



Community Redevelopment Authority (CRA)

Wednesday, November 18, 2015
Regular Meeting

Item H1

Agreement for Replacement of Developer & Owner

Staff Contact: Chad Nabity

AGREEMENT FOR REPLACEMENT OF DEVELOPER AND OWNER
LOW INCOME HOUSING TAX CREDIT PROJECT

THIS AGREEMENT FOR REPLACEMENT OF DEVELOPER AND OWNER is entered into this **12th day of November 2015** by and among Pridon/Grand Island LLC (Developer and Owner); Pioneer Group, Inc. (Replacement Developer); Victory Place, LLC (Replacement Owner) and Nebraska Investment Finance Authority (NIFA).

Whereas Developer and Owner submitted an application for Low Income Housing Tax Credits (LIHTCs) to NIFA for a certain housing project located at 2325 North Broadwell Avenue, Grand Island, Nebraska 68803 (Housing Project); and

Whereas, NIFA has allocated \$412,065 of LIHTC to the Owner for the Housing Project in February 2015; and

Whereas, Developer and Owner desire to be removed as the owner and developer of the Housing Project and desire for NIFA to approve their replacement with the Replacement Developer and Replacement Owner; and

Whereas, Replacement Developer and Replacement Owner desire to serve as the developer and owner for the Housing Project; and

Whereas, Developer and Owner and Replacement Developer and Replacement Owner desire to identify and agree to those development expenses that the Replacement Developer and Replacement Owner will pay; and

Whereas, Developer and Owner desire to transfer site control to Replacement Developer and Replacement Owner; and

Whereas, Replacement Developer and Replacement Owner desire to be approved by NIFA prior to its approval of a 2015 Carryover Allocation Agreement for the LIHTC awarded to the Housing Project; and

Whereas Replacement Developer and Replacement Owner desire that NIFA approve a 2015 Carryover Allocation Agreement for the LIHTC and to issue the Carryover Allocation Agreement to the Replacement Owner.

Now therefore in consideration for the mutual promises contained herein and other valuable consideration the Parties agree to the following:

1. Replacement of Developer and Owner.

Developer and Owner hereby agree to be removed as developer and owner of the Housing Project. Further Developer and Owner understand and agree that they shall have no duty, power or authority, right or responsibilities for the Housing Project or the allocation of LIHTC by NIFA.

Replacement Developer and Replacement Owner hereby agree to serve as developer and owner of the Housing Project. Further Replacement Developer and Replacement Owner understand and agree that they shall assume all duty, power, authority, rights or responsibilities for the Housing Project and the allocation of LIHTC by NIFA.

2. Agreement for development expenses that will be assigned to and be paid by the Replacement Developer and Replacement Owner.

Replacement Developer and Replacement Owner hereby agree to accept the assignment by Developer and Owner of the development expenses set forth on Exhibit A attached hereto and incorporated herein. Additionally attached as Exhibits B-1 through B-32 are copies of the invoices or other evidence of the development expenses for each of the development expenses listed on Exhibit A. The development expenses listed on Exhibit A shall be paid as part of the Housing Project. Those development expenses listed on Exhibit A which have been previously paid by Developer Owner will be reimbursed to Developer Owner at financial closing. Those Exhibit A development expenses that have not been paid by Developer Owner will be paid directly to vendor by Replacement Owner and Replacement Developer. Replacement Developer and Replacement Owner shall not be responsible for payment of any development or other expenses incurred by Developer and Owner that are not identified on Exhibit A.

3. Transfer of Site Control.

Developer and Owner hereby agree to relinquish any rights to and further agree to assign, transfer and convey any rights they have in a certain Enhanced Use Lease granted by the Department of Veterans Affairs (VA) relating to the Grand Island VA Community Based Outpatient Clinic. Further Replacement Developer and Replacement Owner hereby agree to accept the assignment of the Enhanced Use Lease and will directly negotiate with the VA on the terms and conditions to be contained in any amended and restated Enhanced Use Lease.

4. Approval of Replacement Developer and Replacement Owner by NIFA

NIFA hereby approves the removal of the Developer and Owner and further approves their replacement with the Replacement Developer and Replacement Owner. Further NIFA agrees that the approval of the Replacement Developer and Replacement Owner shall be made prior

to its approval of a 2015 Carryover Allocation Agreement for the LIHTC awarded to the Housing Project; and

5. Approval of 2015 Carryover Allocation Agreement for the LIHTC to the Replacement Owner

Upon receipt by NIFA of all documentation they require to issue the Carryover Allocation Agreement, NIFA agrees to issue a 2015 Carryover Allocation Agreement for the LIHTC to the Replacement Owner. Replacement Developer and Replacement Owner agree to be responsible for paying for the extension fee charged by NIFA for issuance of the Carryover Allocation Agreement after the November 1st deadline.

6. Approval of Assignment/Reissuance of Redevelopment Contract with the Community Redevelopment Authority of the City of Grand Island, Nebraska

The Developer and Owner hereby agrees to the assignment/reissuance of the Redevelopment Contract by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (*the "Authority"*), and Pridon-Grand Island, LLC dated May 2, 2015 relating to certain TIF Proceeds (the "Redevelopment Contract") to the Replacement Owner. Further, the Replacement Owner hereby agrees to acceptance of the assignment/reissuance of the Redevelopment Agreement by the Authority. It is further understood and agreed that the Developer and Owner hereby agrees to assign and transfer the tax increment finance promissory note issued by the Authority (the "TIF Note") to the Replacement Owner and the Replacement Owner hereby agrees to accept the transfer and assignment of the TIF Note from the Owner and be bound by all terms therein.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF the Parties hereto have affixed their signatures effective as of the date and year above written.

Developer and Owner
Pridon/Grand Island LLC

By: _____
Dane E. Whitworth, President

Replacement Developer
Pioneer Group, Inc.

By: _____
Ross R. Freeman, President

Replacement Owner
Victory Place, LLC
By: Pioneer Investment Victory Place, LLC
Its Managing Member

By: _____
Ross R. Freeman, Designated Member

NIFA
Nebraska Investment Finance Authority

By: _____
Timothy R. Kenny, Executive Director