



Community Redevelopment Authority (CRA)

**Wednesday, September 10, 2014
Regular Meeting**

Item J1

Redevelopment Contract for 620 W State St

Staff Contact: Chad Nabity

REDEVELOPMENT CONTRACT

THIS REDEVELOPMENT CONTRACT (the "Contract") is entered into between the **COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA**, ("Authority"), and **SUPER MARKET DEVELOPERS, INC.**, a Missouri corporation and its successors and assigns ("Redeveloper").

RECITALS

A. The City has undertaken a program for the redevelopment of blighted and substandard areas in the City of Grand Island, Nebraska. As part of that program the City has prepared and approved the City of Grand Island Redevelopment Plan Amendment for the Grand Island CRA Area 6 ("Redevelopment Plan"), a copy of which is on file in the Office of the City Clerk of the City ("City Clerk"). The Redevelopment Plan has been adopted in compliance with the Nebraska Community Development Law codified at *Neb. Rev. Stat* §§18-2101 through 18-2154 (the "Act").

B. The Redevelopment Plan calls for the City to support Redeveloper's acquisition and redevelopment efforts on real estate to be acquired by the Redeveloper which is legally described on Exhibit "A" attached hereto and incorporated herein by this reference ("Redeveloper Property").

C. The Redevelopment Project area incorporates all of the Redeveloper Property as shown on Exhibit "A" attached hereto and incorporated herein by this reference ("Project Site").

D. *Neb. Rev. Stat.* § 18-2103(12) (Reissue 2012) authorizes the Authority to carry out plans for a program of acquisition and demolition of buildings and other improvements in connection with redevelopment of the Project Site and to pay for the same from TIF Proceeds (as defined herein). The Redeveloper intends to utilize the TIF Proceeds from the Project Site to pay for the Project Site acquisition.

E. *Neb. Rev. Stat.* § 18-2107 (Reissue 2012) authorizes the City to enter into contracts with redevelopers of property containing covenants and conditions regarding the use of such property as the City may deem necessary to prevent the recurrence of substandard and blighted areas.

F. Redeveloper is willing to enter into this Contract and implement a two phase redevelopment of the Project Site. As part of the first phase, the Redeveloper will invest a minimum of Nine Million Three Hundred Thousand Dollars (\$9,300,000) in the redevelopment of the Project site in addition to the TIF Proceeds of One Million Six Hundred Thousand Dollars (\$1,600,000). Phase one will result in the acquisition of the Project Site, demolishing structures and constructing a new grocery store as generally shown on the Site Plan attached hereto as Exhibit "B". As part of phase two of the redevelopment the Redeveloper intends to demolish the existing grocery store and provide for construction of two new buildings with an additional investment of Three Million Three Hundred Fifty Thousand Dollars (\$3,350,000). The acquisition and construction are sometimes referred to as the "Private Improvements".

G. In order to help remove blight and substandard conditions and improve conditions in an economically underutilized area, the Authority is willing to enter into this Contract and to

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utilize TIF Proceeds to fund the partial cost of Project Site acquisition in order to induce the Redeveloper to undertake the Private Improvements as set forth in Paragraph 13 below (“Private Improvements”).

H. The Private Improvements on the Project Site comprise the two phase Redevelopment Project and are collectively known as the “Redevelopment Project Improvements”. The costs of the Redevelopment Project Improvements are collectively known as the “Redevelopment Project Costs” and are shown on the Sources and Uses of Funds in Exhibit “C”, which is attached hereto and incorporated herein by this reference. The Authority and Redeveloper agree that assistance with the cost of Project Site acquisition is deemed essential to the rehabilitation of the Project Site for a multi-unit retail development and related uses and the Redevelopment Project would not be economically feasible without it.

I. The Authority is willing to support the above described redevelopment of the Project Site in accordance with the Redevelopment Project; provided that, Redeveloper is willing to agree to covenants and conditions regarding compulsory maintenance and upkeep of the Private Improvements to prevent a recurrence of substandard and blighted conditions.

J. In accordance with §18-2147 of the Act and the terms of the Resolution approving this Redevelopment Contract and providing for the issuance of the TIF Note described herein, (the “Resolution”), the Authority hereby provides that any ad valorem tax on the Project Site 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, 2016. Said taxes shall be divided as follows:

- That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the Redevelopment Project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and
- That portion of the ad valorem tax on real property in the Redevelopment Project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing in whole or in part, the Redevelopment 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 County Treasurer and all ad valorem taxes upon taxable real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.

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Said provision is hereinafter referred to as the “Ad Valorem Tax Provision.”

K. *Neb. Rev. Stat.* §18-2107 and §18-2150 (Reissue 2012) authorize the Authority to contract with private parties in order to accomplish acquisition and redevelopment of the Project Site in accordance with the Redevelopment Plan. In order to fund said acquisition and redevelopment of the Project Site, the Authority intends to issue tax increment financing indebtedness instrument or instruments in taxable series (the “TIF Note”) to be repaid with the tax increment revenues generated under the Ad Valorem Tax Provision (“TIF Tax Revenues”).

L. The Authority and Redeveloper desire to enter into this Contract to implement the Redevelopment Project for the above purposes and in accordance with the Redevelopment Plan.

M. The Authority and Redeveloper mutually agree that the redevelopment of the Project Site is in the vital and best interest of the City and is in furtherance of the health, safety, and welfare of its residents, and is in accordance with the public purposes and provisions of applicable laws and requirements under which the Redevelopment Plan has been undertaken.

NOW, THEREFORE, in consideration of the above recitals which are hereby made part of this Contract and of the mutual covenants contained herein the parties do agree as follows:

1. Design Documents. Redeveloper will prepare a preliminary exterior Schematic Concept Design Plan (hereinafter “Design Documents”) for the Project Site and the same shall be submitted to and reviewed by the City. Redeveloper shall submit any material changes in the Design Documents as approved to the City for review and approval.

2. Construction Documents. The Redeveloper shall prepare or cause to be prepared, at Redeveloper’s expense, detailed final construction plans and specifications for the Redevelopment Project Improvements on the Project Site (hereinafter “Construction Documents”). Redeveloper shall submit such Construction Documents for the Private Improvements to the City for review and approval; provided that review and approval shall be limited to the design and type of materials to be used for the facade of the Private Improvements and to assure the Private Improvements meet the City’s design standards. The City shall approve or reject the Construction Documents for the Private Improvements within ten (10) days after receipt thereof.

3. Construction of Redevelopment Project Improvements. Construction of Private Improvements. The Redeveloper, through a minimum investment of Twelve Million Dollars (\$12,000,000), shall at its own cost and expenses, as Redeveloper, construct the Private Improvements substantially in conformance with the Design Documents. Redeveloper agrees to use commercially reasonable efforts to substantially complete construction of the Private Improvements, as provided for in Paragraph 9 below and to pay in a timely manner Redeveloper’s contractor, its subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements as provided for in Paragraph 5 below. Promptly after completion of the Private Improvements and promptly after the Redeveloper provides the Authority the proper documentation that Redeveloper’s subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements have been properly paid in accordance with all the provisions of this Contract, the Authority shall, upon request by the Redeveloper, furnish a Certificate of Completion, the form of

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which is shown on Exhibit "D", which is attached hereto and incorporated herein by this reference. Such certification by the Authority shall be a conclusive determination of satisfaction of the Contracts and covenants in this Contract with respect to the obligations of Redeveloper to construct its Private Improvements. The Certificate of Completion shall be recorded by the Authority in the office of the Register of Deeds for Hall County, Nebraska. If the Authority shall refuse or fail to provide the certification in accordance with the provisions of this paragraph after being requested to do so by Redeveloper, the Authority shall, within fifteen (15) days after written request by Redeveloper, provide Redeveloper with a written statement indicating in what respect Redeveloper has failed to complete its Private Improvements subject to each such certification in accordance with the provisions of this Contract and what measures or acts will be necessary, in the opinion of the Authority, for Redeveloper to take or perform in order to obtain such certification. As used herein, the term "completion" shall mean substantial completion of the Private Improvements so that they may be reasonably used for their intended purposes.

4. Cost Certification. The Redeveloper shall submit authentic documentation to the Authority on approved forms or format for payment of any expenses related to site acquisition. The Redeveloper shall timely submit receipts, invoices, or proof of payment concurrently with the request for payment of Site Acquisition costs. The parties acknowledge that the site acquisition costs will exceed the TIF Proceeds of the TIF Note.

5. Penal Bond and Insurance. Pursuant to *Neb. Rev. Stat. §18-2151*, Redeveloper shall furnish or cause to be furnished to the Authority, prior to commencement of construction of the Redevelopment Project Improvements, a penal bond in an amount of Twenty Five Thousand and No/100 Dollars (\$25,000) with a corporate surety authorized to do business in the State of Nebraska. Such penal bond shall be conditioned upon the Redeveloper at all times making payment of all amounts lawfully due to all persons supplying or furnishing the Redeveloper, the Redeveloper's contractor, its subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements. Proof of such penal bond shall be supplied to the Authority prior to the start of construction of the Redevelopment Project Improvements.

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. The City, the Authority and the Redeveloper shall be named as additional insured. 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 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 the policies.

6. Indemnification. Redeveloper agrees to indemnify, defend and hold the City and the Authority harmless from any and all sums, costs, expenses, damages, claims, judgments, settlements, litigation costs, attorney and professional fees contracted, incurred or paid by the Authority, resulting from a failure of Redeveloper, its tenant or a contractor of Redeveloper or its tenant to make payments of all amounts lawfully due to all persons who performed labor or applied materials performed or used in construction of the Redevelopment Project

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Improvements.

7. Duty to Maintain Improvements. Redeveloper shall, following construction, operate the Private Improvements in a safe and sanitary manner and shall take all action necessary to maintain, in good order, condition and state of repair, all interior and exterior portions of all buildings located upon the Redeveloper Property, including the routine preventive maintenance of the building and its service facilities such as the wiring, plumbing, heating and air conditioning systems, interior insect treatment, and all glass including plate glass, exterior doors and automatic doors.

8. Construction Administration. Redeveloper shall be responsible for all components of the Redevelopment Project Improvements, including construction management, coordination of contractors and regulatory permitting and other requirements. The Redeveloper will be solely responsible for payment of all construction costs attributable to the Redevelopment Project Improvements regardless of any expectation for reimbursement hereunder.

9. Timing of Construction. Redeveloper will use commercially reasonable efforts to complete the Private improvements within twelve (12) months following the Authority's execution of this Contract.

10. Payment of Funds. In order to support redevelopment of the Project Site and as an inducement for the Redeveloper to construct the Redevelopment Project Improvements, the Authority agrees, to the extent allowed by law and then only to the extent funds are lawfully available from the issuance of the TIF Note ("TIF Proceeds") as shown in Exhibit "C", to fund the costs of the Private Improvements in the total amount of the TIF Proceeds less the Authority's costs identified in Paragraph 13. Redeveloper shall submit authentic and satisfactory documentation to the Authority to verify the costs of the Project Site acquisition before any TIF Proceeds will be expended.

11. Issuance of Redeveloper Purchased TIF Note. The Authority shall one TIF Note prior to _____, 2014, in one taxable series, in the principal amount of One Million Six Hundred Thousand and no/100 Dollars (\$1,600,000), in substantially the form shown on attached Exhibit "E", for net funds available ("Series A TIF Indebtedness") to be purchased by Redeveloper ("TIF Note Purchaser"), in a written form acceptable to Authority's attorney, and receive Note Proceeds from the TIF Note Purchaser in said amount. The Authority and Redeveloper agree that the purchase price of the TIF Note and Grant provide in Paragraph 12 may, at the election of the Authority be offset. The Authority shall have the complete authority to determine the timing of issuing the TIF Indebtedness and all the other necessary details of the TIF Indebtedness. Redeveloper may assign the TIF Note to a licensed banking institution, but Redeveloper may not sell, transfer, assign or otherwise hypothecate the TIF Note without express written consent of the Authority. This restriction shall survive closing and delivery of the said notes. The TIF Note shall not be issued until:

- a. the outstanding TIF Note on the Project Site has been redeemed by payment in full of the such outstanding note and the same has been cancelled, with such payment being made from funds provided exclusively by the holder of such outstanding TIF Note;
- b. the Hall County Treasurer and Assessor have provided written acknowledgement that such outstanding TIF Note has been paid and the Project Site is eligible for the division of ad valorem taxes as provided in *Neb. Rev. Stat. §18-2147* with an effective date of January 1, 2016; and

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c. the Redeveloper has entered into a binding contract for the acquisition of the Project Site and has entered into a construction contract for the Private Improvements.

12. Use of TIF Proceeds. The TIF Proceeds from TIF Note shall be granted to the Redeveloper and be used to fund the costs of acquiring the Project Site.

13. Valuation of Property Within the Redevelopment Project Site. The Authority intends to use the Ad Valorem Tax Provision to generate tax increment financing funds which shall be used to finance the payment of debt service on the TIF Note to fund the Private Improvements in accordance with this Redevelopment Contract. The tax increment is to be derived from the increased valuation, determined in the manner provided for in Article 8, Section 12 of the Constitution of the State of Nebraska and the Act which will be attributable to the redevelopment contemplated under this Contract and within the Project Area. The TIF Tax Revenues which are to be used to pay debt service on the TIF Indebtedness will be derived from the increased valuation from redeveloping the Redeveloper Property as provided in this Contract. Redeveloper specifically acknowledges that any protest of the valuation of all or any portion of the Project Area by any party, or a reduction in assessed valuation of all or any portion of the Project Area shall reduce the TIF Tax Revenues available for payment on TIF Note. The Redeveloper specifically acknowledges, as the TIF Note Purchaser, that it bears the entire risk of any reduction in assessed valuation.

14. Debt Service for TIF Indebtedness. The Authority shall, to the extent allowed by law, and then only to the extent funds are lawfully available from TIF Tax Revenues generated by the Project Site pay the TIF Note Purchaser the principal and interest of the TIF Note. Upon payment in full and cancellation of the TIF Note. Any debt service on the TIF Note to be paid from TIF Tax Revenues shall not constitute a general obligation or debt of the City or Authority. Neither the City or Authority shall be liable or be required to reimburse Redeveloper for any costs incurred by Redeveloper in the event this Contract is not approved for any reason, including for reasons alleged to be the fault of the City or Authority. Any excess TIF Revenues resulting from the Ad Valorem Tax Provision on the Project Site not needed or required to pay the TIF Note Purchaser shall be expended by the Authority or returned to the applicable taxing authorities as provided in the Community Development Law. Any shortfall in anticipated TIF funds from the Ad Valorem Tax Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project Site, shall be borne entirely by the Redeveloper without recourse of any kind against the Authority or the City. The Authority hereby irrevocably pledges the TIF Revenues generated by the Project Site to the payment of the TIF Note. 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 and interest price of the respective TIF Notes. Real Property taxes for the year 2030 on the Project Site shall be paid by the Redeveloper on or before December 31, 2030 and such payment shall be considered TIF Revenues (less any administrative cost authorized to be withheld by the Hall County Treasurer) and shall be used for payment on the TIF Note.

15. Payment of Authority Costs. The Redeveloper shall pay the sum of \$7,000 to the Authority for reimbursement of legal fees incurred by the Authority related to the redevelopment project and issuance of the TIF Note. The Redeveloper acknowledges the attorney for the Authority is not providing legal representation to the Redeveloper.

16. Restriction on Transfer. Redeveloper will not, for a period of fifteen (15) years after the effective date hereof or so long as the TIF Note remains outstanding whichever period of time is shorter (the "Tax Increment Period"), convey the Redeveloper Property or any portion

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thereof to any entity which will result in such property being exempt from ad valorem taxes levied by the State of Nebraska or any of its subdivisions.

17. Financing Creating Encumbrances Restricted. Prior to completion of the Private Improvements, neither Redeveloper, nor any successors in interest with respect to the Redeveloper Property, shall engage in any financing or any other transaction creating any mortgage upon the Redeveloper Property, whether by express contract or operation of law, or suffer any encumbrance or lien to be made on or attached to any of such Redeveloper Property, except for the purposes of obtaining funds only to the extent necessary to design, construct, maintain, repair, replace and insure the Private Improvements, or to refinance said amounts. Redeveloper, or any successor in interest shall notify the Authority in advance of any financing secured by mortgage that it proposes to enter into with respect to Redeveloper Property, and shall promptly notify the Authority of any mortgage that has been created on or attached to the Redeveloper Property whether by voluntary act of Redeveloper or otherwise. Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to any of the Redeveloper Property and which is contested by Redeveloper, then Redeveloper may defend against such encumbrance or lien, provided that a sufficient Note or security is posted with the Authority, to permit Redeveloper to avoid or prevent foreclosure of such encumbrance or lien. In addition, Redeveloper agrees that prior to completion of the Private Improvements; any loan proceeds secured by any interest in the Redeveloper Property shall be used solely for the payment of costs and expenses related to the development of the Private Improvements.

a. In the event that any foreclosure of any mortgage, deed of trust or other encumbrance should occur prior to the furnishing of the Certificate of Completion or at any time when any casualty damage to the Private Improvements has occurred and has not been fully restored, any party who obtains title to any portion of the Redeveloper Property from or through Redeveloper or the holder of any mortgage or any other purchaser at foreclosure sale shall be obligated to commence construction or reconstruction within three (3) months from the date of acquisition of title by said party and to complete construction or restoration within twenty-four (24) months from the date of such acquisition or, in lieu thereof, the holder of any mortgage or any other purchaser at foreclosure sale shall pay to the Authority the amount necessary to fully retire the TIF Indebtedness within three (3) months from the date of acquisition of title.

b. Whenever the Authority shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper of its obligations or covenants in this Contract, the Authority shall at the same time forward a copy of such notice or demand to each Holder of any mortgage at the last address of such Holder as shown in the records of the Register of Deeds of Hall County.

c. If thirty (30) days after any notice or demand with respect to any breach or default, such breach or default remains uncured, each such Holder shall (and every mortgage or other instrument of encumbrance made prior to completion of the Private Improvements by Redeveloper or its successors in interest shall so provide) have the right, at its option, to cure or remedy such breach or default and to add the cost thereof to the mortgage debt and the lien of its mortgage; provided, that if the breach or default is with respect to construction of the Project Site, nothing contained in this section or any other section of this Contract shall be deemed to permit or authorize.

d. The rights and obligations of this Contract relating to mortgages of any portion of

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the Redeveloper Property shall apply to any other type of encumbrance on any of the Redeveloper Property, and any of the stated rights, obligations and remedies of any party relating to mortgage foreclosures shall be applicable to procedures under any deed of trust or similar method of encumbrance.

18. Damage or Destruction of Private Improvements. During the construction period and prior to issuance of the Certificate of Completion, Redeveloper agrees to keep its construction areas, including completed operations areas, insured against loss or damage by fire, and such other risks, casualties, and hazards as are customarily covered by builders' risk or extended coverage policies in an amount not less than the replacement value but allowing for reasonable coinsurance clauses and deductibles. In the event of any insured damage or destruction, Redeveloper agrees to restore the Private Improvements to their prior condition within twelve (12) months from the date of the damage or destruction, and shall diligently pursue the same to completion. In the event Redeveloper fails to restore the same for any reason, Redeveloper shall pay to the Authority the amount of TIF Tax Revenues received by the City in the preceding year times the number of years remaining in the Tax Increment Period. During the Tax Increment Period, Redeveloper shall include by restrictive covenant an enforceable obligation on the Redeveloper or other owner or tenant in possession to maintain property insurance on an extended coverage all-risk basis in an amount not less than the replacement value, allowing for reasonable coinsurance clauses and deductibles and also subject to the Redeveloper or other owner or tenant's obligation to restore their respective Private Improvements to their prior condition within twelve (12) months from the date of the damage or destruction, diligently pursuing the same to completion.

19. Condemnation. If during the Tax Increment Period, all or any portion of the Redeveloper Property is condemned by a condemning authority other than the City, and the condemning authority or its successor in interest would not be obligated to pay real estate taxes upon that portion condemned, the Authority shall be entitled to claim against the Condemner an interest in the property equal to the present value of the pro rata share of tax increment indebtedness outstanding as of the date of taking.

20. Representations. Redeveloper represents and agrees that its undertakings, pursuant to this Contract, have been, are, and will be, for the purpose of redevelopment of Redeveloper Property and not for speculation in land holding.

21. Restrictions on Assignments of Rights or Obligations. Redeveloper represents and agrees that prior to completion of the Private Improvements there shall be no sale or transfer of the Redeveloper Property or assignment of Redeveloper's rights or obligations under this Contract to any party without the prior written approval of the Authority (which shall not be unreasonably withheld, conditioned, or delayed), other than leases, mortgages and involuntary transfers by reason of death, insolvency, or incompetence. The Authority shall be entitled to require, as conditions to any required approval, that:

- a. Any proposed transferee shall have the qualifications and financial responsibility, as determined by the Authority, necessary and adequate to fulfill the obligations undertaken in this Contract by Redeveloper; and
- b. Any proposed transferee, (lessees excepted) by instrument satisfactory to the Authority and in form recordable in the Office of the Register of Deeds, shall for itself and its successors and assigns and for the benefit of the Authority, have expressly assumed all of the obligations of Redeveloper under this Contract; and
- c. There shall be submitted to the Authority for review, not less than ten (10) days prior

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to the proposed execution thereof, all instruments and other legal documents involved in the transfer or described in this Contract; and if disapproved by the Authority, its disapproval and reasons therefore shall be indicated to Redeveloper in writing.

22. Representations and Warranties of Parties.

a. Redeveloper represents and warrants to Authority as follows:

i. Organization; Power; Good Standing. Redeveloper is a corporation duly organized and validly existing in good standing under the laws of Missouri. Redeveloper is qualified to do business in the State of Nebraska and has all requisite power and authority to own and operate its properties and carry on its business as now being conducted and to enter into this Contract and perform the obligations hereunder.

ii. Authority Relative to Contract. This Contract has been duly executed and delivered by Redeveloper and constitutes a legal, valid and binding obligation of Redeveloper, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies.

iii. Effect of Contract. The execution, delivery and performance of this Contract by Redeveloper has been duly authorized by all necessary action by Redeveloper and except as provided in this Contract will not require the consent, waiver, approval, license or authorization of any person or public authority, and will not violate any provision of law applicable to Redeveloper, and will not violate any instrument, Contract, order, judgment, decree, statute, regulation, or any other restriction of any kind to which Redeveloper is a party.

b. Authority represents and warrants to Redeveloper as follows:

i. Authority Relative to Contract. This Contract has been duly executed and delivered by the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies.

ii. Effect of Contract. The execution, delivery and performance of this Contract by Authority have been duly authorized by all necessary action by the Authority and except as provided in this Contract will not require the consent, waiver, approval, license or authorization of any person or public authority, and will not violate any provision of law applicable to the Authority, and will not violate any instrument, Contract, order, judgment, decree, statute, regulation, or any other restriction of any kind to which the Authority is a party.

23. Remedies. Except as otherwise provided in this Contract, in the event of any default in performance of this Contract by the Authority or Redeveloper, the party in default shall, upon written notice from the other, proceed immediately to cure or remedy such default within thirty (30) days after receipt of notice. However, if the default cannot, in the exercise of

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reasonable diligence, be cured within thirty (30) days, then the defaulting party shall commence efforts to cure and shall diligently continue to cure the default. If the default is not cured, the non-defaulting parties may institute any proceedings which may be necessary to cure and remedy the default.

24. Waiver. The parties shall have the right to institute actions or proceedings as they may deem necessary to enforce this Contract. Any delay in instituting any action or otherwise asserting rights under this Contract shall not operate as a waiver of rights or limit rights in any way.

25. Delay in Performance For Causes Beyond Control of Party. The parties or their successors or assigns shall not be in default of their obligations for delay in performance due to causes beyond their reasonable control and without their fault, including but not limited to acts of God, acts of the public enemy, acts of the federal or state government or subdivisions thereof, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, shortages of labor or materials, or delays of contractors, or subcontractors due to such causes. This paragraph shall not apply to any delay in performance due to economic downturn or any other condition or cause that is primarily of a financial nature. The purpose and intent of this section is that in the event of the occurrence of any such delay, the time for performance of the obligations of either party with respect to construction of improvements shall be extended for the period of delay. However, in order to obtain the benefit of the provisions of this section, the party seeking the benefit shall within twenty (20) days after the beginning of the delay of performance notify the other party in writing of the cause and the reasonably expected length of delay.

26. Contract to Pay Taxes. Redeveloper agrees to pay all real property taxes levied upon the Redeveloper Property and Private Improvements prior to the time the taxes become delinquent. The contractual obligation by Redeveloper to pay such taxes prior to delinquency shall cease upon expiration of the Tax Increment Period, but the Authority in no way waives the statutory obligation to continue to pay real estate taxes. This provision shall not be deemed a waiver of the right to protest or contest the valuation of the lots or improvements for tax purposes, except as such right is otherwise restricted by this Contract.

27. Rights and Remedies Cumulative. The rights and remedies of the parties to this Contract shall be cumulative and the exercise by either party of anyone or more remedies shall not preclude the exercise by it of any other remedies for any other default or breach by the other party. A waiver of any right of either party conferred by this Contract shall be effective only if in writing and only to the extent specified in writing.

28. Authority Representatives Not Individually Liable. No official or employee of the Authority shall be personally liable to Redeveloper or any successors in interest due to any default or breach by the Authority under the terms of this Contract.

29. Notices and Demands. A notice under this Contract by a party to the other party shall be deemed delivered on the date it is postmarked, sent postage prepaid, certified or registered mail, or delivered personally to Super Market Developers, Inc., at 5000 Kansas Avenue, Kansas City, KS 66106, with a copy to Charles Renner, Esq., Husch Blackwell LLP, 4801 Main Street, Suite 1000, Kansas City, MO 64112; and to the CRA at City of Grand Island, PO Box 1968, Grand Island, Nebraska, Attention: Chad Nabity, Regional Planning Director, with a copy to Michael L. Bacon, Bacon and Vinton, LLP, Post Office Box 208, Gothenburg, NE 69138, or at such other address with respect to either party as that party may from time to time designate in writing and notify the other as provided in this section.

30. Access to Project Site. During construction of the Private Improvements,
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Redeveloper shall permit the representatives of the Authority to enter all areas of the Redeveloper Property and at any and all reasonable times, as the Authority may deem necessary for the purposes of inspection of work being performed in connection with the construction of the facility.

31. Provisions Run With the Land. This Contract shall run with the Redeveloper Property and shall inure to and bind the parties and their successors in interest. This Redevelopment Contract or a Memorandum hereof shall be recorded, by the Authority, with the Register of Deeds of Hall County, Nebraska, against the Redeveloper Property at the Redeveloper's expense.

32. Headings. Headings of the sections of this Contract are inserted for convenience only and shall be disregarded in interpreting any of its provisions.

33. Severance and Governing Law. Invalidation of any provision of this Contract by judgment or court order shall not affect any other provisions which shall remain in full force and effect. This Contract shall be construed and governed by the laws of Nebraska.

34. Expiration of Contract. Unless otherwise stated herein, this Contract shall expire upon expiration of the Tax Increment Period, or retirement of the TIF Note, whichever first occurs; provided the Authority and Redeveloper agree to execute any release necessary to be filed of record to evidence such expiration or termination, unless otherwise stated herein.

35. Interpretations. Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Contract, but shall be interpreted according to the application of rules of interpretation of contracts generally.

36. Counterparts. This Contract may be executed in one or more counterparts which, when assembled, shall constitute an executed original hereof.

37. Nondiscrimination. Redeveloper, its successors and transferees agree that, as long as the TIF Note is outstanding, it will not discriminate against any person or group of persons on account of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Redevelopment Project. Redeveloper, its successors and transferees, agrees that during the construction of the Redevelopment 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, and further agrees to require that its contractor and subcontractors shall agree to conform to said requirements. Redeveloper will comply with all applicable federal, state and local laws related to the Redevelopment Project. For purposes of this paragraph, discrimination shall mean discrimination as defined by the laws of the United States and the State of Nebraska.

38. Audit and Review. Redeveloper shall be subject to audit by the Authority and shall make available to the Authority or its designee copies of all financial and performance related records and materials germane to this Contract. The Authority shall cooperate and make available to the Redeveloper or its agent copies of all financial and performance related records and materials germane to the Project Account and the TIF Proceeds.

39. Evidence of Financial Ability of Redeveloper. The Redeveloper shall provide to the Authority on a confidential and privileged basis evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of the Redeveloper in connection with the Project Site. Such information shall state the amount and source of liquid assets on hand or immediately available to the Redeveloper for use in the Project; and shall state the amount and source of debt financing which is available, or irrevocably committed, to the Redeveloper for use in the Project Site. Such information shall be provided in a form satisfactory to the Finance Director of the Authority, and evidence of loan commitments shall include all the

Super Market Developers, Inc

documents evidencing the loan commitment, and acceptance by the borrower, the purposes of the loan, the authorized use of loan funds, and all other terms and conditions of the loan commitment, the acceptance, and the loan. Submittal of such financial information in a form satisfactory to the Finance Director of the Authority shall be a condition precedent to the requirement of the Authority to proceed with its obligations under this Contract. The approval of the Finance Director shall not be unreasonably withheld.

40. Effective Date. For all purposes, including for determining such effective date as stated in *Neb. Rev. Stat.* §18-2147, the effective date of this Contract shall be January 1, 2016, as the same relates to Parcel A. The parties acknowledge that the rehabilitation contemplated hereby will extend substantially into the 2015 calendar year.

41. Immigration Requirement. The Redeveloper agrees that any contractor for the Project shall be required to agree to use a federal immigration verification system (as defined in Nebraska Revised Statute §4-114) to determine the work eligibility status of new employees physically performing services on the Project and to comply with all applicable requirements of Nebraska Revised Statute §4-114.

42. Relocation Expenses. The Redeveloper agrees to indemnify and hold the City and the Authority harmless for failure to make payments of all amounts lawfully due to all persons, firms, or organizations under any city, state or federal relocation laws or regulation in connection with the Project Site. The terms of this section shall survive any termination of this Contract.

Executed by **Authority** this ___ day of _____, 2014.

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

Chair or Vice Chair

ATTEST:

Secretary
STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this ___ day of _____, 2014, by _____ Chair (or Vice Chair) of the Community Redevelopment Authority of the City of Grand Island, Nebraska.

Notary Public

Super Market Developers, Inc

Exhibit "A"

REDEVELOPER PROPERTY

Super Market Developers, Inc

Exhibit "B"
PROJECT SITE PLAN

Super Market Developers, Inc

Exhibit "C"

USES AND SOURCES OF FUNDS

PUBLIC IMPROVEMENTS AND ELIGIBLE PRIVATE IMPROVEMENTS
- USES OF FUNDS-

Project Sources and Uses.

Use of Funds.

Description	Redeveloper	TIF	Total Sources
Property Acquisition	\$1,000,000	\$1,600,000	\$2,600,000
Authority Costs	7,000		7,000
Site Prep	\$3,004,953		\$3,004,953
Building Phase 1	\$4,725,000		\$4,725,000
Building Phase 2	\$3,000,000		\$3,000,000
Fuel Center	\$ 500,000		\$ 500,000
Personal Property	\$1,000,000		\$1,000,000
Soft Costs	\$1,200,000		\$1,200,000
TOTALS	\$14,429,953	\$1,600,000	\$16,029,953

Super Market Developers, Inc

Exhibit "D"

**CERTIFICATE OF COMPLETION OF
PRIVATE IMPROVEMENTS**

KNOW ALL PEOPLE BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, hereinafter called "Authority", hereby makes the conclusive determination and certification that, with regard to the following real property situated in the City of Grand Island, Hall County, Nebraska, to wit ("Redeveloper Property"):

Legal Description: Lot 3 of Skag-Way Subdivision and Lot 1 of Skag-Way Second Subdivision.

All the improvements required to be constructed upon the above-described Redeveloper Property have been satisfactorily completed in accordance with the requirements of the REDEVELOPMENT CONTRACT with Super Market Developers, Inc., dated _____ ("Contract") by and between the **COMMUNITY REDEVELOPEMNT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA**, , and Super Market Developers, Inc., a Missouri corporation ("Redeveloper"), said Contract with an effective date of January 1, 2016, and recorded as Instrument No. _____, in the office of the Register of Deeds for Hall County, Nebraska.

The Authority further makes the conclusive determination that the Private Improvements (as defined in the Contract) to the above-described Redeveloper Property are presently in conformance with the Contract.

IN WITNESS WHEREOF, the Authority and Redeveloper have executed this instrument this _____ day of _____, 2014.

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

ATTEST:

By: _____
Secretary

By: _____
Chair or Vice Chair

Super Market Developers, Inc

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, _____, Chair of the Redevelopment Authority of the City of Grand Island, Nebraska, on behalf of the Authority.

Notary Public

“Redeveloper”

Super Market Developers, Inc., a Missouri corporation qualified to do business in the state of Nebraska

By: _____
President

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by _____, President of **Super Market Developers, Inc.**, a Missouri corporation, on behalf of the corporation.

Notary Public

Super Market Developers, Inc

Resolution No 182

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

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY
AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(SUPER MARKET DEVELOPERS PROJECT)

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$1,600,000.00	0.0%	December 31, 2030

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 Super Market Developers, Inc., a Missouri corporation, or order, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest at the rate of zero percent [0.0 %] per annum on the unpaid balance. This Note is due and payable in full on December 31, 2030. This Note is subject to mandatory partial prepayment as provided in the Resolution of the Authority authorizing the issuance of this Note. The payment of principal due upon the final maturity is payable upon presentation and surrender of this Note to the Treasurer of said Authority, as Paying Agent and Registrar for said Authority, at the offices of the Community Redevelopment Authority of the City of Grand Island at City Hall, in Grand Island, Nebraska. The payments of mandatory partial redemption of principal on each payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this Note, as shown on the books or record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the payment date occurs, to such owner's address as shown on such books and records.

Super Market Developers, Inc

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

This Note is the single Note in the total principal amount of One Million Six Hundred Thousand and no one hundredths Dollars (\$1,600,000.00) issued by the Authority for the purpose of paying the costs of redevelopment of certain real estate located in the City of Grand Island, as designated in that redevelopment plan amendment recommended by the Authority and approved by the City Council of the City of Grand Island, Nebraska, (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2012, as amended, and has been duly authorized by resolution passed and approved by the governing body of the Authority (the "Resolution").

This Note constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2012, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" (as defined in the Resolution). Pursuant to the Resolution and Section 18-2150, R.R.S. Neb. 2012, said portion of taxes has been pledged for the payment of this Note, as the same become subject to mandatory redemption. This Note shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Note shall not constitute an obligation of the State of Nebraska or of the City or Grand Island (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2012) and neither the State or Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2012). Neither the members of the Authority's governing body nor any person executing this Note shall be liable personally on this Note by reason of the issuance hereof.

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

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

Super Market Developers, Inc

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

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

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

Delivered this ___th day of September, 2014.

(SEAL)

COMMUNITY DEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

By: _____
Chair or Vice Chair

ATTEST:

By: _____
Secretary

Super Market Developers, Inc

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	Registered Owner	Signature of Paying Agent
	Super Market Developers, Inc	

Super Market Developers, Inc