of any series of the Note may declare the entire unpaid principal of and accrued interest on such series of Note, and including all sums advanced hereunder to be forthwith due and payable. Upon such declaration, all outstanding Notes of all series, including principal and all interest thereof, shall be and become immediately due and payable without presentment, demand or further notice of any kind;
- (b) Upon the occurrence and continuation of an Event of Default, or in case the principal of the Note shall have become due and payable, whether by lapse of time or by acceleration, then and in every such case the Noteholders may proceed to protect and enforce their rights by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein, or in the Note, or in aid of the execution of any power herein or therein granted, or for the enforcement of any other appropriate legal or equitable remedy;
- (c) Notwithstanding any provision herein or under the Redevelopment Contract or this Note Resolution to the contrary, all monies paid or collected with respect to the Authority's, City's or Chief's obligations under this Note Resolution or the Redevelopment Contract shall, after payment of expenses as provided in Section

9.04(a) of this Note Resolution, be deposited in the Debt Service Fund and shall be paid and applied as provided in Section 4.04 of this Note Resolution.

Section 10.03 Proceeds of Sale.

Upon any receipt of funds pursuant to enforcement of remedies hereunder, such proceeds shall be paid in the following order:

- (a) All court costs, attorneys' fees, receivers' fees and receivership expenses, appraiser's fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title, all of which fees and expenses shall be reasonable.
- (b) As provided in Section 4.04 of this Note Resolution.

The proceeds of any sale shall be distributed and applied to the items described in (a) and (b), in the order of their listing, and any surplus of the proceeds of such sale shall be paid to City.

Section 10.04 Waiver of Event of Default; Forbearance.

The Noteholders may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal. No forbearance by the Noteholders in the exercise of any right or remedy hereunder shall affect the ability of the Noteholders to thereafter exercise any such right or remedy.

ARTICLE XI

PAYING AGENT AND REGISTRAR

Section 11.01 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 Noteholders 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 11.02 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 11.03 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 11.04 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, City or Chief in the same manner and to the same extent and with like effect as though it were not Paying Agent and Registrar hereunder.

Section 11.05 Resignation.

The Paying Agent and Registrar may resign and be discharged by giving to the Authority, Chief and the Noteholders thirty 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 Noteholders 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 Note 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 Noteholders.

Section 11.06 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 bankrupt 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 Series 2013 A Note hereby secured and then outstanding by an instrument or instruments in writing filed with the Paying Agent and Registrar and executed by such Noteholders, notification thereof being given to the Authority and Chief. If no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this paragraph within thirty 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 XII

MISCELLANEOUS

Section 12.01 Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Note Resolution or in the Note is intended or shall be construed to give to any person other than the Authority, Chief and the Noteholders 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, Chief and the Noteholders as herein provided.

Section 12.02 Supplemental Resolutions.

The Authority may, upon the request of and with the written consent of Chief and the Noteholders, pass and execute resolutions supplemental to this Note Resolution which shall not be inconsistent with the terms and provisions hereof.

Section 12.03 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 12.04 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, employee or agent of the Authority or the City 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 12.05 Incorporation of Act.

This Note 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, Nebraska Revised Statutes, as amended.

Section 12.06 Prior Resolutions.

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

Section 12.07 Effective Date.

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

Section 12.08 Notices to Parties.

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

IF TO THE AUTHORITY:

Grand Island Community Redevelopment Authority
Attention

IF TO Chief:

IF TO THE PAYING AGENT AND REGISTRAR:

Grand Island City Treasurer
City Hall
Grand Island,

Section 12.09 Captions.

The captions or headings in this Note Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Note 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 Note 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 REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

Chairman

ATTEST:

Secretary

Exhibit A

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY
REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(Chief PROJECT)
SERIES 2013 A

Principal Amount
\$579,870.00

Interest Rate Per Annum
0.0%

Final Maturity Date
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 owner designated on the reverse hereof, or registered assigns, 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 on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate of zero percent (0.0%) per annum, subject to limitation as set forth in the authorizing Resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, 2015, until December 31, 2028, at which time said Note is due and payable in full. This Note is subject to mandatory partial prepayment as provided in the Resolution of the Authority authorizing the issuance of this Note. The payment of principal and interest 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 interest and of mandatory partial redemption of principal on each interest 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 records 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 interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this Note on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

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 plus accrued interest to the date fixed for redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this Note at said registered owner's address in

the manner provided in the Resolution authorizing this Note. The principal of this Note shall be subject to mandatory redemptions made in part on any interest payment date from available funds without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the Resolution authorizing this Note.

This Note is the single Note of its series of the total principal amount of Five Hundred Seventy Nine Thousand Eight Hundred Seventy and no one hundredths Dollars (\$579,870.00) 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 the Redevelopment Plan 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, Nebraska Revised Statutes, as amended, and has been duly authorized by resolution passed and approved by the Mayor and City Council of the City of Grand Island, acting as the governing body of the Authority (the "Resolution").

This Note constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, Nebraska Revised Statutes, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" as defined in the Resolution. Pursuant to the Resolution and Section 18-2150, Nebraska Revised Statutes, said portion of taxes has been pledged for the payment of this Note, both principal and interest as the same fall due or 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, Nebraska Revised Statutes) and neither the State of Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150, Nebraska Revised Statutes). 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. The Resolution authorizing said issue designates the terms upon which additional Notes payable from said taxes may be issued in the future.

This Note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Note for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the Resolution authorizing the issuance of this Note. The Authority, the Paying Agent and Registrar and any other person may treat the person in 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.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Note are insufficient to pay in full all amounts due and owing on December 31, 2028, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Grand Island, Nebraska,

and have been paid, as required by the Redevelopment Agreement and this Note, towards the retirement of the amounts due hereunder, then, on December 31, 2028, neither the Redevelopment Authority or the City of Grand Island, Nebraska, shall have any further payment or other obligations under this Note and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Redevelopment Authority or the City

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

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

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

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

Delivered this _____ day of May, 2013.

(SEAL)

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

By: _____
Chairman

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
Registrar

Signature of Paying

May _____, 2013

Chief Industries, Inc.

Exhibit B

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY
REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(Chief PROJECT)
SERIES 2013 A

Principal Amount
\$100,000.00

Interest Rate Per Annum
0.0%

Final Maturity Date
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 owner designated on the reverse hereof, or registered assigns, 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 on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate of zero percent (0.0%) per annum, subject to limitation as set forth in the authorizing Resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, 2015, until December 31, 2028, at which time said Note is due and payable in full. This Note is subject to mandatory partial prepayment as provided in the Resolution of the Authority authorizing the issuance of this Note. The payment of principal and interest 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 interest and of mandatory partial redemption of principal on each interest 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 records 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 interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this Note on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

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 plus accrued interest to the date fixed for redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this Note at said registered owner's address in

the manner provided in the Resolution authorizing this Note. The principal of this Note shall be subject to mandatory redemptions made in part on any interest payment date from available funds without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the Resolution authorizing this Note.

This Note is the single Note of its series of the total principal amount of One Hundred Thousand and no one hundredths Dollars (\$100,000.00) 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 the Redevelopment Plan 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, Nebraska Revised Statutes, as amended, and has been duly authorized by resolution passed and approved by the Mayor and City Council of the City of Grand Island, acting as the governing body of the Authority (the "Resolution").

This Note constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, Nebraska Revised Statutes, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" as defined in the Resolution. Pursuant to the Resolution and Section 18-2150, Nebraska Revised Statutes, said portion of taxes has been pledged for the payment of this Note, both principal and interest as the same fall due or 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, Nebraska Revised Statutes) and neither the State of Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150, Nebraska Revised Statutes). 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. The Resolution authorizing said issue designates the terms upon which additional Notes payable from said taxes may be issued in the future.

This Note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Note for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the Resolution authorizing the issuance of this Note. The Authority, the Paying Agent and Registrar and any other person may treat the person in 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.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Nebraska Revised Statutes and pursuant to the Redevelopment Plan and the Resolution authorizing the issuance of this Note are insufficient to pay in full all amounts due and owing on December 31, 2028, and all excess ad valorem taxes generated by the Redevelopment Project, as set forth in the Redevelopment Plan, have been collected by the City of Grand Island, Nebraska, and have been paid, as required by the Redevelopment Agreement and this Note, towards the

retirement of the amounts due hereunder, then, on December 31, 2028, neither the Redevelopment Authority or the City of Grand Island, Nebraska, shall have any further payment or other obligations under this Note and the Holder shall, in writing, waive and otherwise forgive any unpaid portion of the principal and interest upon the request of the Redevelopment Authority or the City

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

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

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

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

Delivered this ____ day of May, 2013.

(SEAL)

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

By: _____
Chairman

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
Registrar

May _____, 2013

Grand Island Community
Redevelopment Authority

EXHIBIT C
DESCRIPTION OF PROJECT

Acquisition of the real property comprising a part of the property described on **Exhibit D**, demolition of structures and site preparation pursuant to the MOU; prepare the same for development, install drives, streets, curb and gutter, foundations, pipe and underground electrical infrastructure, and related appurtenances to serve the property constituting the Project, including reimbursement of such expenses, related to the construction and installation of a 33,456 square foot manufacturing plant.

EXHIBIT D

DESCRIPTION OF PREMISES
Pledged with an effective date of January 1, 2014

Lot 1 of Chief Fab Second Subdivision, Grand Island, Hall County Nebraska.

REDEVELOPMENT CONTRACT

By and Between

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

and

CHIEF INDUSTRIES, INC.

Dated May ____, 2013

REDEVELOPMENT CONTRACT

This **REDEVELOPMENT CONTRACT** (the “**Contract**”), dated May ___, 2013, is made and entered into by and between the **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) and **CHIEF INDUSTRIES, INC., a Delaware corporation** (the “**Developer**”).

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska (the “**City**”), in furtherance of the purposes and pursuant to the provisions of Article VIII, Section 12 of the Nebraska Constitution and Sections 18-2101 to 18-2154, inclusive, *Neb. Rev. Stat.*, (2012), as amended (collectively the “**Act**”), and further pursuant to a Resolution duly passed and approved by the Mayor and Council of the City, has designated an area of the City as blighted and substandard and in need of redevelopment (the “**Blighted Area**”); and

WHEREAS, the parties have entered into a Memorandum of Understanding dated July 25th, 2012, (the “**MOU**”) related to the redevelopment of a portion of the Blighted Area; and

WHEREAS, the Developer desires to redevelop a portion of the Blighted Area by acquiring a site and preparing the same for redevelopment by the construction of an industrial building intended to house the Chief Industries, Inc. production facility (the “**Project**, as more fully described herein); and

WHEREAS, the construction of the Project will further the purposes of the Act by remediating certain blighted and substandard conditions existing in the Redevelopment Area; and

WHEREAS, the Authority and the Developer desire to enter into this Contract for the purpose of setting forth the general terms and conditions under which the Developer will construct the Project and receive tax increment financing assistance from the Authority in respect thereof.

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions of Words and Terms. In addition to words and terms defined elsewhere in this Contract, the following words and terms used herein have the following meanings:

“**Act**” means, collectively, Article VIII, Section 12 of the Nebraska Constitution and Sections 18-2101 to 18-2154, inclusive, *Neb. Rev. Stat.*, (2012), as amended, and acts amendatory thereof and supplemental thereto.

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

“**TIF Resolution**” means any resolution passed and approved by the Authority authorizing the issuance of any series of TIF Indebtedness.

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

“Completion Certificate” means a certificate in substantially the form attached hereto as **Exhibit E**, executed by the Officer, representing and warranting that the Project is substantially complete.

“Contract” means this Redevelopment Contract between the Authority and the Developer, as supplemented or amended from time to time in accordance with its terms.

“Construction Plans” means the plans and specifications for the construction of the Project approved by the City and all other requisite governmental authorities.

“County Assessor” means the Assessor of the County of Hall, Nebraska, or such other official acting in such capacity.

“County Treasurer” means the Treasurer of the County of Hall, Nebraska, or such other official acting in such capacity.

“Developer” means Chief Industries, Inc., a Delaware corporation.

“Lender” means the original purchaser or purchasers of any series of TIF Indebtedness, including, if and when applicable, the Developer.

“Officer” means the Officer of the Developer, or such other person as is duly authorized to act on behalf of and legally bind the Developer.

“Permitted Subsequent Approvals” means the building permits and other governmental approvals customarily obtained prior to construction which have not been obtained on the date that this Contract is executed, which the City or other governmental entity has not yet determined to grant.

“Project” means the construction of the improvements described in **Exhibit B** attached hereto.

“Project Costs” means those costs or expenses identified on **Exhibit D** attached hereto incurred by the Developer in accordance with the Act to acquire, construct, equip, and furnish the Project.

“Redevelopment Area” means that certain real property legally described on **Exhibit A**, all of which has been declared blighted and substandard by the City pursuant to the Act.

“Redevelopment Plan” means the redevelopment plan amendment for Grand Island CRA Area #8 related to the Project and approved by the Grand Island City Council.

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

“TIF Revenues” means the incremental ad valorem taxes on real property in the Redevelopment Area described in Section 18-2147(1) (b) of the Act, which will be allocated and paid to the Authority pursuant to the Act.

Section 1.02. Rules of Interpretation.

- (a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.
- (b) Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.
- (c) All references in this Contract to designated "Articles," "Sections," and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions hereof as originally executed.
- (d) The words "herein," "hereof," "hereunder," and other words of similar import refer to this Contract as a whole and not to any particular Article, Section or subdivision.

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations by the Authority. The Authority makes the following representations as the basis for the undertakings on its part herein contained:

- (a) The Authority has been duly organized and validly exists as a community Redevelopment Authority under and pursuant to the Act.
- (b) The Redevelopment Plan is feasible and in conformity with the general plan for the development of the City and the legislative declarations and determinations set forth in the Act.
- (c) The Project will achieve the public purposes of the Act by, among other things, improving public infrastructure, increasing the tax base, and lessening blighted and substandard conditions in the Redevelopment Area.
- (d) Based on the representations of the Developer the Project would not be economically feasible without the use of tax-increment financing; the Project would not occur in the Redevelopment Area without the use of tax-increment financing; and the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the City, 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 interests of the City.
- (e) The Authority has determined that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purpose of accomplishing 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.

- (f) To the best of the Authority's knowledge, there is no litigation, proceeding, or investigation pending or, to the knowledge of the Authority, threatened against the Authority or the City with respect to the Project or this Contract. In addition, no litigation, proceeding or investigation is pending or, to the knowledge of the Authority, threatened against the Authority or the City seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of this Contract or which would in any manner challenge or adversely affect the existence or powers of the Authority to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Authority of the terms and provisions of this Contract.
- (g) No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body or corporate entity in connection with the execution and delivery by the Authority of this Contract.
- (h) No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Authority under this Contract.
- (i) The Authority has no reason to believe that all permits, licenses, and approvals necessary to construct the Project, including the approval of the Construction Plans, cannot be obtained by the Developer.

Section 2.02. Representations by the Developer. The Developer makes the following representations as the basis for the undertakings on its part herein contained:

- (a) The Developer has all necessary power and authority to execute and deliver and perform the terms and obligations of this Contract and to execute and deliver the documents required of the Developer herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Accordingly, this Contract constitutes the legal, valid, and binding obligation of the Developer, enforceable in accordance with its terms.
- (b) The execution and delivery of this Contract, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate or organizational restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing.
- (c) No litigation, proceeding, or investigation is pending or, to the knowledge of the Developer, threatened against the Developer or any member of the Developer or the Project. In addition, no litigation, proceeding, or investigation is pending or, to the knowledge of the Developer, threatened against the Developer seeking to restrain, enjoin or in any way limit

the approval or issuance and delivery of this Contract or which would in any manner challenge or adversely affect the existence or powers of the Developer to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity, or performance by the Developer of the terms and provisions of this Contract.

- (d) The Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business except for the transactions contemplated by this Contract (including the transactions between the Developer and its Senior Credit Facility), and there has been no material adverse change in the business, financial position, prospects or results of operations of the Developer, which could affect the Developer's ability to perform its obligations pursuant to this Contract from that shown in the financial information provided by the Developer to the City prior to the execution of this Contract.
- (e) No default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default in any material respect on the part of the Developer under this Contract, or any other material agreement or material instrument to which the Developer is a party or by which the Developer is or may be bound.
- (f) Except for Permitted Subsequent Approvals, the Developer has received and is in good standing with respect to all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business as heretofore conducted by it and to own or lease and operate its properties as now owned or leased by it. Except for Permitted Subsequent Approvals, the Developer has obtained all certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to acquire, construct, equip, operate and maintain the Project. The Developer has no reason to believe that all such certificates, licenses, consents, permits, authorizations or approvals which have not yet been obtained will not be obtained in due course.
- (g) Except for Permitted Subsequent Approvals, all governmental permits and licenses required by applicable law to construct, occupy and operate the Project have been issued and are in full force and effect or, if the present stage of development does not allow such issuance, the Developer has no reason to believe, after due inquiry of the appropriate governmental officials, that such permits and licenses will not be issued in a timely manner in order to permit the Project to be constructed.
- (h) The Developer is in compliance with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations as contemplated by this Contract.
- (i) The information furnished to the City by the Developer in connection with the matters covered in this Contract is true and correct and does not contain any untrue statement of any material fact and does not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

- (j) The Project would not be economically feasible without the use of tax-increment financing; and the Project would not occur in the Redevelopment Area without the use of tax-increment financing.

Section 2.03. Conditions to Effective Date of this Contract. This Contract shall not become effective until each of the following has been completed: the Developer has furnished the Authority with (a) a copy of the Developer's Certificate of Authority certified by the Secretary of State of the State of Nebraska, and (b) a legal opinion from counsel to the Developer in form and substance acceptable to the Authority covering: (1) the due organization of the Developer and the power and authority of the Developer to execute this Contract; and (2) the enforceability of this Contract against the Developer.

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 real property in the Redevelopment Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision, which shall be January 1, 2014, as follows:

- (a) That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation (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 portion of the ad valorem tax on real property in the Redevelopment Area in excess of such amount, 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, advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Authority for financing or refinancing, in whole or in part, the Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due have been paid, the Authority shall so notify the County Assessor and the County Treasurer and all ad valorem taxes upon real property in the Redevelopment Area shall thereafter be paid into the funds of the respective public bodies.

Section 3.02. Issuance of TIF Indebtedness. The Authority hereby agrees to incur TIF Indebtedness, including refunding TIF Indebtedness, in one or more series in accordance with the general terms and conditions specified on **Exhibit C**, so long as the conditions precedent described in **Section 3.03** have been satisfied for such series of TIF Indebtedness. The final terms and conditions of each series of TIF Indebtedness, including, without limitation, any applicable coverage ratio, debt service reserve, or other credit enhancement for such series of TIF Indebtedness, shall be stated in the TIF Resolution authorizing such series of TIF Indebtedness, subject to the mutual acceptance of such terms by the Authority and the Developer, which acceptance shall not be unreasonably withheld. Notwithstanding the foregoing, it shall be the sole and exclusive responsibility of the Developer to find an acceptable purchaser for each series of TIF Indebtedness issued by the Authority pursuant to this Contract.

Section 3.03. Conditions Precedent to TIF Indebtedness. Notwithstanding anything in this Contract to the contrary, prior to the issuance of any series of TIF Indebtedness the Developer shall

submit satisfactory evidence to the Authority (unless waived by the Authority in its sole discretion) indicating that:

- (a) private funds have been committed by the Developer in amounts sufficient to complete the construction of the proposed Project;
- (c) Project Costs have been incurred by the Developer, or the Developer has become obligated to incur such Project Costs, in an amount at least equal to the project portion of such series of TIF Indebtedness.
- (d) Developer shall pay to the Grand Island Community Redevelopment Authority the sum of \$5,000 representing reimbursement of funds expended by the city in the preparation of the redevelopment plan and issuance of the TIF indebtedness and \$1000 to be paid either by the Developer to the City of Grand Island for administrative costs associated with this contract .

Section 3.04. Pledge of TIF Revenues. The Authority hereby irrevocably pledges the TIF Revenues as security for the TIF Indebtedness in accordance with the terms set forth on **Exhibit C** and the TIF Resolution.

Section 3.05. Grant of Proceeds of TIF Indebtedness. Subject to the further terms of this Contract, the Authority shall grant to the Developer the proceeds of the Series A TIF Indebtedness as described on **Exhibit C** and shall grant to the Authority the proceeds of the Series B TIF Indebtedness as described on **Exhibit C** in one or more advances. The Developer shall use the proceeds of the Series A TIF Indebtedness solely for reimbursement or payment of Project Costs incurred by the Developer, including those described in the MOU. The Authority shall use the proceeds of the Series B TIF Indebtedness to reimburse the grant made to the Developer as set forth in the MOU. Notwithstanding the foregoing, the amount of all grants made hereunder shall not exceed the amount of Project Costs certified pursuant to **Section 402**. Developer shall, on request of the Authority, provide all supporting documentation showing payment of such Project Costs.

Section 3.06. Creation of Fund. The Authority shall create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay the principal or redemption price of and interest on any TIF Indebtedness issued pursuant to **Section 3.02** and to establish such additional reserves and pay such administrative costs as determined necessary by the Authority and/or the Lender for any TIF Indebtedness.

ARTICLE IV

OBLIGATIONS OF DEVELOPER

Section 4.01. Construction of Project. The Developer shall construct the Project in accordance with the Construction Plans. The Developer shall be solely responsible for obtaining all permits, licenses, and approvals necessary to acquire, construct and equip the Project. Until construction of the Project has been completed, the Developer shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of the Developer with respect to the construction of the Project. Promptly after the Developer has completed the Project, the Developer shall furnish the Completion Certificate to the Authority, which, upon its acceptance by the Authority, shall constitute conclusive evidence of the satisfaction of the agreements and covenants in this Contract

with respect to the obligations of the Developer and its successors and assigns to construct the Project. As used in this Contract, the terms “completed” and “completion” shall mean substantial completion of the Project. The Parties agree that substantial completion may be less than complete installation of concrete flooring, as the building is intended to be finished in phases.

Section 4.02. Authority Costs. The Developer shall reimburse the Authority, on the date of the execution of this Contract, for legal fees other expenses incurred by the City and Authority to assist the Developer.

Section 4.03. No Discrimination. The Developer agrees and covenants for itself and its successors and assigns that so 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. The Developer, for itself and its successors and assigns, agrees that during the construction of the Project, the Developer 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. The Developer will comply with all applicable federal, state and local laws related to the Project.

Section 4.04. Inspections and Audits. The Developer shall upon reasonable advance notice, allow the Authority and the Authority’s agents (including the City’s Engineer) access to the Project from time to time for reasonable inspection of the Project. The Authority shall have the right at its own cost and expense to audit (either through employees of the Authority or a firm engaged by the Authority) the books and records of the Developer relating to the payment of Project Costs.

Section 4.05. Required Disclosures. The Developer shall immediately notify the Authority of the occurrence of any material event which would cause any of the information furnished to the Authority by the Developer in connection with the matters covered in this Contract to contain any untrue statement of any material fact or to omit to state any material fact required to be stated therein or necessary to make any statement made therein, in the light of the circumstances under which it was made, not misleading.

Section 4.06. Immigration Status. Developer agrees that any contractor providing services on the Project site will utilize the federal immigration verification system, as defined in Section 4-114, *Neb. Rev. Stat.* (2012), to determine the work eligibility status of new employees physically performing services on the Project.

Section 4.07 Purchase of Indebtedness. The Developer agrees to purchase or cause to be purchased the Series A TIF Indebtedness described on **Exhibit C**, upon issuance, at a price equal to the principal amount thereof in a private placement satisfactory to the Authority as to its terms and participants. Neither the Authority nor the City shall have any obligation to provide for the sale of the Indebtedness. It is the sole responsibility of the Developer to effect the sale of the Indebtedness in accordance with the terms of this Redevelopment Contract and the Resolution and if the Indebtedness cannot be sold in a private placement under terms acceptable to the Authority, this Redevelopment Contract shall cease to be in force and effect and the Authority and the City shall have no further obligations hereunder. Developer acknowledges that it is its understanding and the Authority's understanding that interest on the Indebtedness will be includable in gross income for federal income tax purposes and subject to Nebraska State income taxation.

Section 4.08 Penal Bond. Pursuant to Section 18-2151, *Neb. Rev. Stat.*, (2012), Developer shall furnish or cause to be furnished to the City, prior to commencement of construction of the Redevelopment Project Improvements, a penal bond in an amount of Five Thousand and No/100 Dollars

(\$5,000) conditioned upon the Developer at all times making payment of all amounts lawfully due to all persons supplying or furnishing the Developer, the Developer's contractor, or his or her subcontractors who performed labor or applied materials performed or used in the Project. Proof of such penal bond shall be supplied to the City prior to the start of construction of the Redevelopment Project Improvements.

ARTICLE V

FINANCING OF PROJECT

Section 5.01. Financing. The Developer shall pay all Project Costs and any and all other costs related to the Project that are in excess of the amounts paid from the proceeds of the TIF Indebtedness granted to the Developer. The Developer 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 the Authority and the Developer. Subject to the further provisions of this **Article VI**, in the event of any failure to perform or breach of this 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 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 Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations or exercise any other remedies that may be provided in this Contract or by applicable law; provided, however, that the default shall not give rise to a right of rescission or termination of this Contract.

Section 6.02. Forced Delay Beyond Party's Control. For the purposes of any of the provisions of this Contract, neither the Authority nor the Developer, 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 Developer 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 30 days after the beginning of any such forced delay, have first notified the other party thereof in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.03. Limitation of Liability; Indemnification. Notwithstanding anything in this **Article VI** or this Contract to the contrary, neither the City nor the Authority, nor their officers, directors,

employees, agents, nor governing bodies shall have any pecuniary obligation or monetary liability under this Contract. The sole obligation of the Authority under this Contract shall be the issuance of the TIF Indebtedness and the granting of a portion of the proceeds thereof to the Developer, as specifically set forth in **Sections 3.02** and **3.05**. The obligation of the Authority on any TIF Indebtedness shall be limited solely to the TIF Revenues pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither the City nor the Authority shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. The Developer will indemnify and hold each of the City and the Authority and their directors, officers, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, including litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about the Project during the term of this Contract or arising out of any action or inaction of the Developer in connection with its activities conducted pursuant to this Contract (whether or not in any way related to the enforcement of this Contract) and/or in connection with the ownership, use or occupancy and development or redevelopment of the Redevelopment Area (whether or not in any way related to the Project).

ARTICLE VII

GENERAL COVENANTS

Section 7.01. Obligation to Restore. So long as the TIF Indebtedness remains outstanding, the Developer hereby agrees that if any portion of the Project owned by it shall be damaged or destroyed, in whole or in part, by fire or other casualty, or by any taking in condemnation proceedings or the exercise of any right of eminent domain, the Developer, to the extent of the net proceeds of insurance (including any deductible) or condemnation award received by or made available to the Developer but subject to the rights of any Lender, shall promptly restore, replace or rebuild the same (or shall promptly cause the same to be restored, replaced or rebuilt) to as nearly as possible the value, quality and condition it was in immediately prior to such fire or other casualty or taking, with such alterations or changes as may be approved in writing by the Authority, which approval shall not be unreasonably withheld. The Developer shall give prompt written notice to the Authority of any damage or destruction to the Project by fire or other casualty, irrespective of the amount of such damage or destruction, but in such circumstances the Developer shall make the property safe and in compliance with all applicable laws as provided herein. If lender consent is required for the application of the insurance proceeds or condemnation award to the restoration, replacement or rebuilding of the Project under any loan documents to which the Developer or the Project is subject, the Developer shall request such lender consent in accordance with the terms of such loan documents. To the extent the net proceeds of insurance are deposited into any project fund established under the terms of any TIF Resolution relating to any series of TIF Indebtedness, the Developer may use such moneys in the restoration, replacement and rebuilding of the Project.

Section 7.02. Assignment of Developer's Obligations. The Developer shall not assign any of its rights hereunder nor shall it permit any of its members to assign or to dispose of any interest in the Developer prior to the completion of the Project without the prior written consent of the Authority. Following completion of the Project, this Contract and the rights, duties and obligations hereunder as they relate to the Project may be fully and freely assigned by the Developer provided, however, every assignee shall, by instrument in writing, for itself and its successors and assigns, and expressly for the benefit of the Authority, assume all of the obligations of the Developer under this Contract and agree to be subject to all of the conditions and restrictions to which the Developer is subject (or, in the event the transfer is of

or relates to a portion of the Redevelopment Area, such obligations, conditions and restrictions to the extent that they relate to such portion). In the event this Contract is assigned in whole or part the Developer shall be released from any further obligations set forth herein accruing after the date of such assignment. The Developer shall notify the Authority of any such Assignment including presentation of the assumption of obligation instrument within 10 days of closing on such assignment.

Section 7.03. Sale of Project.

- (a) No sale, transfer, or other conveyance of the Project may be made without the prior written approval of the Authority, which approval shall not be unreasonably withheld. The Authority's right of prior approval of any transferee shall be in force as long as there is outstanding TIF Indebtedness associated with the Project. The Authority shall require that any transferee demonstrate to the Authority's reasonable satisfaction that the transferee has sufficient financial, management, property ownership and operation capabilities and that it is committed to the long-term viability of the Project and the land uses on the property to be sold or transferred (the "**Transferee Qualifications**").
- (b) The Authority shall be notified by the Developer in writing of the proposed sale of the Project prior to the proposed effective date of the sale, which notification shall include a copy of the instrument affecting such sale along with a statement and sufficient documentation to demonstrate that the Transferee Qualifications have been satisfied with respect to the proposed transferee. The Authority shall exercise its right to approve or deny any proposed sale or transfer within 20 days (the "**Response Period**") from the date of receipt of notice from the Developer, or within two business days after the next regularly scheduled Council meeting if a regularly scheduled Council meeting will not occur within the Response Period or is scheduled to occur on day 19 or 20 of the Response Period, which notice shall specify the land proposed to be sold or transferred, the identity of the proposed transferee and the Transferee Qualifications. Written approval may be provided by the Authority after approval of the sale or transfer by the City Council.
- (c) The Developer shall require each transferee to enter into a transferee agreement with the Authority in a form prepared by Authority counsel and reviewed and approved by Developer counsel, certifying, without limitation, that the transferee has been fully advised of and is obligated to fully comply with the Redevelopment Plan and this Contract. Upon execution of a transferee agreement between the Authority and a transferee, the Developer shall be released from its obligations in this Contract relating to the transferred property.

Section 7.04. Mutual Assistance. The Authority and the Developer agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate to carry out the terms, provisions and intent of this Contract and to aid and assist each other in carrying out said terms, provisions and intent.

Section 7.05. Time of the Essence. Time is of the essence. The Authority and the Developer will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Contract requires their continued cooperation.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Conflict of Interest. No member of the Authority's governing body or of any branch of the City's government that has any power of review or approval of any of the Developer's undertakings shall participate in any decisions relating thereto which affect such person's personal interests or the interests of any corporation, partnership, or company in which such person is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Authority the nature of such interest and seek a determination with respect to such interest by the Authority and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

Section 8.02. Authorized Parties. Whenever under the provisions of this Contract and other related documents, instruments or any supplemental agreement, a request, demand, approval, notice or consent of the Authority or the Developer is required, or the Authority or the Developer is required to agree or to take some action at the request of the other party, such approval or such consent or such request shall be given for the Authority, unless otherwise provided herein, by the Mayor of the City or his or her designee and for the Developer by its Officer; and any person shall be authorized to act on any such agreement, request, demand, approval, notice or consent or other action and neither party shall have any complaint against the other as a result of any such action taken. The Mayor of the City may seek the advice, consent or approval of the City Council before providing any supplemental agreement, a request, demand, approval, notice or consent for the Authority pursuant to this Section.

Section 8.03. No Other Agreement. Except as otherwise expressly provided herein, this Contract supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties hereto. In the event of a conflict between this Contract and any prior agreement or understanding of the parties, this Contract shall control.

Section 8.04. Severability. If any provision, covenant, agreement or portion of this Contract, or its application to any person, entity or property, is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Contract and, to that end, any provisions, covenants, agreements or portions of this Contract are declared to be severable.

Section 8.05. Nebraska Law. This Contract shall be construed in accordance with the laws of the State of Nebraska.

Section 8.06. Counterparts. This Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 8.07. Recordation of Agreement. The Authority and the Developer agree to execute and deliver the original of this Contract, or a notice recording thereof, in proper form for recording and/or indexing in the appropriate land or governmental records. This Contract shall be recorded by the Developer, and proof of recording shall be provided to the Authority.

Section 8.08. Binding Effect; Amendment. This Contract shall be binding on the parties hereto and their respective successors and assigns. This Contract shall run with the Redevelopment Area. This Contract shall not be amended except by a writing signed by the parties bound hereto.

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

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

[S E A L]

By: _____
Chair

ATTEST:

By: _____
Secretary

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of May, 2013, by _____ and _____, the Chair and Secretary, respectively, of the Community Redevelopment Authority of the City of Grand Island, Nebraska.

[S E A L]

Notary Public

CHIEF INDUSTRIES, INC.

By: _____
Its _____

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this ____ day of May, 2013, by _____, the _____ of Chief Industries, Inc.

[S E A L]

Notary Public

EXHIBIT A

**LEGAL DESCRIPTION
OF BLIGHTED AREA/REDEVELOPMENT AREA**

- Lot 1 of Chief Fab Second Subdivision in the City of Grand Island, Hall County, Nebraska.

EXHIBIT B

DESCRIPTION OF PROJECT

Acquisition of the real property on **Exhibit A**, demolition of structures and site preparation pursuant to the MOU; prepare the same for development, install drives, streets, curb and gutter, foundations, pipe and underground electrical infrastructure, and related appurtenances to serve the property constituting the Project, including reimbursement of such expenses, related to the construction and installation of a 33,456 square foot manufacturing plant.

Exhibit C

TIF Indebtedness

Aggregate Principal and Interest Amount payable from TIF Revenues:

Not to exceed \$679,870.00 to be issued in two series as follows: Series A, \$579,870.00
Series B, \$100,000.00

Interest Rate:

Not to exceed 0% per annum, as determined by the TIF Resolution authorizing each series of TIF Indebtedness.

Maturity Date:

Not later than December 31, 2028.

Security:

The first pledge of TIF Revenues in the aggregate amount of Five Hundred Seventy-Nine Thousand Eight Hundred Seventy and 00/100 dollars (\$579,870.00), shall be allocated to the Series A TIF Indebtedness until paid in full, or until maturity, whichever is the earlier.

The second pledge of TIF Revenues in the aggregate amount of One Hundred Thousand and 00/100 dollars (\$100,000.00), shall be allocated to the Series B TIF Indebtedness until paid in full, or until maturity, whichever is the earlier. Payment on the Series B TIF Indebtedness shall not commence until payment in full of the Series A TIF Indebtedness.

Payment Schedule:

As determined by the TIF Resolution authorizing such TIF Indebtedness.

EXHIBIT D
PROJECT COSTS

For purposes of this Redevelopment Contract, the term “Project Costs” is limited solely to the those costs necessary to acquire the real property, prepare the same for development, install drives, foundations, pipe and underground electrical infrastructure, and related appurtenances to serve the property constituting the Project, including reimbursement of such expenses.

EXHIBIT E

**FORM OF COMPLETION CERTIFICATE
OF
CHIEF INDUSTRIES, INC.**

The undersigned, **Chief Industries, Inc.** (the “**Developer**”), pursuant to that certain Redevelopment Contract dated May __, 2013, between the **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA** (the “**Authority**”) and the Developer (the “**Contract**”), hereby certifies to the Authority as follows:

1. As of _____, 20__, the construction, renovation, repairing, equipping and constructing of the Project (as such term is defined in the Contract) has been substantially completed in accordance with the Contract.
2. The Project has been completed in a workmanlike manner and in accordance with the plans and specifications for the Project submitted to the City of Grand Island, Nebraska to obtain all building permits related to the Project.
3. Lien waivers for applicable portions of the Project have been obtained.
4. This Completion Certificate is being issued by the Developer to the Authority in accordance with the Contract to evidence the Developer’s satisfaction of all obligations and covenants with respect to the Project.
5. The Authority’s acceptance (below) or the Authority’s failure to object in writing to this Certificate within 30 days of the date of delivery of this Certificate to the Authority (which written objection, if any, must be delivered to the Developer prior to the end of such 30-day period), and the recordation of this Certificate with the Hall County Register of Deeds, shall evidence the satisfaction of the Developer’s agreements and covenants to construct the Project. The Authority’s acceptance of the Completion Certificate shall release the Developer from any further obligation or liability for construction of the Project under the terms of the Contract in regard to the portion of the Redevelopment Area for which the Completion Certificate is furnished.

This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Contract.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this ____ day of _____, 20__.

CHIEF INDUSTRIES, INC.

By: _____
Printed Name: _____
Title: _____

ACCEPTED:

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

By: _____
Printed Name: _____
Title: _____