



Community Redevelopment Authority (CRA)

Monday, July 22, 2013
Regular Meeting

Item J1

Copper Creek TIF contract and resolution 165

Staff Contact: Chad Nabity

RESOLUTION NO. 165

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, AUTHORIZING THE ISSUANCE OF A TAX INCREMENT REVENUE BOND; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BOND; PLEDGING CERTAIN REVENUES OF THE AUTHORITY PURSUANT TO THE COMMUNITY DEVELOPMENT LAW; AUTHORIZING THE SALE OF SAID BOND; PROVIDING FOR A GRANT OF THE PROCEEDS OF SAID BOND; PROVIDING FOR THE TERMS AND THE SALE OF THE BOND; APPROVING THE REDEVELOPMENT CONTRACT AND PROVIDING FOR THIS RESOLUTION TO TAKE EFFECT.

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

Section 1. The Chair and Members of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "City") hereby find and determine (a) that the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority") has been duly created by ordinance for purposes of assisting with redevelopment of blighted and substandard real estate located within the City; that the Authority has and may exercise all of the powers of a redevelopment authority provided for under the Community Development Law of the State of Nebraska; that there has been prepared a redevelopment plan, entitled "Redevelopment Plan Amendment Grand Island CRA Area 12, May 2013" (the "Plan") for the redevelopment of the real estate described on Exhibit A, (hereinafter in this Resolution referred to as the "Redevelopment Project Area"); (b) that prior to the recommendation or approval of the Plan the Redevelopment Project Area was declared blighted and substandard by action of the Mayor and Council of the City; (c) that the City has had in effect its general plan for the development of the City from the time prior to the preparation of the Plan; (d) that the Plan was prepared by the Authority for purposes of assisting the Redeveloper (as defined below) finance a redevelopment project and submitted to the City Planning Commission of the City and approved and thereafter recommended by the Authority to the Mayor and Council of the City; (e) that on the 25th day of June, 2013, the Mayor and Council of the City held a public hearing on the Plan for which notice was given by publication prior to such hearing in Grand Island Independent on June 12th, 2013, and June 19th, 2013, and, after such hearing, the Mayor and Council gave their approval to the Plan; (f) that the Plan, among other things, calls for the redevelopment of the Redevelopment Project Area by the acquisition and subdivision of developed and undeveloped and vacant land and construction of related improvements including site preparation and infill and related street, storm and sanitary sewers, water lines and other utility extensions (all as described in the Plan, the "Project"); (g) that The Guarantee Group, LLC, a Nebraska limited liability company (hereafter referred to as the "Redeveloper") is interested in the redevelopment of the Redevelopment Project Area and the Redeveloper has undertaken and is undertaking certain of the construction and rehabilitation as provided for in the Plan and the City and the Authority have previously communicated willingness to assist such redevelopment in order to encourage the providing of employment and the economic development of the City as well as for the redevelopment of a blighted and substandard area of the City; (h) that the Authority and the Redeveloper are about to enter into an agreement entitled "Redevelopment Contract" (as approved in Section 13 of this Resolution and incorporated by reference herein) and under the terms of the Redevelopment Contract, the Authority agrees to assist the Redeveloper with grant assistance to pay

part of the cost of the Project and for such purpose it is necessary for the Authority to authorize the issuance and sale of its tax increment revenue bond, with principal purchase price to be paid by the Redeveloper in accordance with the terms of the Redevelopment Contract; (i) that all conditions, acts and things required by law to exist or to be done precedent to the authorizing of the Authority's tax increment revenue bond as provided for in this Resolution do exist and have been done as provided by law.

Section 2. A tax increment revenue bond in the aggregate principal amount of \$4,000,000.00 is hereby ordered issued in accordance with Section 18-2125, R.R.S. Neb. 2012, by the Authority and shall be designated as its "Tax Increment Development Revenue Bond (The Guarantee Group Redevelopment Project), Series 2013" (hereinafter referred to as the "Bond"). The Bond shall be issued in the single denomination of \$4,000,000.00 (as the aggregate principal amount and purchase price payable by the Redeveloper under the terms of the Redevelopment Contract). The Bond shall be dated as of the date of its delivery. The Bond shall bear interest on the amount outstanding from time to time from the date of its issuance and delivery until maturity (or earlier redemption) at the rate of eight percent (8.00%) per annum. The principal of the Bond shall become due on December 31, 2039 (or, if sooner, fourteen years after the last effective date established for a Phase under the terms of the Redevelopment Contract), provided that such principal amount shall be subject to mandatory redemption from "Available Funds" as described in Section 5 below on June 1 and December 1 of each year, but not before December 1, 2015. All interest upon the Bond shall be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2015.

The Bond shall be issued in fully registered form. The Authority's Treasurer (the City Treasurer of the City of Grand Island) is hereby designated as paying agent and registrar for the Bond (the "Agent"). The Agent shall serve in such capacities pursuant to the terms of this Resolution. The interest due on each interest payment date prior to maturity shall be payable to the registered owner of record as of the fifteenth day of the calendar month immediately preceding the calendar month in which such interest payment date occurs (the "Record Date"), subject to the provisions of Section 4 hereof. Payments of interest due on the Bond, except for payments due on final maturity date, or other final payment, shall be made by the Agent by mailing or delivering a check or draft in the amount then due for interest on the Bond to the registered owner of the Bond, as of the Record Date for such interest payment date, to such owner's registered addresses as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal and interest due at final maturity or other final payment shall be made by the Agent to the registered owner upon presentation and surrender of the Bond to the Agent at the Authority's offices at City Hall in the City of Grand Island, Nebraska. The Authority and the Agent may treat the registered owner of the Bond as the absolute owner of the Bond for the purpose of making payments thereon and for all other purposes and neither the Authority nor the Agent shall be affected by any notice or knowledge to the contrary, whether the Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of the Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the Authority and the Agent, in respect of the liability upon the Bond or claims for interest to the extent of the sum or sums so paid.

Section 3. The Agent shall keep and maintain for the Authority books for the registration and transfer of the Bond at the Authority's offices at City Hall in Grand Island, Nebraska. The name and registered address of the registered owner of the Bond (including notation of any pledgee as may be requested by the Redeveloper) shall at all times be recorded in such books. The Bond may be transferred pursuant to its provisions at the Authority's offices by surrender of such Bond for notation of transfer, accompanied by a written instrument of transfer, in form satisfactory to the Agent, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Agent on behalf of the Authority will register such transfer upon its books and make notation thereof on the Bond and deliver the Bond at its office to the transferee owner (or send it by registered mail to the transferee owner thereof at such transferee owner's expense). All transfers of the Bond shall be upon the basis of a private placement and each proposed transferee registered owner shall furnish the Agent with assurances in form satisfactory to the Agent that such Bond is being purchased for investment purposes only, without view to redistribution and upon the independent credit judgment and investigation of the proposed transferee. The Authority and the Agent shall not be required to transfer the Bond during any period from any Record Date until its immediately following interest payment date or to transfer the Bond when called for redemption, in whole or in part, for a period of 15 days next preceding any date fixed for redemption or partial redemption.

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

Section 5. At any time, the Authority shall have the option of prepaying in whole or in part principal of the Bond. Any such optional prepayment of principal shall be accompanied by an amount equal to all accrued but unpaid interest on the principal amount being prepaid. Notice of any optional redemption for the Bond shall be given at the direction of the Authority by the Agent by mail not less than 15 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of the Bond at said owner's registered address. Notice of call for redemption may be waived in writing by any registered owner. In the event of prepayment in whole the Bond shall be cancelled. The determination of the amount and timing of any optional redemption of the Bond shall be in the absolute discretion of the Authority. Beginning December 1, 2015, the Bond shall also be subject to mandatory partial redemption, without notice, on each interest payment date from all funds to be available in the Bond Fund (as hereinafter established and defined), including all amounts, if any, from investment earnings for such fund, 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 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 Bond 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 Bond for notation of such prepayment. The records of the Agent shall govern as to any determination of the principal amount of the Bond outstanding at any time 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 Bond.

Section 6. The Bond shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL**

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

**TAX INCREMENT DEVELOPMENT REVENUE BOND
(THE GUARANTEE GROUP REDEVELOPMENT PROJECT)
SERIES 2013**

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$4,000,000.00	8.00%	December 31, 2039*

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 per annum set forth above. All such interest upon the Bond shall be payable semiannually on June 1 and December 1 of each year, commencing June 1, 2015.

The payment of principal and interest due upon the final maturity is payable upon presentation and surrender of this bond 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 redemptions of principal on each interest payment date (other than at final payment) will be paid when due by a check or draft mailed or delivered by said Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the fifteenth 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 bond 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.

*** or, if sooner, fourteen years after the last effective date established for a Phase under the terms of the Redevelopment Contract**

This bond is the single bond of its series of the total principal amount of Four Million Dollars (\$4,000,000.00) issued by the Authority for the purpose of paying the costs of redevelopment of certain real estate located in the City of Grand Island, as designated in that redevelopment plan recommended by the Authority and approved by the Mayor and Council of the City of Grand Island, Nebraska, on June 25th, 2013 (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2012, as amended, and has been duly authorized by resolution passed and approved by the Chair and Members of the Community Redevelopment Authority of the City of Grand Island (the "Resolution").

The conditions for the issuance and purchase of this bond are set forth in the Redevelopment Contract and the terms and conditions of the Redevelopment Contract are incorporated herein by reference.

The Authority, however, reserves the right and option of prepaying principal of this bond, in whole or in part, from any available sources, at any time, at the principal amount thereof designated for redemption plus accrued interest to the date fixed for redemption of the principal amount so designated for optional redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this bond at said registered owner's address in the manner provided in the Resolution. The principal of this bond shall be subject to mandatory redemptions made in part on any interest payment date from "Available Funds" (as defined in the Resolution) 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.

This bond constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2012, as amended, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project Area" (as defined in the Resolution). Pursuant to the Resolution and Sections 18-2124 and 18-2150, R.R.S. Neb. 2012, said portion of taxes has been pledged for the payment of this bond, both principal and interest as the same fall due or become subject to mandatory redemption. **This bond 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 bond shall not constitute an obligation of the State of Nebraska or of the City of Grand Island (except for such receipts as have been pledged pursuant to said Sections 18-2124 and 18-2150 R.R.S. Neb. 2012) and neither the State of Nebraska, the City of Grand Island nor the Community Redevelopment Authority of 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 pledged as described above in this paragraph).** Neither the members of the Authority's governing body nor any person executing this bond shall be liable personally on this bond by reason of the issuance hereof.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this bond for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the Resolution. The Authority, the Paying Agent and Registrar and any other person may treat the person whose name this bond 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 bond be overdue or not. THIS BOND, 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 bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in 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 bond, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Authority, including this bond, does not exceed any limitation imposed by law.

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

Delivered this ____ day of _____, 2013.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA

ATTEST:

By: _____
Chair

Secretary

PROVISION FOR REGISTRATION

The ownership of this Bond 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 bond, who shall make notation of such registration in the registration blank below, and the transfer of this Bond may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar.

Date of Registration	Name of Registered Owner	Signature of Paying Agent and Registrar

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

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

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

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

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

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

Section 13. The Redevelopment Contract between the Authority and the Redeveloper in the form presented is hereby approved. The Chair (or Vice-Chair), is hereby authorized to execute and deliver the Redevelopment Contract, in substantially the form presented but with any such changes as such executing officer shall determine appropriate, on behalf of the Authority.

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

Section 15. This Resolution shall be in force and take effect from and after its adoption as provided by law.

Passed and Approved this _____ day of July, 2013.

(SEAL)

ATTEST:

Chair

Secretary

Exhibit A

A tract of land comprising a part of the Northwest Quarter (NW1/4) of Section Twenty Three (23), Township Eleven (11) North, Range Ten (10) West of the 6th. P.M., Hall County, Nebraska, more particularly described as follows:

Beginning at the northwest corner of said Northwest Quarter (NW1/4); thence running easterly along the north line of said Northwest Quarter (NW1/4), on an Assumed Bearing of S89°42'01"E, a distance of Three Hundred Eighty and Fifty Hundredths (380.50) feet, to the ACTUAL point of beginning; thence continuing S89°42'01"E, along the north line of said Northwest Quarter (NW1/4), a distance of One Thousand Four Hundred Eighty Eight and Eighty Five Hundredths (1488.85) feet, to the northwest corner of Meyer's Subdivision; thence running S02°31'05"W, along the westerly line of Meyer's Subdivision, a distance of Three Hundred Ninety Four and Forty Six Hundredths (394.46) feet, to the southwest corner of Meyer's Subdivision; thence running N89°30'44"E, along the southerly line of Meyer's Subdivision, a distance of Sixty Two and Seventy Hundredths (62.70) feet; thence running N03°36'47"E, along the southerly line of Meyer's Subdivision, a distance of Fifteen (15.00) feet; thence running N89°52'19"E, along the southerly line of Meyer's Subdivision, a distance of Two Hundred Eleven and Eighty Two Hundredths (211.82) feet, to the southeast corner of Meyer's Subdivision; thence running N00°22'01"W, along the easterly line of Meyer's Subdivision, a distance of Three Hundred Seventy Six and Seventy Seven Hundredths (376.77) feet, to the northeast corner of Meyer's Subdivision, and to a point on the north line of said Northwest Quarter (NW1/4); thence running S89°42'01"E, along the north line of said Northwest Quarter (NW1/4), a distance of Four Hundred Eighty One and Forty One Hundredths (481.41) feet, to a point Thirty Five (35.00) feet west of the northeast corner of said Northwest Quarter (NW1/4); thence running S00°37'23"W, a distance of Two Thousand Six Hundred Seventy Four and Twenty Two Hundredths (2674.22) feet, to a point on the south line of said Northwest Quarter (NW1/4), said point being Thirty Four and Eighty Six Hundredths (34.86) feet west of the southeast corner of said Northwest Quarter (NW1/4); thence running N89°01'26"W, along the south line of said Northwest Quarter (NW1/4), a distance of Two Thousand Five Hundred Ninety Two and Sixty Seven Hundredths (2592.67) feet, to the southwest corner of said Northwest Quarter (NW1/4); thence running N00°19'24"E, along the west line of said Northwest Quarter (NW1/4), a distance of One Thousand Nine Hundred Eighty Six and Six Hundredths (1986.06) feet, to the southwest corner of M & M Subdivision; thence running S89°42'17"E, along the south line of M & M Subdivision, a distance of Three Hundred Eighty Six and Fifty Two Hundredths (386.52) feet, to the southeast corner of M & M Subdivision; thence running N00°12'08"W, along the east line of M & M Subdivision, a distance of Six Hundred Fifty Seven and Fifty Hundredths (657.50) feet, to the ACTUAL point of beginning and containing 150.56 acres more or less. WHICH INCLUDES all of Lots Eight (8) thru Ninety Seven (97), Copper Creek Estates Subdivision and all of Lots One (1) thru Seven (7), Copper Creek Estates Second Subdivision.

Member _____ seconded the motion. Upon roll call vote the following Members voted

“Aye”:

_____. The following Members voted “Nay”:

_____. The Chair declared the resolution adopted.

I, _____, the undersigned Secretary for the Community Redevelopment Authority of the City of Grand Island, Nebraska, hereby certify that the foregoing is a true and correct copy of the proceedings had and done by the Chair and Members of the Authority on July __, 2013; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the Authority; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that a current copy of the Nebraska Open Meetings Act was publicly announced, available and accessible to members of the public, posted during such meeting in the room in which such meeting was held; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Secretary

MASTER REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the _____ day of _____, 2013, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), and The Guarantee Group, L.L.C., a Nebraska limited liability company ("Redeveloper").

WITNESSETH:

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

WHEREAS, the Authority has adopted, after approval by the Mayor and Council of the City, that redevelopment plan entitled "Redevelopment Plan CRA Area 12 (the "Redevelopment Plan");

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

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

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

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

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

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

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

"Indebtedness" means any bonds, notes, loans, and advances of money or other indebtedness, including interest and premium, if any, thereon, incurred by the Authority pursuant to Article III hereof to provide financing for a portion of the Project Costs and secured in whole or in part by TIF Revenues. The Indebtedness as initially issued by the Authority shall consist of the Authority's Tax Increment Development Revenue Bond (The Guarantee Group Project), Series 2013, to be issued in the stated principal amount of \$7,439,307.00 on terms described in Exhibit C and the various Redevelopment Contract Amendments, and purchased by the Redeveloper as set forth in Section 3.04 of this Redevelopment Contract. Subsequent additional Indebtedness shall be issued from time to time by the Authority as each phase of the Redevelopment Plan is implemented by the installation of additional infrastructure and construction of houses.

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

"Lot" or "Lots" shall mean the separately platted and subdivided lots within the Redevelopment Project Area as shown on Exhibit A-3 attached hereto as platted and subdivided from time to time.

"Project" means the improvements to the Redevelopment Project Area, as further described in Exhibit B attached hereto and incorporated herein by reference and, as used herein, shall include the Redevelopment Project Property and additions and improvements thereto. The Project shall include land acquisition and all improvements related to Project Infrastructure Costs and site preparation costs, all as described in Section 3.04 of this Redevelopment Contract.

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

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

"Redeveloper" means The Guarantee Group, L.L.C., a Nebraska limited liability company.

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

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

"Redevelopment Contract" means this redevelopment contract between the Authority and Redeveloper with respect to the Project, as the same may be amended from time to time, including, without limitation, by Redevelopment Contract Amendments executed from time to time in connection with the separate Phases of the Project.

"Redevelopment Contract Amendment" shall mean an amendment to this Redevelopment Contract, in form and substance acceptable to Authority and which shall include usual and customary representations, executed pursuant to a Redevelopment Contract Amendment Notice delivered by the Redeveloper under Section 3.01 hereof, establishing the legal description of the Lots in such Phase, the effective date, the division date for such Phase and the base year valuation for such Phase, the price for each completed house constructed on such lot and such other provisions as may be deemed necessary by the Authority.

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

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

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

Section 1.02 Construction and Interpretation.

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

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

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

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

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

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

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

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

ARTICLE II FINDINGS AND REPRESENTATIONS

Section 2.01 Findings of Authority.

The Authority makes the following findings:

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

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

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

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

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

(2) Based solely on representations made by the Redeveloper:

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

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

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

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

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

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

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

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

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

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

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

ARTICLE III

OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution, the Authority hereby provides that any ad valorem tax on any Lot or Lots located in the Redevelopment Project Area identified from time to time by the Redeveloper (such Lot or Lots being referred to herein as a "Phase") as identified in a written notice from the Redeveloper to the Authority in substantially the form attached hereto as Exhibit F (each, a "Redevelopment Contract Amendment Notice") for the benefit of any public body be divided for a period of fifteen years after the effective date of the provision as set forth in the Redevelopment Contract Amendment Notice and reflected in a Redevelopment Contract Amendment, consistent with the Redevelopment Plan. Said taxes shall be divided as follows:

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

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

Provided a Redevelopment Contract Amendment Notice (together with a Redevelopment Contract Amendment in form satisfactory to the Authority and signed by the Redeveloper, and a proposed form of "Notice to Divide Tax for Community Redevelopment Project", all prepared in accordance with this Redevelopment Contract and the Act) is delivered to the Authority no later than July 1 of any year, the Authority shall: (a) execute the Redevelopment Contract Amendment, and (b) file before August 1 of such year a "Notice to Divide Tax for Community Redevelopment Project" for such Phase with the office of the Hall County Treasurer and Hall County Assessor, without requirement of additional hearings or public notice. No Redevelopment Contract Amendment providing for the division of taxes pursuant to this Redevelopment Contract and Section 18-2147 of the Act shall be made after January 1, 2025.

Section 3.02 Issuance of Indebtedness

The Authority shall issue the Indebtedness, in one or more series, from time to time, to the Redeveloper in the form and stated principal amount and bearing interest and being subject to such terms and conditions as are specified in the Resolution and this Redevelopment Contract and any Redevelopment Contract Amendment; provided, at all times the maximum amount of the Indebtedness shall be limited to the lesser of (i) the stated face amount of the Indebtedness, or (ii) the sum of all Redevelopment Project Costs incurred by the Redeveloper as set forth on Exhibit D, for each Phase of the Redevelopment Project. No Indebtedness will be issued until Redeveloper has (a) acquired fee title to the Redevelopment Project Property; and (b) entered into a contract for the initial construction of the Project Infrastructure Improvements forming a part of the Project. The initial Indebtedness shall be issued in the amount of \$4,000,000.00 and bear interest at the rate of 8% per annum from date of issuance.

The Parties intend that the Redevelopment Plan and Redevelopment Project be implemented in Phases as set forth in the Redevelopment Plan. As the Redeveloper incurs Redevelopment Project Costs for a Phase of the Redevelopment Project, the Authority shall issue an additional series of Indebtedness in an amount not to exceed the Redevelopment Project Costs for such Phase.

The Redeveloper agrees to purchase the Indebtedness and each additional issue of Indebtedness at a price equal to the principal amount thereof, in a private placement satisfactory to the Authority as to its terms and participants (including any pledgee thereof). Neither the Authority nor the City shall have any obligation to provide for the sale of the Indebtedness. It is the sole responsibility of the Redeveloper to affect the sale of the Indebtedness by purchasing the Indebtedness in accordance with the terms of this Redevelopment Contract, amendments hereto and the Resolution. If the Indebtedness cannot be issued and sold to the Redeveloper 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. Redeveloper acknowledges that it is its understanding and the Authority's understanding that interest on the Indebtedness will be includable in gross income for federal income tax purposes and subject to Nebraska State income taxation.

Section 3.03 Pledge of Revenues.

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

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

The Redeveloper has agreed to purchase the Indebtedness from the Authority for a price equal to the principal amount thereof, payable as provided in Section 3.02. The Redevelopment Plan provides for the Redeveloper to receive a grant under this Redevelopment Contract. In accordance with the terms of the Redevelopment Plan the Redeveloper is to receive a grant sufficient to pay the costs for reimbursement of site acquisition, including easements, site and preparation costs and utilities for including only those items as described on Exhibit D (the "Project Infrastructure Costs"), in the aggregate maximum amount of \$7,439,307.00, as and to the extent that the Project will support the issuance of additional indebtedness. Notwithstanding the foregoing, the aggregate amount of the grant advances shall not exceed the amount of Project Costs as certified pursuant to Section 4.02 of this Redevelopment Contract. Such grant(s) shall be made to the Redeveloper upon execution of this Redevelopment Contract and payment purchase of the Indebtedness as provided in Section 3.02, but limited to the net proceeds of Indebtedness issued from time to time which may be reasonably calculated to be repaid from the division of taxes mentioned in Section 18-2147 of the Act and generated by the Project. The Authority shall have no obligation to provide grant funds from any source other than the purchase price paid to the Authority for the Indebtedness.

Section 3.05 Creation of Fund.

In the Resolution, the Authority has provided for the creation of a special fund (the "Bond Fund" as defined in the Resolution) to collect and hold the TIF Revenues pledged to the payment of the Indebtedness. Such special fund shall be used for no purpose other than to pay (including any redemptions of principal made in accordance with the terms of the Resolution and this Redevelopment Contract) the Indebtedness issued pursuant to this Article III.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Insurance.

(a) Redeveloper will complete the Project and install all infrastructure, improvements, buildings, fixtures, equipment and furnishings necessary to operate the Project. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Project. Until construction of the Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of the Project. Promptly after

completion by the Redeveloper of each Phase of the Project, the Redeveloper shall furnish to the Authority a Certificate of Completion (supported by such architect's or engineer's certificates as are required under the terms of the contract documents) for such Phase, including each structure or element of infrastructure completed in such Phase.

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

Section 4.02 Cost Certification.

Redeveloper shall submit to Authority a certification of the estimated Project Costs for the Project on or before the issuance of the Indebtedness (and updated in connection with each Redevelopment Contract Amendment, if any material deviations from such certification occur) which shall contain information showing the anticipated payments or obligations for payment of the Public Infrastructure Costs, site acquisition costs, grants in aid of construction and site preparation costs, which may include only those items specified on the attached Exhibit D.

Section 4.03 Authority Costs

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

Section 4.04 No Discrimination.

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

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

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

Section 4.06 Assignment or Conveyance.

This Redevelopment Contract shall not be assigned by the Redeveloper without the written consent of the Authority. Any transfer (including any lease for a term longer than one year) or conveyance of the any portion of the Redevelopment Project Property, except for individual lot sales, prior to the termination of the 15 year period commencing on the last effective date specified in Section 3.01 hereof by the Redeveloper shall be subject to the terms and conditions of this Redevelopment Contract. Redeveloper agrees that it shall not convey any Lot or any portion thereof or any structures thereon to any person or entity that would be exempt from payment of real estate taxes, and that it will not make application for any structure, or any portion thereof, to be taxed separately from the underlying land of any Lot.

Section 4.07 Federal Immigration Verification System.

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

Section 4.08 Public Right-of-Way.

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

ARTICLE V FINANCING REDEVELOPMENT PROJECT

Section 5.01 Financing

Redeveloper shall pay all costs related to the redevelopment of the Redevelopment Project Area and the Redevelopment Project Property which are in excess of the amounts paid from the proceeds of the grant provided for from the proceeds of the Indebtedness and granted to Redeveloper. Prior to issuance of the Indebtedness, Redeveloper shall provide Authority with evidence satisfactory to the Authority that private funds have been committed to the Redeveloper in amounts sufficient to complete all portions of the Project included in the Project Infrastructure Costs. Redeveloper shall timely pay all costs, expenses, fees, charges and other amounts associated with the Project.

ARTICLE VI

DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations. The Redeveloper hereby acknowledges and agrees that the Authority shall have completed its required performances and satisfied all of its obligations under this Redevelopment Contract upon the issuance of the Indebtedness and the subsequent payment of grant amounts to the Redeveloper as set forth in Section 3.04.

Section 6.02 Additional Remedies of Authority

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

- (a) the Redeveloper, or its successor in interest, shall fail to commence the construction of the improvements included in the Public Infrastructure Costs for the first Phase of the Redevelopment Project on or before June 1, 2015, or shall abandon construction work related to the Public Infrastructure Costs and housing construction, once commenced, for any period of 180 days, excepting delays caused by inclement weather,
- (b) the Redeveloper, shall fail to pay real estate taxes or assessments on the Redevelopment Project Property owned by the Redeveloper or any part thereof when due; and
- (c) there is a violation of any other provision of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 90 days following written notice from Authority, then the Redeveloper shall be in default of this Redevelopment Contract.

In the event of such failure to perform, breach or default occurs and is not cured in the period herein provided, the parties agree that the damages caused to the Authority would be difficult to determine with certainty and that a reasonable estimation of the amount of damages that could be incurred is the amount of the grant to Redeveloper pursuant to Section 3.04 of this

Redevelopment Contract, less any reductions in the principal amount of the Indebtedness, plus interest on such amounts as provided herein (the "**Liquidated Damages Amount**"). Upon the occurrence of an event of default, the Liquidated Damages Amount shall be paid by Redeveloper to Authority within 30 days of demand from Authority given to the Redeveloper.

Interest shall accrue on the Liquidated Damages Amount at the rate of seven percent (7%) per annum and interest shall commence from the date that the Authority gives notice to the Redeveloper demanding payment.

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

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

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event the Redeveloper fails to perform any other provisions of this Redevelopment Contract (other than those specific provisions contained in Section 6.02), the Redeveloper shall be in default. In such an instance, the Authority may seek to enforce the terms of this Redevelopment Contract or exercise any other remedies that may be provided in this Redevelopment Contract or by applicable law; provided, however, that any defaults covered by this Section shall not give rise to a right or rescission on termination of this Redevelopment Contract, and shall not be covered by the Liquidated Damages Amount.

Section 6.04 Forced Delay Beyond Party's Control.

For the purposes of any of the provisions of this Redevelopment Contract, neither the Authority nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the conveyance or preparation of the Redevelopment Area or any part thereof for redevelopment, or the beginning and completion of construction of the Project, or progress in respect thereto, in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public

enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Authority or of the Redeveloper with respect to construction of the Project, as the case may be, shall be extended for the period of the forced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other party thereto in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.05 Limitations of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the City, the Authority, nor their respective elected officials, officers, directors, appointed officials, employees, agents nor their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The sole obligation of the Authority under this Redevelopment Contract shall be the issuance of the Indebtedness and granting of a portion of the proceeds thereof to Redeveloper, as specifically set forth in Sections 3.02 and 3.04 and payment of TIF Revenues pledged pursuant to the Resolution. The obligation of the City and Authority on any Indebtedness shall be limited solely to the payment of the TIF Revenues and other funds pledged on the Indebtedness as set forth in the Resolution. Specifically, but without limitation, neither the City nor Authority shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. The Redeveloper releases the City and Authority from, agrees that neither the City nor Authority shall be liable for, and agrees to indemnify and hold the City and Authority harmless from any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project.

The Redeveloper will indemnify and hold each of the City and Authority and their respective elected officials, directors, officers, appointed officials, agents, employees and members of their governing bodies free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, including litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about the Project during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, whether or not related to the Project, or resulting from or in any way connected with specified events, the Project, or in any way related to the enforcement of this Redevelopment Contract or any other cause pertaining to the Project.

ARTICLE VII
MISCELLANEOUS

Section 7.01 Governing Law.

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

Section 7.02 Binding Effect: Amendment.

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

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

ATTEST:

Secretary

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

By:_____
Chairman

THE GUARANTEE GROUP, L.L.C.

By:_____
Manager

STATE OF NEBRASKA)) SS
COUNTY OF HALL)

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

Notary Public

STATE OF NEBRASKA)) SS
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2013, by _____ Manager of The Guarantee Group, L.L.C., on behalf of the limited liability company.

Notary Public

EXHIBIT A

A-1

DESCRIPTION OF REDEVELOPMENT AREA

A tract of land comprising a part of the Northwest Quarter (NW1/4) of Section Twenty Three (23), Township Eleven (11) North, Range Ten (10) West of the 6th P.M., Hall County, Nebraska, more particularly described as follows:

Beginning at the northwest corner of said Northwest Quarter (NW1/4); thence running easterly along the north line of said Northwest Quarter (NW1/4), on an Assumed Bearing of S89°42'01"E, a distance of Three Hundred Eighty and Fifty Hundredths (380.50) feet, to the ACTUAL point of beginning; thence continuing S89°42'01"E, along the north line of said Northwest Quarter (NW1/4), a distance of One Thousand Four Hundred Eighty Eight and Eighty Five Hundredths (1488.85) feet, to the northwest corner of Meyer's Subdivision; thence running S02°31'05"W, along the westerly line of Meyer's Subdivision, a distance of Three Hundred Ninety Four and Forty Six Hundredths (394.46) feet, to the southwest corner of Meyer's Subdivision; thence running N89°30'44"E, along the southerly line of Meyer's Subdivision, a distance of Sixty Two and Seventy Hundredths (62.70) feet; thence running N03°36'47"E, along the southerly line of Meyer's Subdivision, a distance of Fifteen (15.00) feet; thence running N89°52'19"E, along the southerly line of Meyer's Subdivision, a distance of Two Hundred Eleven and Eighty Two Hundredths (211.82) feet, to the southeast corner of Meyer's Subdivision; thence running N00°22'01"W, along the easterly line of Meyer's Subdivision, a distance of Three Hundred Seventy Six and Seventy Seven Hundredths (376.77) feet, to the northeast corner of Meyer's Subdivision, and to a point on the north line of said Northwest Quarter (NW1/4); thence running S89°42'01"E, along the north line of said Northwest Quarter (NW1/4), a distance of Four Hundred Eighty One and Forty One Hundredths (481.41) feet, to a point Thirty Five (35.00) feet west of the northeast corner of said Northwest Quarter (NW1/4); thence running S00°37'23"W, a distance of Two Thousand Six Hundred Seventy Four and Twenty Two Hundredths (2674.22) feet, to a point on the south line of said Northwest Quarter (NW1/4), said point being Thirty Four and Eighty Six Hundredths (34.86) feet west of the southeast corner of said Northwest Quarter (NW1/4); thence running N89°01'26"W, along the south line of said Northwest Quarter (NW1/4), a distance of Two Thousand Five Hundred Ninety Two and Sixty Seven Hundredths (2592.67) feet, to the southwest corner of said Northwest Quarter (NW1/4); thence running N00°19'24"E, along the west line of said Northwest Quarter (NW1/4), a distance of One Thousand Nine Hundred Eighty Six and Six Hundredths (1986.06) feet, to the southwest corner of M & M Subdivision; thence running S89°42'17"E, along the south line of M & M Subdivision, a distance of Three Hundred Eighty Six and Fifty Two Hundredths (386.52) feet, to the southeast corner of M & M Subdivision; thence running N00°12'08"W, along the east line of M & M Subdivision, a distance of Six Hundred Fifty Seven and Fifty Hundredths (657.50) feet, to the ACTUAL point of beginning and containing 150.56 acres more or less. WHICH INCLUDES all of Lots Eight (8) thru Ninety Seven (97), Copper Creek Estates Subdivision and all of Lots One (1) thru Seven (7), Copper Creek Estates Second Subdivision.

EXHIBIT B
REDEVELOPMENT PLAN

EXHIBIT C
INDEBTEDNESS

1. Initial Principal Amount: \$4,000,000.000
2. Payments: Semi-annually (with principal to be paid from available amounts as mandatory redemptions, after payment of accrued interest), commencing December 1, 2015, with payments limited to net annual TIF Revenues.
3. Interest Rate: 8.00%
4. Maturity Date: December 31 immediately following the fourteenth (14th) anniversary of the last effective date established pursuant to Section 3.01 of the Redevelopment Contract, no later than December 31, 2039.
5. Time for Issuance: At Redeveloper's request as agreed to by the Authority but not earlier than 30 days after passage and approval of the Resolution

Subsequent Indebtedness may be issued the total principal of which shall not exceed the total of allowable Project Costs.

Exhibit D
Project Costs

Redevelopment Project Costs

Site acquisition	\$2,650,000.00
Infrastructure	\$3,294,827.00
Repairs to existing Infrastructure	\$ 196,487.00
Site development (Embankment dirt work)	\$ 423,933.00
Retention Pond & fence	\$ 324,000.00
Developer Construction Management	\$ 247,000.00
Authority legal fees	\$ 30,000.00
Engineering costs	\$ 273,000.00
TOTAL	\$7,439,307.00

EXHIBIT F

REDEVELOPMENT CONTRACT AMENDMENT NOTICE

Notice is hereby given by The Guarantee Group, LLC, ("Redeveloper") to the Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to Section 3.01 of that certain Redevelopment Contract between Redeveloper and Authority dated _____, 2013 as follows:

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

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

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

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

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

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

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

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

Lot description	House model	Sale price
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Dated _____

The Guarantee Group, LLC

Manager