



City of Grand Island

Tuesday, October 23, 2012

Council Session

Item E4

**Public Hearing on Amendment to the Redevelopment Plan Area 2
Located at 1112 South Locust Street**

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: October 23, 2012

Subject: Amendment to Redevelopment Plan for CRA Area #2

Item #'s: E-4 & I-3

Presenter(s): Chad Nabity, AICP CRA Director

Background

In 1999, the Grand Island City Council declared property referred to as CRA Area #2 as blighted and substandard and approved a generalized redevelopment plan for the property. The generalized redevelopment plan authorized the use of Tax Increment Financing (TIF) for the acquisition of property, redevelopment of property, site preparation including demolition, landscaping and parking. TIF can also be used for improvements to and expansion of existing infrastructure including but not limited to: streets, water, sewer, drainage.

The developer intends to use Tax Increment Financing to aid in renovation of the existing retail space at this site. This project would not be possible without the use of TIF. The property is located within Redevelopment Area #2 at 1135 South Locust Street, Lot 1 of Dowd Subdivision, in the City of Grand Island, Hall County Nebraska.

The CRA reviewed the proposed development plan on September 19th, 2012 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on October 3rd, 2012. The CRA also sent notification to the City Clerk of their intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on October 3rd, 2012. The Planning Commission approved Resolution 2013-01 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island.

Discussion

Tonight, Council will hold a public hearing to take testimony on the proposed plan amendment (including the cost benefit analysis that was performed regarding this proposed project) and to enter into the record a copy of the plan amendment, the draft TIF contract under consideration by the CRA.

Council is being asked to approve a resolution approving the cost benefit analysis as presented in the redevelopment plan along with the amended redevelopment plan for CRA Area #2 and authorizes the CRA to execute a contract for TIF based on the plan amendment. This includes the renovation existing retail space along South Locust north of the Central Nebraska Health Department along with development of a 3 unit apartment building facing Pine Street on the same property. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for as eligible TIF project and that it will not negatively impact existing services within the community or shift additional costs onto the current residents of Grand Island and the impacted school districts. The total tax increment financing allowed for this project may not exceed \$160,000 during this 15 year period.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the resolution
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

The CRA and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the adoption and implementation of this plan.

Sample Motion

Move to approve the resolution as submitted.

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

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #2 with in the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area #2.

**Executive Summary:
Project Description**

THE RENOVATION OF THE EXISTING COMMERCIAL BUILDING AT 1135 SOUTH LOCUST STREET ALONG WITH THE CONSTRUCTION OF A THREE-DWELLING UNIT APARTMENT BUILDING ON ADJACENT PROPERTY TO THE EAST FRONTING ONTO PINE STREET AND THE SUBSEQUENT SITE WORK, UTILITY, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR THE RENOVATION AT THIS LOCATION.

The developer intends to use Tax Increment Financing to aid in renovation of the commercial building on South Locust Street. The developer will be building a three unit apartment building on the side of the block that is primarily residential development. The increment from the new construction will be used to make the improvements to the existing commercial building. This project would not be possible in an affordable manner without the use of TIF.

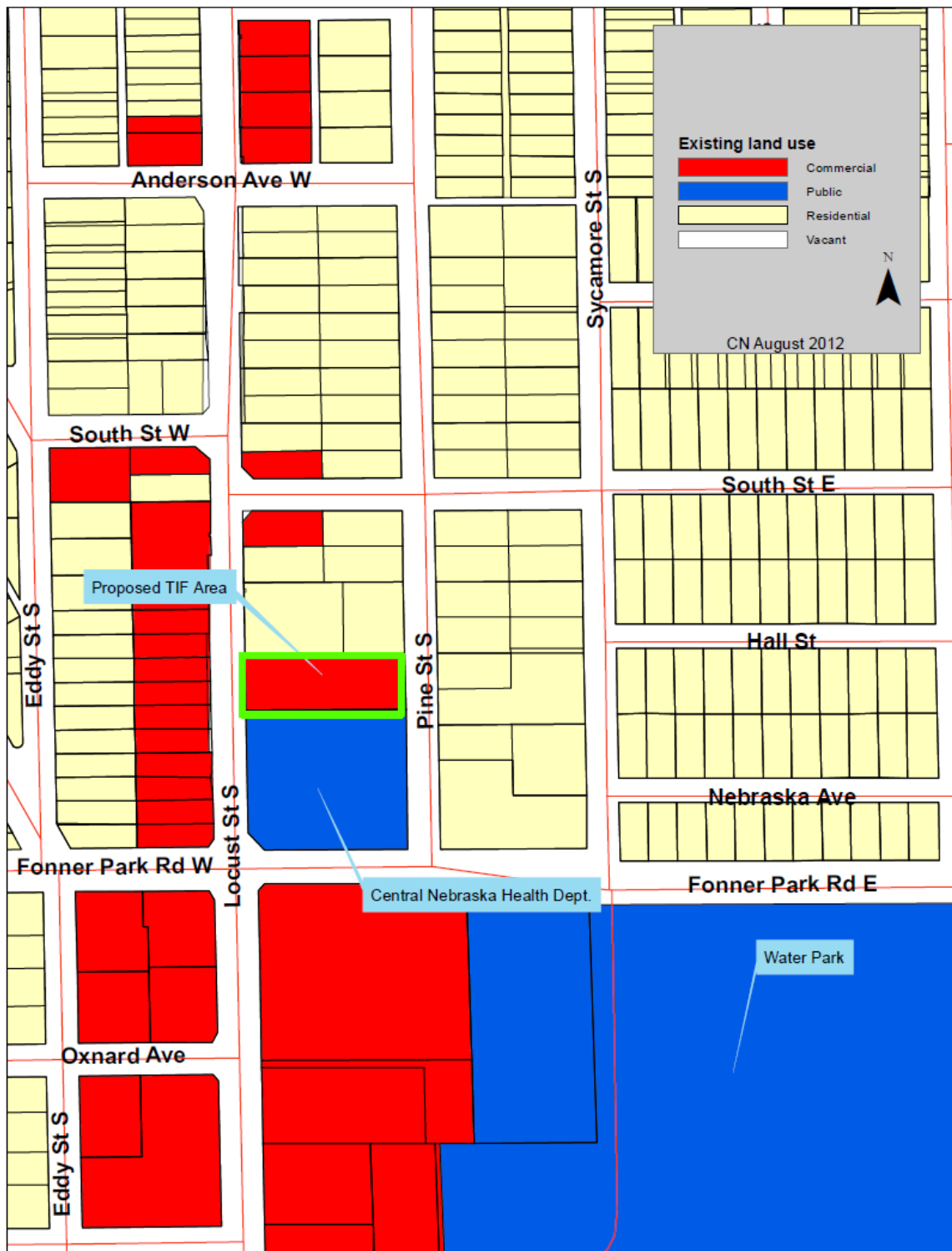
The site is owned by the developer. All site work, demolition and utilities will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2015 towards the allowable costs and associated financing for the acquisition and site work.

TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

This property is located just north of the Central Nebraska Health Department on the between South Locust Avenue and Pine Street in southern Grand Island. The attached map identifies the subject property and the surrounding land uses:

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



The tax increment will be captured for the tax years the payments for which become delinquent in years 2015 through 2029 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of the hotel convention center property and development of a national chain restaurant at this location.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2014.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on September 13, 1999. [§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate an existing conforming use on this property.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]

a. Land Acquisition:

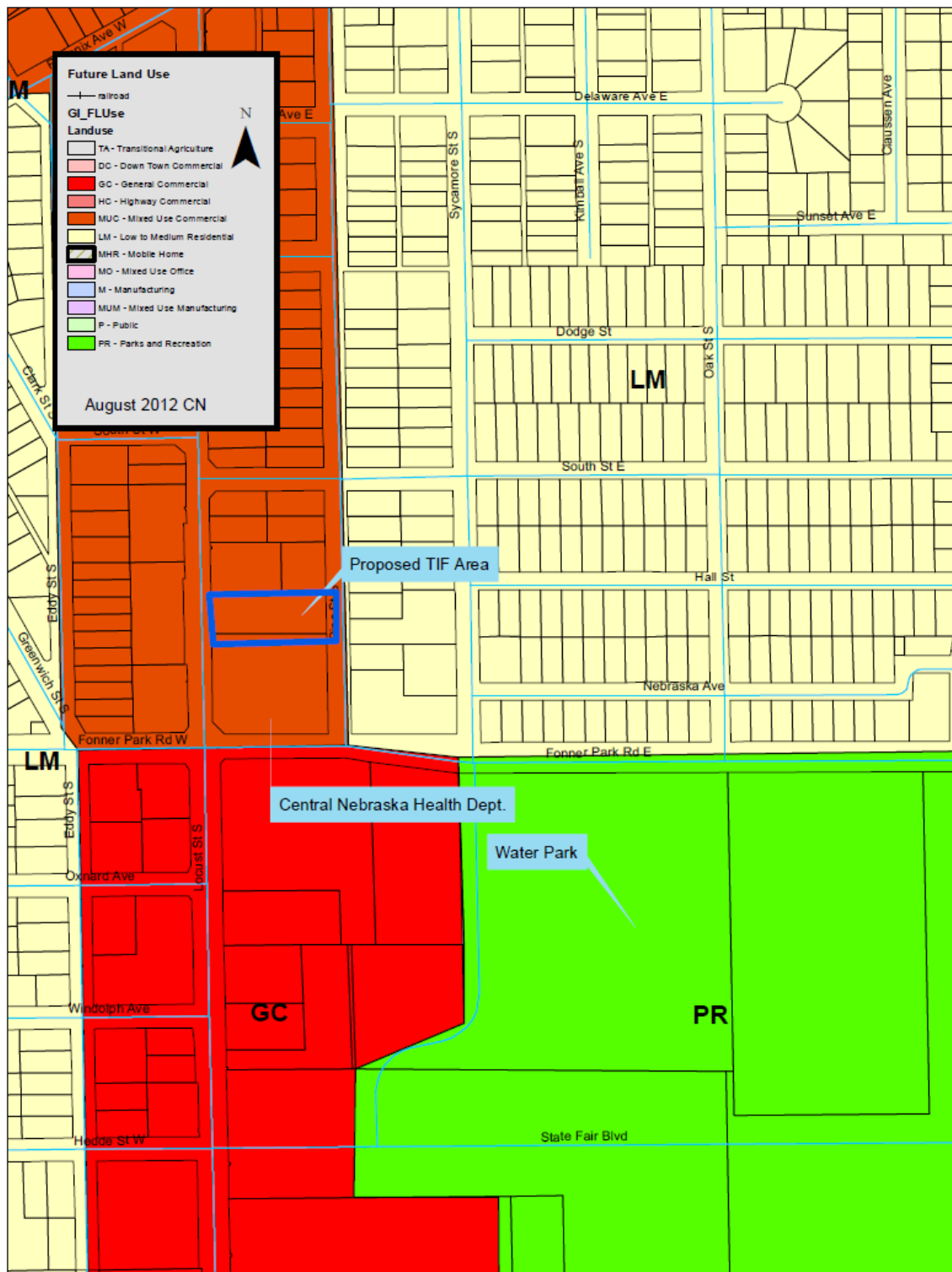
The Redevelopment Plan for Area #2 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority and no additional acquisition proposed by the developer.

b. Demolition and Removal of Structures:

The project to be implemented with this plan amendment does not call for the demolition and removal of any existing structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for mixed use commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned B2-AC General Business zone with an Arterial Commercial Overlay along the Locust side and R3-Medium Density Residential along the Pine Street side. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. The proposed uses for commercial retail/office space in the existing building and multi-family residential along Pine Street are permitted in the current zoning districts. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing rehabilitate the existing structure a conforming structure and use in the B2-AC zoning district. The R-3 zoning district allows for the development of 1 dwelling unit for each 3000 square feet of lot space. Approximately 14,300 square feet of the property is zoned R3 so there is sufficient property to support the development of a 3-plex. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

This site has full service to municipal utilities. No utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation.

This property, owned by the developer is currently vacant commercial space in poor condition. The proposed use of this property would continue as a commercial rental space with the addition of residential uses along the east side. No individuals or families will be relocated as a result of this project. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer has owned the property for since 20???. The cost of property acquisition is not being included as a TIF eligible expense. Costs for rehabilitation of the existing commercial structure are estimated at \$150,000. Soft costs including: Architectural/Engineering, Financing, Legal and Audit costs total \$2500. Fees and reimbursement to the City and the CRA of \$6,500 are included as a TIF eligible expense. The developer will also have costs associated with site preparation and utility connections for the residential development. The total eligible costs will exceed \$160,000.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$159,738 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2015 through December 31, 2029.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project 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.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of and redevelopment of commercial lots. This will not significantly impact traffic on at the intersection of South Locust or on Pine Street.

Renovated commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. The development of multi-family residential on this property is consistent with the property developed by Goodwill Industries to the south and east of site and will provide a buffer between the commercial space and the single family residential to the north and east. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

Development of this project (including demolition, site preparation and new construction) is anticipated to be completed between January 2013 and December of 2013. Excess valuation should be available for this project for 15 years beginning with the 2014 tax year.

9. Justification of Project

The South Locust Corridor is a major entrance for the City of Grand Island from Interstate 80. The Heartland Events Center, the State Fair Park and associated buildings and other attractions are all located along South Locust. The South Locust Business Improvement District and City of Grand Island have spent a considerable amount of money on landscaping and aesthetic treatments along this corridor. The City has codified those improvements as development occurs south of the U.S. 34 and Locust. This is a gateway to the community and for many people from outside the area is what they will use to judge our City. Significant investments have been made by the developer in properties along the west side of Locust and by the Central Nebraska Health Department in their Building. Goodwill Industries has invested federal grant dollars in housing in this neighborhood. The existing commercial building is negatively impacting the area and the property values in the area. Renovation of this building is a significant improvement that will increase the marketability adjoining properties and provide appropriate commercial uses along this corridor.

Grand Island is always in need of additional quality housing units. The development of three rental units will provide a buffer between the commercial space and the existing single family residential. This is infill development with all necessary utilities and public improvements needed to support the development.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$90,150. The proposed renovation of the existing commercial building will result in an estimated additional \$93,600 of taxable valuation based on an analysis by the Hall County Assessor's office. The multi-family residential will add an additional \$391,981 of

taxable valuation according to estimates provided by the Hall County Assessor's office. The total tax increment created by this project is \$485,600. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

The proposed facility will provide jobs for persons employed by the contractors that will be involved with the project. It will result renovated commercial space along South Locust and additional housing units within the City.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This should not have any measurable negative impacts on other employers or employees in the city. Potential positive impacts include additional housing close to the South Locust commercial strip. This may provide quality decent housing for employees of South Locust businesses within walking distance of work.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This will improve South Locust near the entrance to Fonner Park and the State Fair. Grand Island is always in need of additional quality housing. These three units will provide additional new housing near one of our major commercial strips.

Time Frame for Development

Development of this project is anticipated to be completed during between January 1, 2013 and December 31 of 2013. The base tax year should be calculated on the value of the property as of January 1, 2013. Excess valuation should be available for this project for 15 years beginning in 2014. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$159,738 the projected amount of increment based upon the anticipated value of the project and current tax rate.

Based on the estimates of the expenses of the cost of renovation, site preparation, engineering, expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend over \$160,000 on TIF eligible activities.

See Attached Building Plans (with TIF application)



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

- I. Business Name: Auto One Inc.
- Address: 1112 S. Locust, Grand Island NE 68801
- Telephone No.: 308.380.6876 Fax No.: 308.675.1478
- Contact: Gary Jacobsen

II. Brief Description of Applicant's Business:

Auto One Inc. sales, finances and services used automobiles. Auto One has locations in Grand Island, Kearney and North Platte. Auto One is one of the largest independent dealers of used cars in the state of Nebraska. Auto One employs over 20 people.

III. Present Ownership Proposed Project Site: 1135 S locust, Grand Island

The blighted property was purchased by Auto One Inc on June 18, 2012

- IV. Proposed Project: Building square footage, size of property, description of
 buildings – materials, etc. Please attach site plan, if available.

The 30,160 sq ft property has a 3,000 sq ft metal building wich is in substandard condition. Auto One purchased the blighted property which is located across the street from our retail and service location in Grand Island. We beleive it is in Auto One's and the City of Grand Island's best interest for us to develop the distressed property to help stabilize the blighted area. Auto One plans to completely remodel the metal building. Including a new facade, store front and landscaping. We also plan to remodel the interior including electric, Plumbing and HVAC.

The property will also be subdivided and multi-family housing will be added on Pine street.

V. If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ <u>70,273</u>
B. Building	\$ <u>19,727</u>

Construction Costs:

A. Renovation or Building Costs:	\$ <u>541,981</u>
B. On-Site Improvements:	\$ <u>20,000</u>

Soft Costs:

A. Architectural & Engineering Fees:	\$ <u>800.00</u>
B. Financing Fees:	\$ <u>200.00</u>
C. Legal/Developer/Audit Fees:	\$ <u>1500.00</u>
D. Contingency Reserves:	\$ <u>10,000.00</u>
E. Other (Please Specify)	\$ <u>0.00</u>

TOTAL \$ 664,481.00

VII. Total Estimated Market Value at Completion: \$ 575,747.00

VIII. Source of Financing:

A. Developer Equity:	\$ <u>90,000.00</u>
B. Commercial Bank Loan:	\$ <u>574,481.00</u>
C. Tax Credits:	
1. N.I.F.A.	\$ <u>0.00</u>
2. Historic Tax Credits	\$ <u>0.00</u>
D. Industrial Revenue Bonds:	\$ <u>0.00</u>
E. Tax Increment Assistance:	\$ <u>159,738.00</u>

F. Other

\$ 0.00

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

Terry Aldrich - Steel Crafters 1515 W. North Front, Grand Island NE 68801
308.389.3033 fax 308.385.4762

Gary Jacobsen - Auto One 1112 S Locust, Grand Island NE 68801
308.380.6876 fax 308.675.1478

X. Estimated Real Estate Taxes on Project Site Upon Completion of Project:
(Please Show Calculations)

Estimated Assessors value \$575,747.00 x .0219234 = \$12,622.33

XI. Project Construction Schedule:

A. Construction Start Date: 10/01/12

B. Construction Completion Date: 04/01/13

C. If Phased Project:

_____ Year _____	% Complete
_____ Year _____	% Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

I. Describe Amount and Purpose for Which Tax Increment Financing is Requested:

Auto One is requesting \$159,738 in Tax Increment Financing over 15 years
to help offset development costs.

II. Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed

Auto One does not believe that the project would be fiscally feasible without Tax Increment Financing.

The estimated value of the property and estimated cash flow will not support the total amount of capital invested.

III. Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

In the last five years Auto One has had commercial developments in Kearney, North Platte and Grand Island. This is the first time Auto One has requested Tax Increment Financing for any project. The most recent project was the Auto One Service Center on South Locust. The Service Center was built by Steel Crafters 308.389.3033 fax 308.385.4762

The service center also added five jobs to the community of Grand Island.

IV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years.

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

HALL COUNTY ASSESSOR'S OFFICE

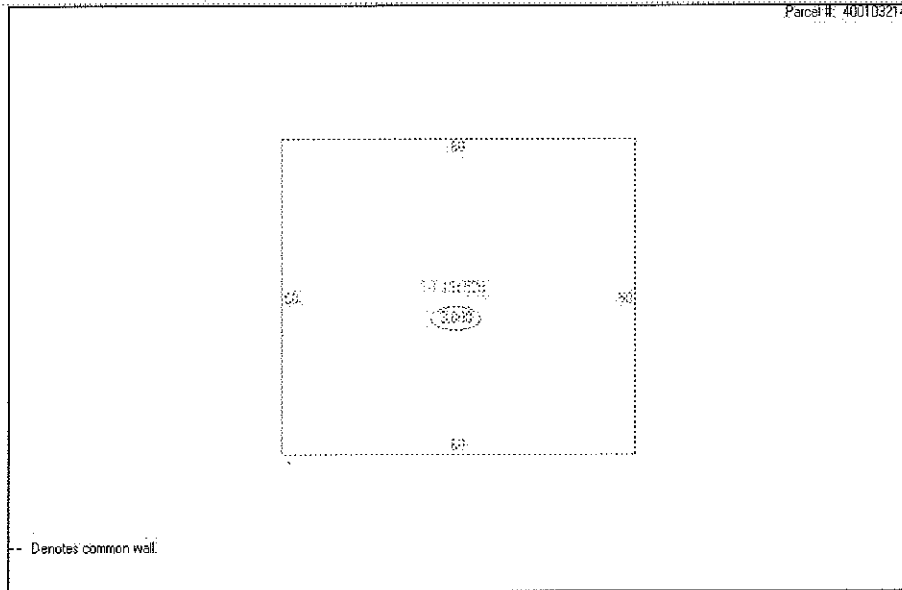


Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:14:04P

Parcel Information			Ownership Information		
Parcel Number	400103214		Current Owner	AUTO ONE INC	
Map Number	3315-00-0-11740-000-0001				
Situs	1135 S LOCUST		Address	1112 S LOCUST ST	
Legal	DOWD SUB LT 1		City St. Zip	GRAND ISLAND, NE 68801-	
			Cadastral #	0002-0033-0052	
Property Data					
Neighborhood	315	Topography		Number of Units	30160
Lot Width	104	Street		Unit Value	2.33
Lot Depth	290	Utilities		Adjustment	
Units Buildable	30160	Amenities 1		Lot Value	70,273
Value Method	SE	Amenities 2			



Building Data																
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys.	Func.	RCNLD	
1	1	406	WAREHOUSE, STORAGE	1987	S		200	20	3,000	220	1	12	93,240	43%	66%	18,070
1	1	528	SERVICE REPAIR~GARAGE	1987	S		200	20		220	1	12		69%	57%	

Cost Approach From Marshall & Swift			Potential Gross Income		
Total Building Area	3,000			Contract	Market
Total Building RCN	93,240	Vacancy & Collection Loss			10.00% 2,400
Total Refinements		Effective Income			21,600
Total Replacement Cost New	93,240	Total Expenses			20.00% 4,320
Total Phys. & Func. Depreciation	(75,170)	Net Operating Income			17,280
RCN Less Phys. & Func.	18,070	Capitalization Rate			12.00%
Economic Depreciation	-10%	Income Approach			144,000
Accrued Economic depreciation	1,807	Final Value Reconciliation			90,150
Total RCN Less Depreciation	19,877				
Additional Lump Sums					
Land Value	70,273				
Total Cost Value	90,150				
Value Per Res Unit					
Value Per Sq. Ft.	30.05				

2012 Value

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

HALL COUNTY ASSESSOR'S OFFICE

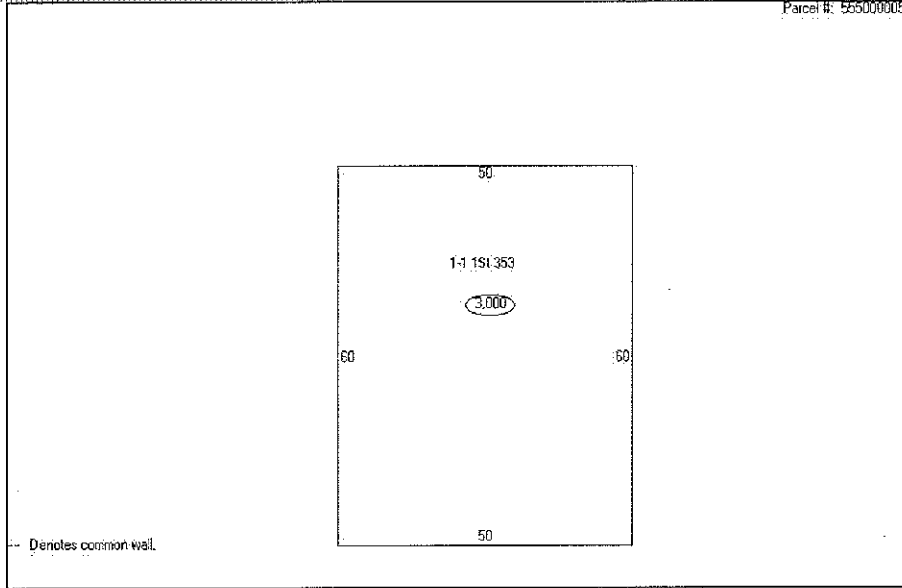


Commercial Property Record Card




Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:13:15P

Parcel Information		Ownership Information	
Parcel Number 555000005 Map Number Situs Legal	Current Owner Address City St. Zip Cadastral #		
Property Data			
Neighborhood 315 Lot Width 104 Lot Depth 290 Units Buildable 30160 Value Method SF	Topography Street Utilities Amenities 1 Amenities 2		
Number of Units 30160 Unit Value 2.33 Adjustment Lot Value 70,273			



Building Data															
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD	
1	1	353	RETAIL STORE	1987	S		200	40	3,000	220	1	12	199,110	43%	113,493

Cost Approach From Marshall & Swift				Potential Gross Income						
Total Building Area				3,000	Contract				Market	
Total Building RCN				199,110	Vacancy & Collection Loss					
Total Refinements					Effective Income					
Total Replacement Cost New				199,110	Total Expenses					
Total Phys. & Func. Depreciation				(85,617)	Net Operating Income					
RCN Less Phys. & Func.				113,493	Capitalization Rate					
Economic Depreciation					Income Approach					
Accrued Economic depreciation					Final Value Reconciliation				183,766	
Total RCN Less Depreciation				113,493						
Additional Lump Sums										
Land Value				70,273						
Total Cost Value				183,766						
Value Per Res Unit										
Value Per Sq. Ft.				61.26						



What If

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

HALL COUNTY ASSESSOR'S OFFICE

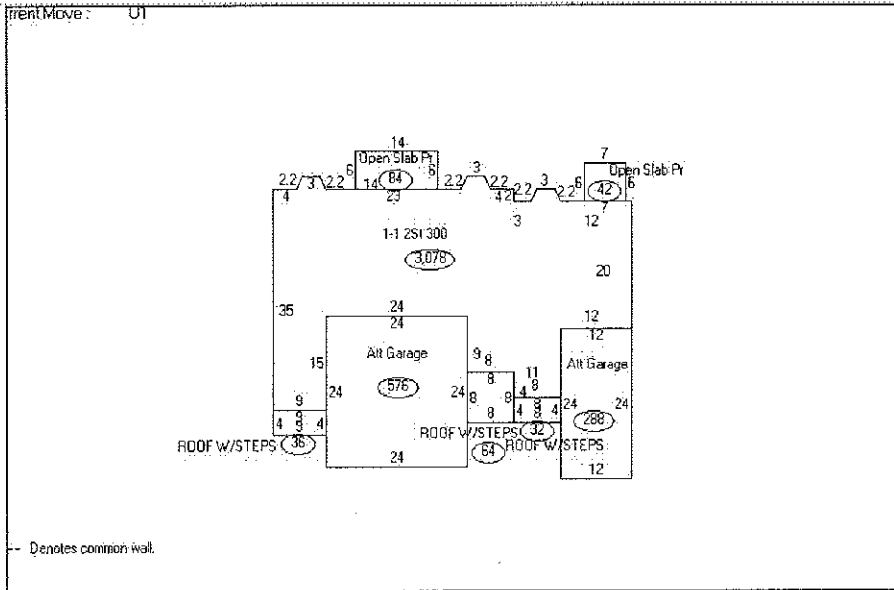


Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:49:46P

Parcel Information				Ownership Information			
Parcel Number	555000005			Current Owner			
Map Number							
Situs				Address			
Legal				City St. Zip			
				Cadastral #			
Property Data							
Neighborhood	315		Topography		Number of Units		
Lot Width			Street		Unit Value		
Lot Depth			Utilities		Adjustment		
Units Buildable			Amenities 1		Lot Value		
Value Method			Amenities 2				



Building Data														
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
1	1	300	APARTMENT	2012	D	300	40	3,078	225	2	24	365,420		365,420
1			OPEN SLAB PORCH	2012				84				427		427
1			OPEN SLAB PORCH	2012				42				231		231
1			ATTACHED GARAGE	2012				576				14,100		14,100
1			ATTACHED GARAGE	2012				288				8,412		8,412
1			SLAB W/ROOF & STEP	2012				36				967		967
1			SLAB W/ROOF & STEP	2012				64				1,553		1,553
1			SLAB W/ROOF & STEP	2012				32				871		871

Cost Approach From Marshall & Swift				Potential Gross Income			
Total Building Area	3,078			Contract		Market	
Total Building RCN	365,420	Vacancy & Collection Loss					
Total Refinements	26,561	Effective Income					
Total Replacement Cost New	391,981	Total Expenses					
Total Phys. & Func. Depreciation		Net Operating Income					
RCN Less Phys. & Func.	391,981	Capitalization Rate					
Economic Depreciation		Income Approach					
Accrued Economic depreciation		Final Value Reconciliation					391,981
Total RCN Less Depreciation	391,981						
Additional Lump Sums							
Land Value							
Total Cost Value	391,981						
Value Per Res Unit							
Value Per Sq. Ft.	127.35						

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

What Is'

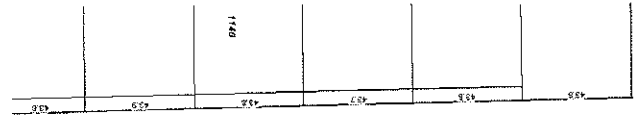


Figure 28.7

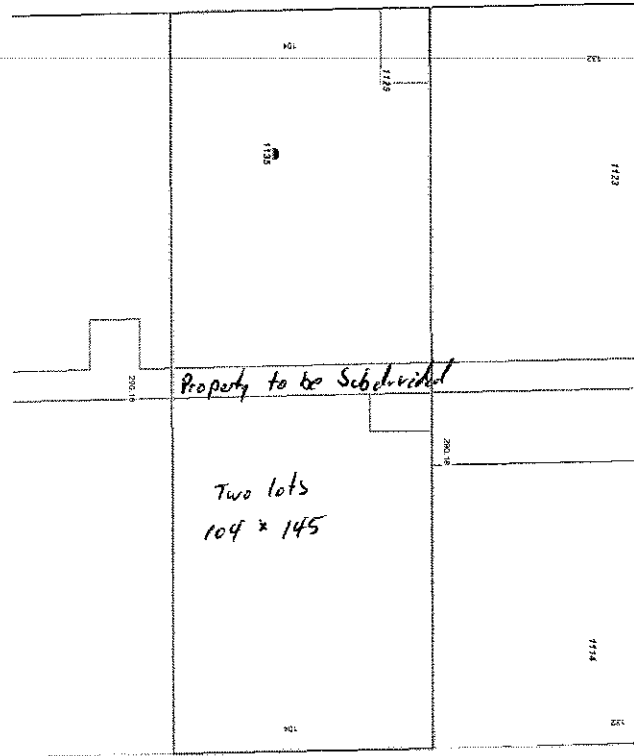
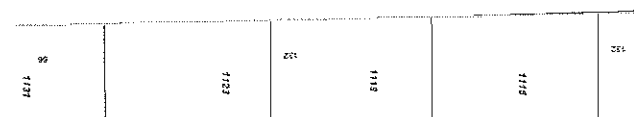


Figure 28.8



Annual Income and Expense

Income

Rent Commercial building	\$36,000.00
<u>Rent Triplex</u>	<u>\$36,000.00</u>
	\$72,000.00
5% vacancy rate	<u>(\$3,300.00)</u>
Gross income	\$68,700.00

Expense

Debt service	\$51,953.00
(\$547,481 @ 5% for 15years)	
Water / sewer	\$3,600.00
Maintenance	\$2,800.00
Lawn care	\$ 960.00
Insurance	\$3,200.00
Property tax	\$12,622.00
<u>Advertising</u>	<u>500.00</u>
Total expense	\$ 75,635.00

Income \$68,700.00

Expense (75,635.00)

Annual financial gap (\$6,935.00)

Tax increment financing assistance \$ 10,649.00

Cash flow after TIF \$3,714.00

Construction Cost Breakdown

Commercial building

Commercial glass	\$19,270.00
Stucco/Stone	28,200.00
Façade	20,000.00
HVAC	12,000.00
Electric and lighting fixtures	21,000.00
Landscape	8,000.00
Asphalt	10,000.00
Plumbing	15,000.00
Interior doors	800.00
Gutters	200.00
Drywall and trim	6,200.00
Painting	1,800.00
Tiles and carpet	4,000.00
Other	3,530.00
Total	\$150,000.00

Multifamily housing

Dirt work, foundation and backfill	\$25,679.00
Framing	61,149.00
Sheathing	10,583.00
Windows	10,975.00
Exterior doors	3,527.00
Interior doors and hardware	5,879.00
Stairs	3,135.00
Roof shingles	14,895.00
Siding	22,734.00
Gutters	1,567.00
Plumbing	35,278.00
Electric wiring	23,423.00
Lighting fixtures	4,311.00
HVAC	23,518.00
Insulation	5,879.00
Drywall	19,991.00
Painting	13,327.00
Cabinets & countertops	31,358.00
Appliances	11,759.00
Tiles and carpet	19,991.00
Trim	12,935.00
Landscape	12,543.00
Patio	3,527.00
Driveway	5,487.00
Other	8,531.00
Total	\$391,981.00

Total construction cost \$541,981.00



P.O. Box 909 • Kearney, NE 68848-0909 • 308-234-6171

July 9, 2012

Gary Jacobsen, President
Auto One, Inc.
1112 S Locust Street
Grand Island, NE 68801

RE: 1135 South Locust
Grand Island, NE

Gary:

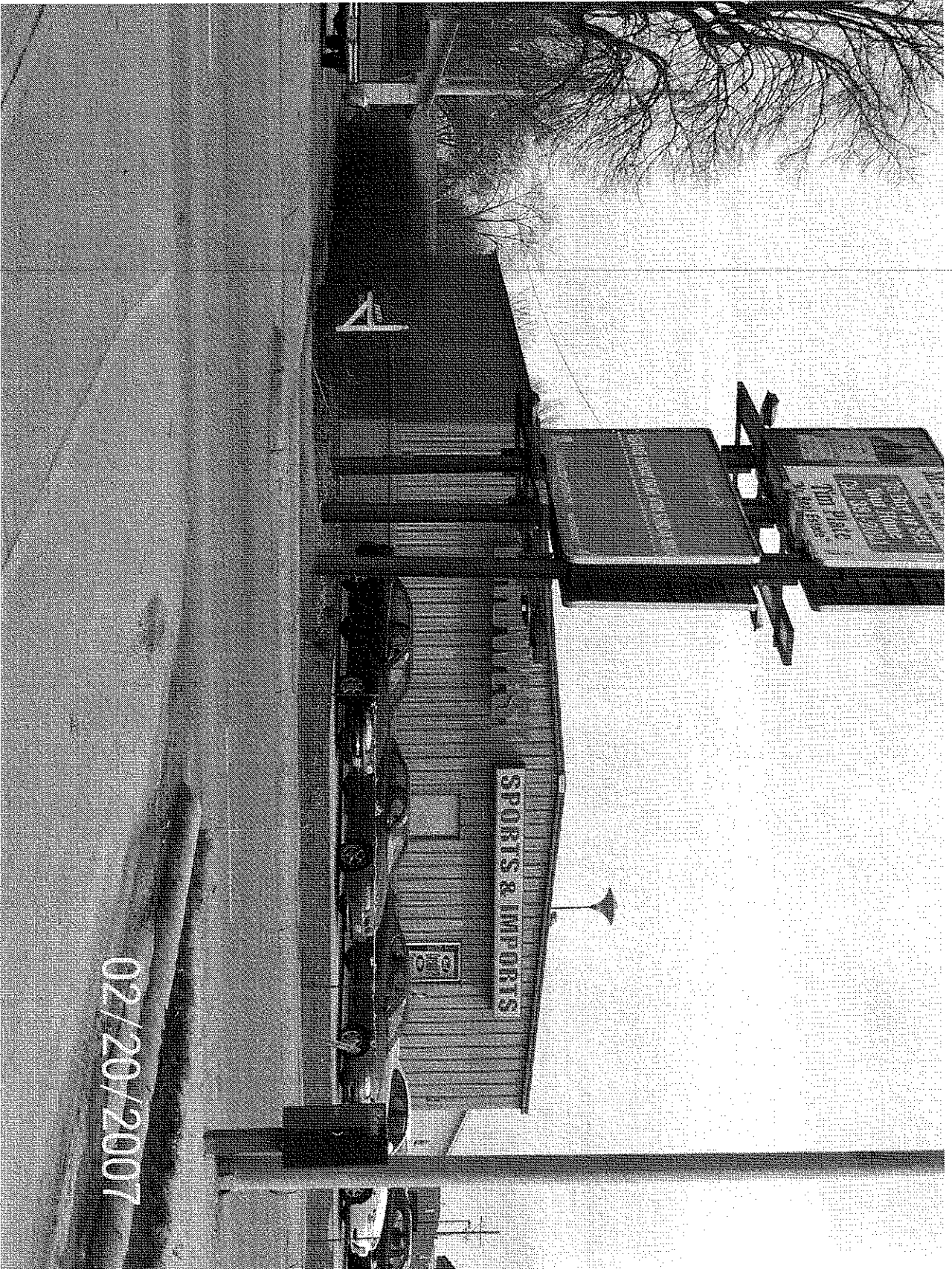
Five Points Bank commits to provide to Auto One Inc. (borrower) adequate loan funding to purchase the property located at 1135 South Locust in Grand Island and to rehab and improve the existing commercial structure and construct a multi-family rental facility at the same location.

This loan commitment is based on the following conditions:

- The improvement to the existing facility and the new construction are to be completed in accordance with the plans you submitted. Any major changes or alterations need prior approval of bank.
- Prior to loan funding, borrower to provide a projected report of income and expenses indicating a positive rental cash flow.

Five Points Bank and my self look forward t working with you on this project. Please contact me with any questions or comments.

Curt Bjornsen
Five Points Bank
308-698-3008



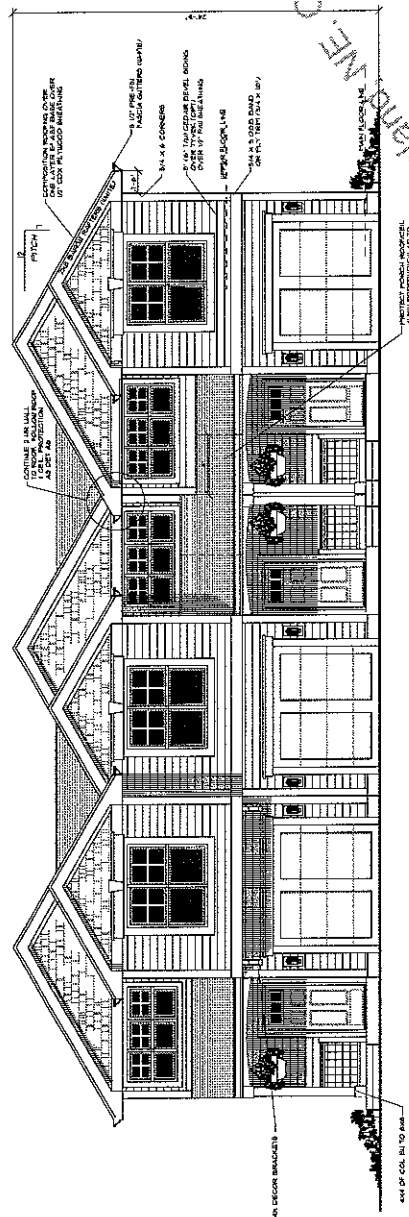
Before

1135 S Locust

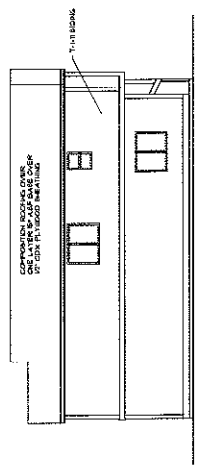


After

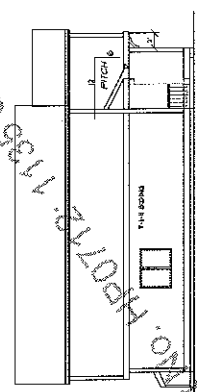
<http://us.123rf.com/400wm/400/400/lharn/lharn0901/lharn090100030/4228933-beige-store...> 7/16/2012



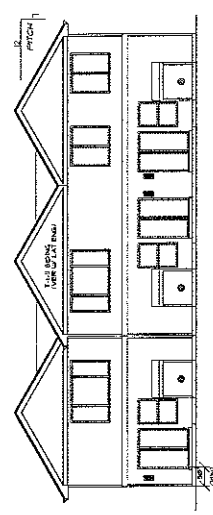
STREET ELEVATION
 SCALE: 1/4" = 1'-0"



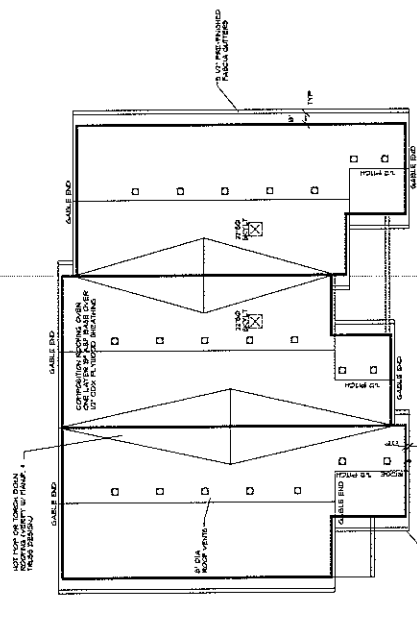
RIGHT ELEVATION
 SCALE: 1/8" = 1'-0"



LEFT ELEVATION
 SCALE: 1/8" = 1'-0"



REAR ELEVATION
 SCALE: 1/8" = 1'-0"



ROOF PLAN
 SCALE: 1/8" = 1'-0"

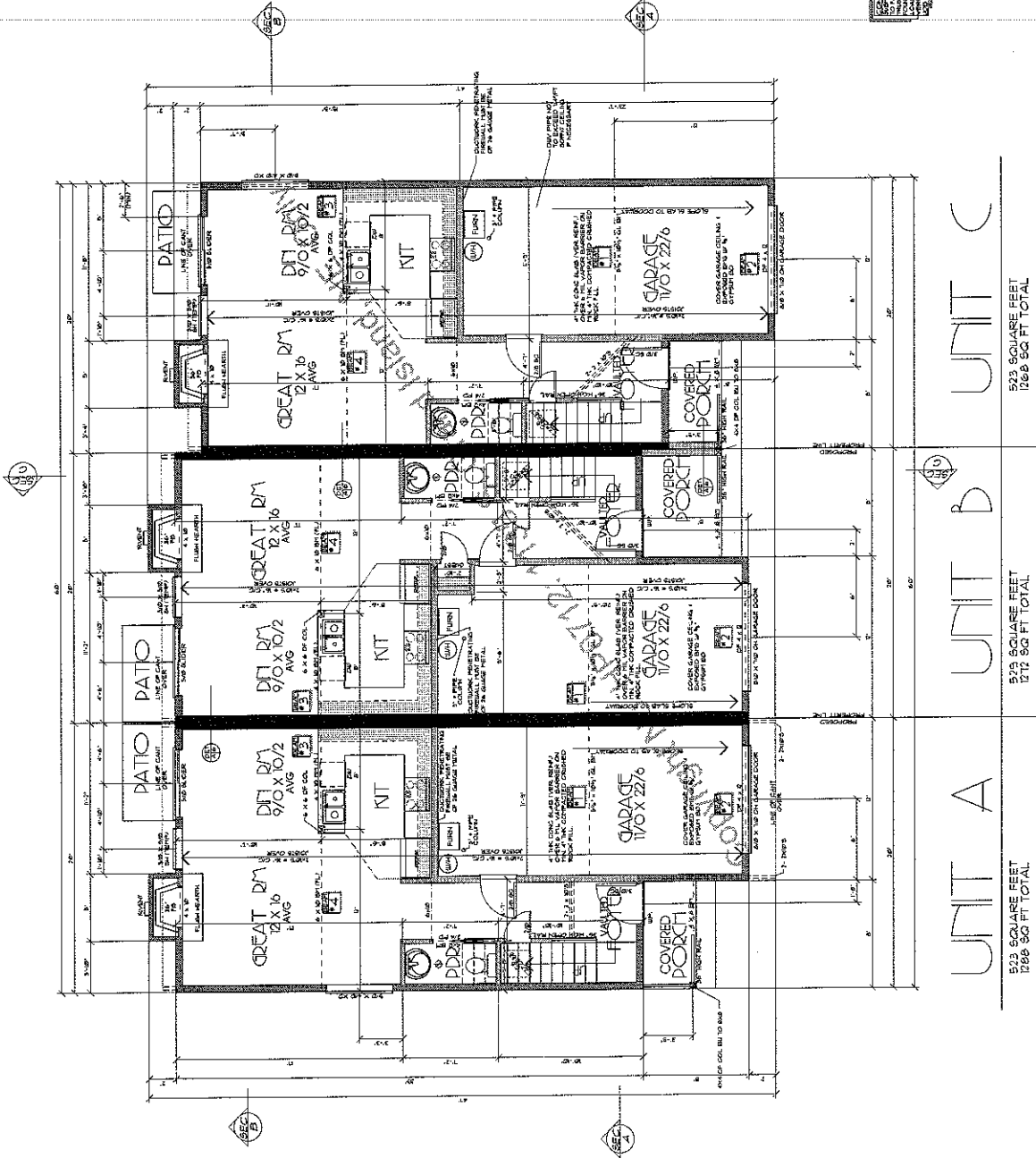
MAIN FLOOR PLAN SCALE: 1/4" = 1'-0"

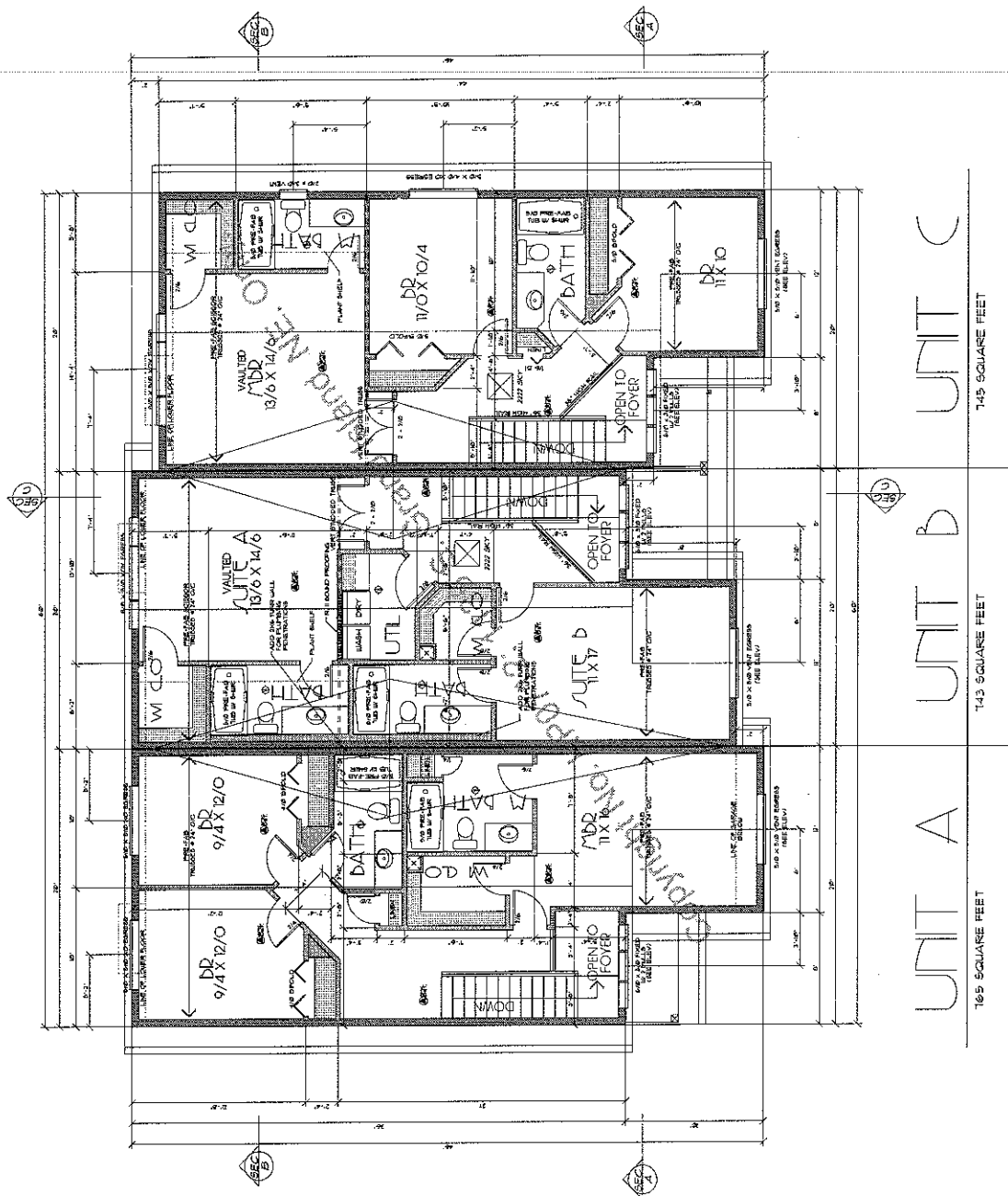
THE MANZANITA • PLAN NUMBER 62100

NOTES:
1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
2. FINISHES ARE TO BE DETERMINED BY THE ARCHITECT.
3. SEE SPECIFICATIONS FOR MATERIALS AND METHODS OF CONSTRUCTION.
4. SEE ELEVATIONS FOR FINISHES AND COLORS.
5. SEE SECTION CUTS FOR DETAILS.
6. SEE MECHANICAL AND ELECTRICAL SCHEDULES FOR EQUIPMENT AND SYMBOLS.
7. SEE FOUNDATION PLAN FOR FOOTING AND FOUNDATION WALLS.
8. SEE ROOF PLAN FOR ROOFING MATERIAL AND DRAINAGE.
9. SEE EXTERIOR ELEVATIONS FOR PORCHES, PATIOS, AND STAIRS.
10. SEE INTERIOR ELEVATIONS FOR CLOSETS, BATHS, AND KITCHENS.
11. SEE FLOOR PLAN FOR ROOM SIZES AND PARTITIONS.
12. SEE WALL PLAN FOR WALL THICKNESS AND FINISHES.
13. SEE CEILING PLAN FOR CEILING HEIGHTS AND FINISHES.
14. SEE MECHANICAL PLAN FOR HVAC SYSTEMS AND VENTILATION.
15. SEE ELECTRICAL PLAN FOR LIGHTING AND ELECTRICAL PANELS.
16. SEE PLUMBING PLAN FOR TOILETS, SINKS, AND SHOWERS.
17. SEE STRUCTURAL PLAN FOR BEAMS, JOISTS, AND FLOORS.
18. SEE FOUNDATION PLAN FOR FOUNDATION WALLS AND FOOTINGS.
19. SEE ROOF PLAN FOR ROOFING MATERIAL AND DRAINAGE.
20. SEE EXTERIOR ELEVATIONS FOR PORCHES, PATIOS, AND STAIRS.



7800 ROCKS LANE ROAD
LAKE CHARLES, LA 70605
504.681.0000
WWW.SUMMITDESIGN.COM
MANZANITA
2011
REV. 04/11/11
2
A NORTHWEST DESIGN



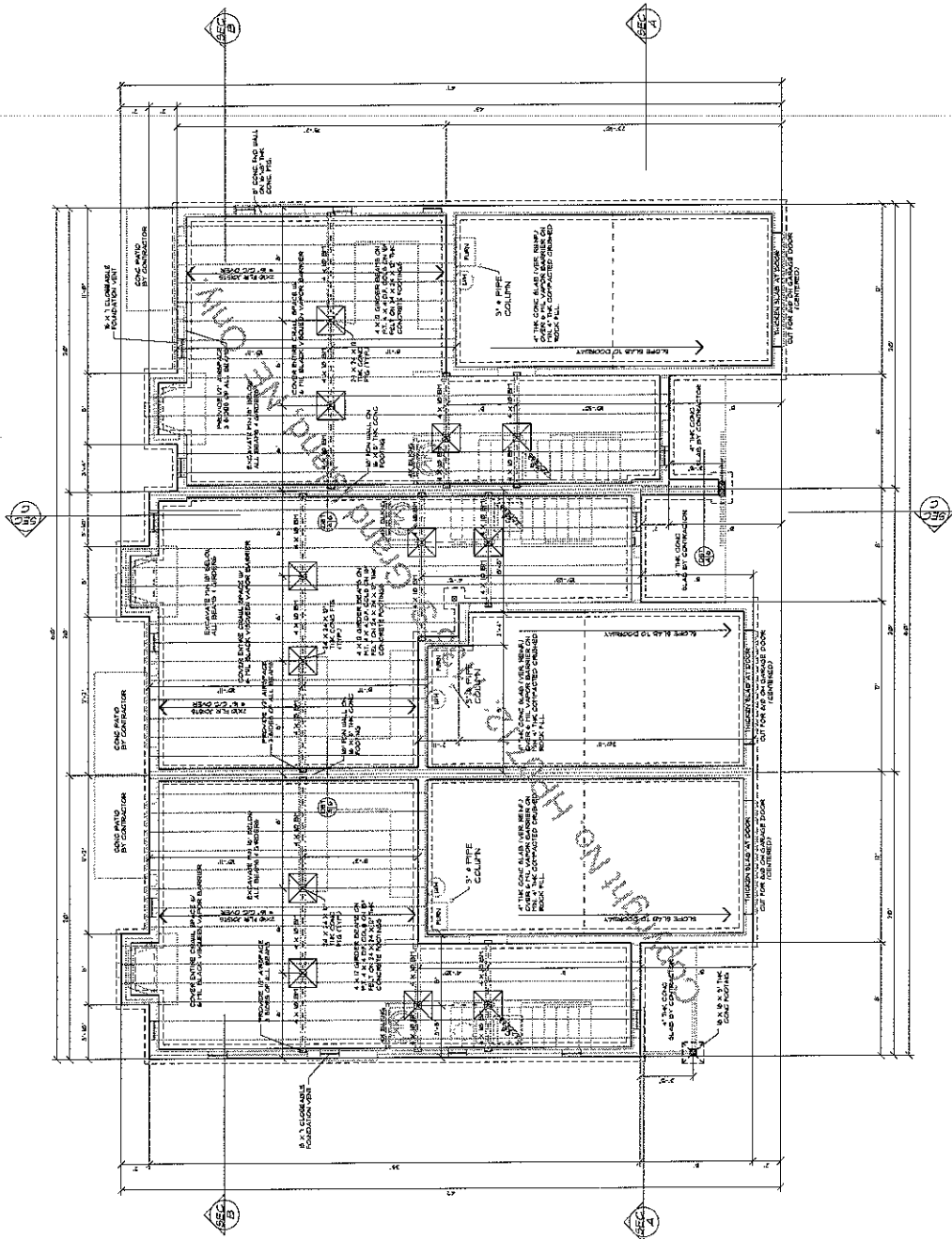


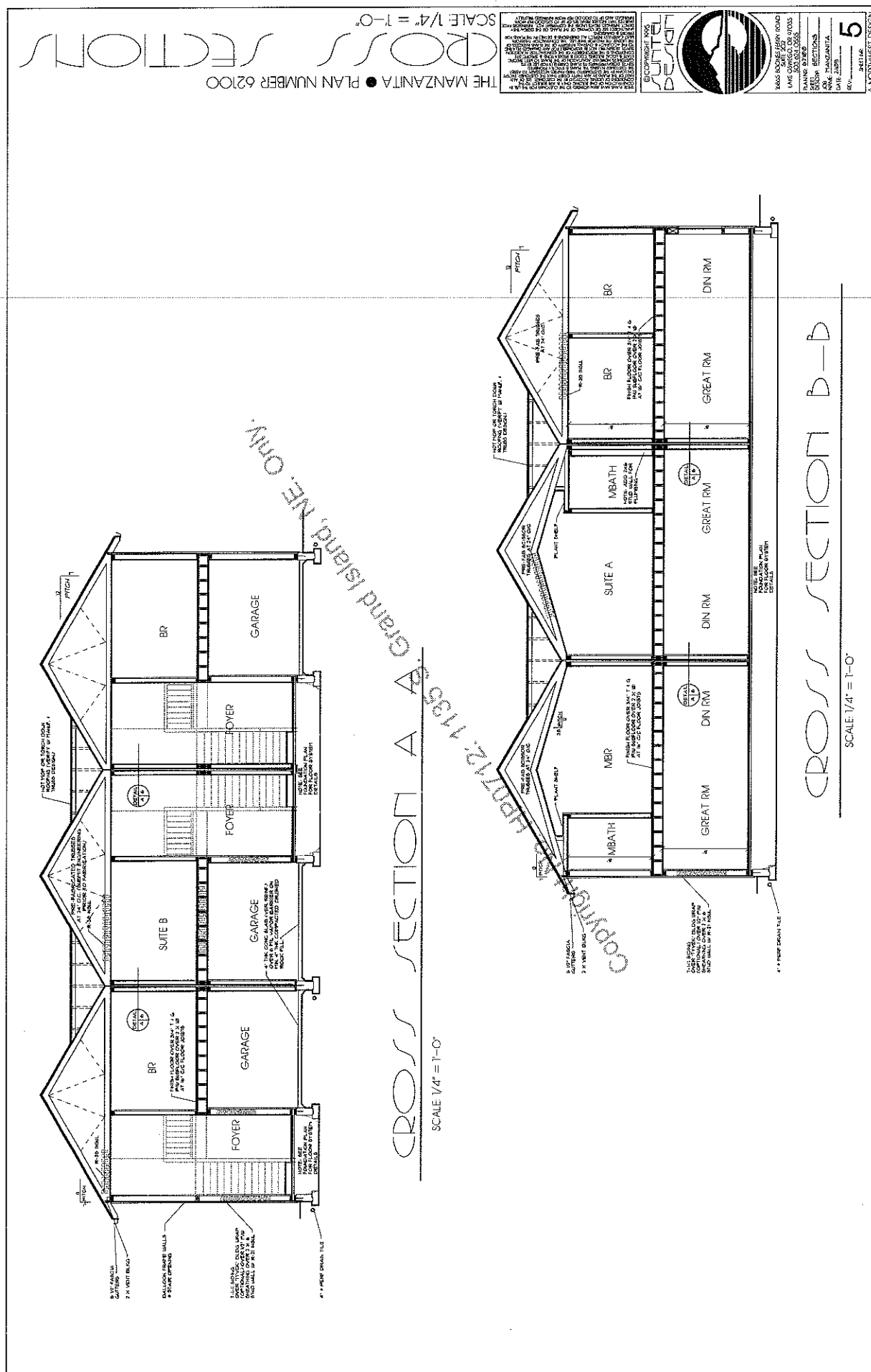
THE MANZANITA • PLAN NUMBER 62100
 FOUNDATION PLAN
 SCALE 1/4" = 1'-0"

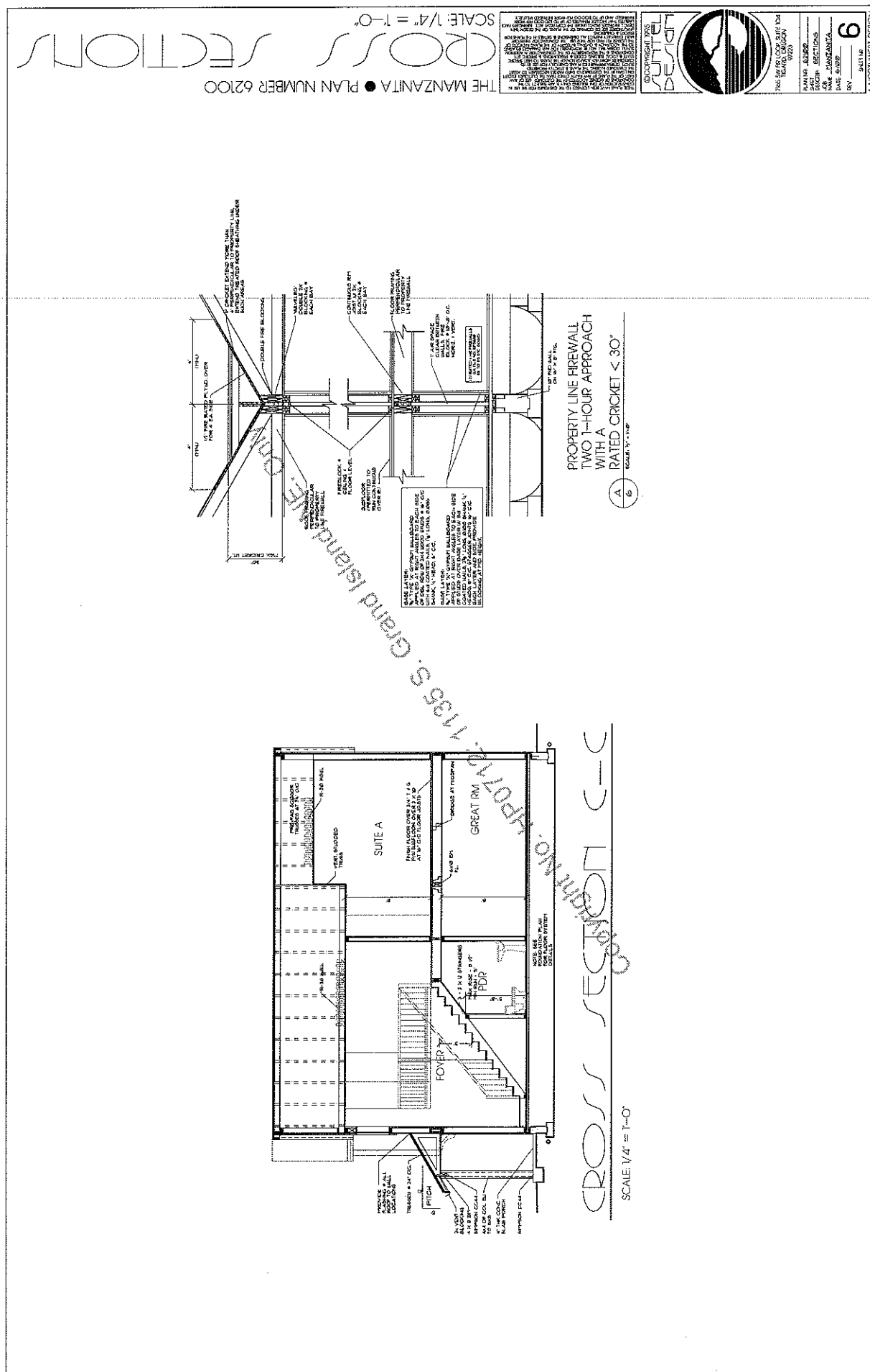
DESIGNER
 LINDA J. SUTHER
 1865 BUCKLEY STREET ROAD
 LAKE CONISTEED, CA 94035
 (415) 338-0305
 FAX (415) 338-0306
 E-MAIL LJSUTHER@GMAIL.COM
 WWW LJSUTHER.COM

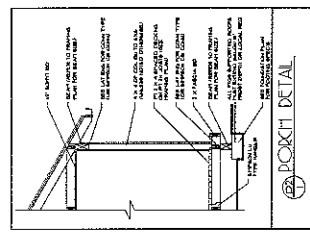
CLIENT
 THE MANZANITA
 1865 BUCKLEY STREET ROAD
 LAKE CONISTEED, CA 94035
 (415) 338-0305
 FAX (415) 338-0306
 E-MAIL LJSUTHER@GMAIL.COM
 WWW LJSUTHER.COM

PROJECT
 FOUNDATION
 DATE 1/2013
 REV. 4C
 SHEET NO. 4C
 A NORTHWEST DESIGN









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

RESOLUTION NO. 144

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING
COMMISSION FOR ITS RECOMMENDATION**

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this 19th day of September, 2012.

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

By Barry J. Schubert
Chairperson

ATTEST:

Chad A. [Signature]
Secretary

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

RESOLUTION NO. 145

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within redevelopment area #2, from Auto One Inc., (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within redevelopment area #2;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

Section 2. The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

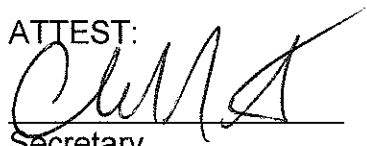
Passed and approved this 19th day of September, 2012.

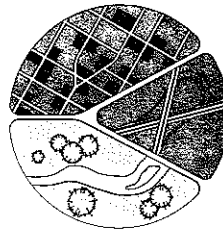
COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By


Chairperson

ATTEST:


Secretary



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Alda, Cairo and Doniphan, Nebraska

September 20, 2012

Hall County Board of Supervisors
Pam Lancaster, Chair
121 S Pine St
Grand Island NE 68801

Dear Pam Lancaster:

Enclosed, please find a copy of a published notice of a public hearing under the Nebraska Community Development Law. The hearing will be held by the Hall County Regional Planning Commission on the 3rd, day of October, 2012, at the hour of 6:00 p.m., in the Council Chambers, City Hall in Grand Island, Nebraska located at 100 First Street.

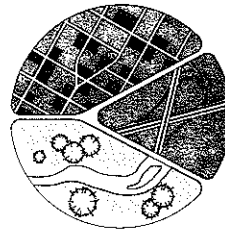
The purpose of the hearing is to receive comments on a proposed redevelopment plan for purposes of the Community Development Law. A map of the area affected is enclosed with this letter.

The notice is provided to your organization pursuant to law.

Sincerely,

Chad Nabity, AICP
Director, Regional Planning

Enc.



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Alda, Cairo and Doniphan, Nebraska

September 20, 2012

Central Community College
Dr. Greg Smith
PO Box 4903
Grand Island NE 68802-4903

Dear Dr. Greg Smith:

Enclosed, please find a copy of a published notice of a public hearing under the Nebraska Community Development Law. The hearing will be held by the Hall County Regional Planning Commission on the 3rd, day of October, 2012, at the hour of 6:00 p.m., in the Council Chambers, City Hall in Grand Island, Nebraska located at 100 First Street.

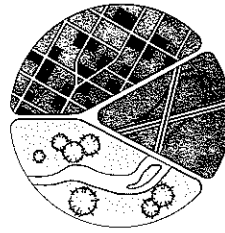
The purpose of the hearing is to receive comments on a proposed redevelopment plan for purposes of the Community Development Law. A map of the area affected is enclosed with this letter.

The notice is provided to your organization pursuant to law.

Sincerely,

Chad Nabity, AICP
Director, Regional Planning

Enc.



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Alda, Cairo and Doniphan, Nebraska

September 20, 2012

School District #2
Virgil Harden
123 S Webb Rd
PO Box 4904
Grand Island NE 68802

Dear Virgil Harden:

Enclosed, please find a copy of a published notice of a public hearing under the Nebraska Community Development Law. The hearing will be held by the Hall County Regional Planning Commission on the 3rd, day of October, 2012 at the hour of 6:00 p.m., in the Council Chambers, City Hall in Grand Island, Nebraska located at 100 First Street.

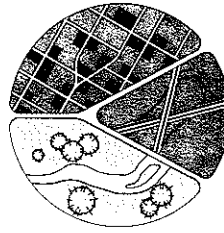
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The notice is provided to your organization pursuant to law.

Sincerely,

Chad Nabity, AICP
Director, Regional Planning

Enc.



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Alda, Cairo and Doniphan, Nebraska

September 20, 2012

Hall Co Airport Authority
Lynne Werner, Chair
3743 Sky Park Rd.
Grand Island NE 68801

Dear Lynne Werner:

Enclosed, please find a copy of a published notice of a public hearing under the Nebraska Community Development Law. The hearing will be held by the Hall County Regional Planning Commission on the 3rd, day of October, 2012 at the hour of 6:00 p.m., in the Council Chambers, City Hall in Grand Island, Nebraska located at 100 First Street.

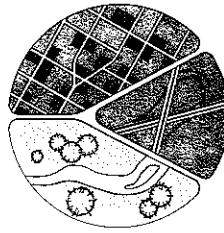
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The notice is provided to your organization pursuant to law.

Sincerely,

Chad Nabity, AICP
Director, Regional Planning

Enc.



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Alda, Cairo and Doniphan, Nebraska

September 20, 2012

Educational Service Unit #10
Valerie Gwin
PO Box 850
Kearney NE 68848

Dear Valerie Gwin:

Enclosed, please find a copy of a published notice of a public hearing under the Nebraska Community Development Law. The hearing will be held by the Hall County Regional Planning Commission on the 3rd, day of October, 2012, at the hour of 6:00 p.m., in the Council Chambers, City Hall in Grand Island, Nebraska located at 100 First Street.

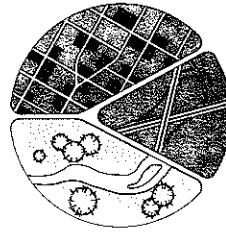
The purpose of the hearing is to receive comments on a proposed redevelopment plan for purposes of the Community Development Law. A map of the area affected is enclosed with this letter.

The notice is provided to your organization pursuant to law.

Sincerely,

Chad Nabity, AICP
Director, Regional Planning

Enc.



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Alda, Cairo and Doniphan, Nebraska

September 20, 2012

Central Platte NRD
Dianne Miller
215 Kaufman
Grand Island NE 68803

Dear Dianne Miller:

Enclosed, please find a copy of a published notice of a public hearing under the Nebraska Community Development Law. The hearing will be held by the Hall County Regional Planning Commission on the 3rd, day of October, 2012, at the hour of 6:00 p.m., in the Council Chambers, City Hall in Grand Island, Nebraska located at 100 First Street.

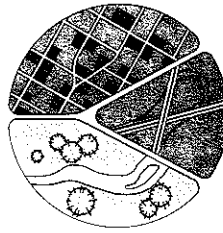
The purpose of the hearing is to receive comments on a proposed redevelopment plan for purposes of the Community Development Law. A map of the area affected is enclosed with this letter.

The notice is provided to your organization pursuant to law.

Sincerely,

Chad Nabity, AICP
Director, Regional Planning

Enc.



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Alda, Cairo and Doniphan, Nebraska

September 20, 2012

City of Grand Island
Jay Vavricek, Mayor
PO Box 1968
Grand Island NE 68802

Dear Honorable Vavricek:

Enclosed, please find a copy of a published notice of a public hearing under the Nebraska Community Development Law. The hearing will be held by the Hall County Regional Planning Commission on the 3rd, day of October, 2012, at the hour of 6:00 p.m., in the Council Chambers, City Hall in Grand Island, Nebraska located at 100 First Street.

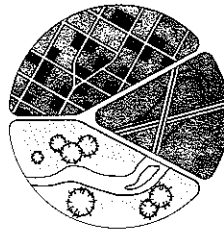
The purpose of the hearing is to receive comments on a proposed redevelopment plan for purposes of the Community Development Law. A map of the area affected is enclosed with this letter.

The notice is provided to your organization pursuant to law.

Sincerely,

Chad Nabity, AICP
Director, Regional Planning

Enc.



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Alda, Cairo and Doniphan, Nebraska

September 20, 2012

Hall County Agricultural Society
Corby Flagle
3932 Meadow Way Trail
Grand Island NE 68803

Dear Corby Flagle:

Enclosed, please find a copy of a published notice of a public hearing under the Nebraska Community Development Law. The hearing will be held by the Hall County Regional Planning Commission on the 3rd, day of October, 2012, at the hour of 6:00 p.m., in the Council Chambers, City Hall in Grand Island, Nebraska located at 100 First Street.

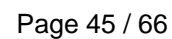
The purpose of the hearing is to receive comments on a proposed redevelopment plan for purposes of the Community Development Law. A map of the area affected is enclosed with this letter.

The notice is provided to your organization pursuant to law.

Sincerely,

Chad Nabity, AICP
Director, Regional Planning

Enc.





REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the ____th day of _____, 2012, by and between the Community Redevelopment Authority of the City of Grand Island, Nebraska (**“Authority”**), and Auto One, Inc., a corporation (**“Redeveloper”**).

WITNESSETH:

WHEREAS, the City of Grand Island, Nebraska (the **“City”**), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended (collectively the **“Act”**), has designated an area in the City as blighted and substandard; and

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract for acquisition and redevelopment of a parcel in the blighted and substandard area;

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

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

“Act” means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended, and acts amendatory thereof and supplemental thereto

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

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

“Governing Body” means the Mayor and City Council of the City.

“Holder” means the holders of TIF indebtedness issued by the Authority from time to

time outstanding.

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

“Project” means the improvements to the Redevelopment Area, as fully described in application of the Redeveloper to the Authority for assistance and the Redevelopment Plan Amendment, related to the application, approved by the Governing Body incorporated herein by reference and, as used herein, shall include the rehabilitation costs to the existing commercial building on a portion of the Redevelopment Area real estate.

“Project Costs” means only costs or expenses incurred by Redeveloper for the purposes set forth in §18-2103 (a) through (f), inclusive, of the Act as identified on Exhibit C.

“Redeveloper” means Auto One, Inc., a corporation.

“Redevelopment Area” means that certain real property situated in the City of Grand Island, Hall County, Nebraska, which has been declared blighted and substandard by the City pursuant to the Act, and which is more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

“Redevelopment Contract” means this redevelopment contract between the Authority and Redeveloper with respect to the Project.

“Redevelopment Plan” means the Amended Redevelopment Plan for the Redevelopment Area related to the Project, prepared by the Authority and approved by the City pursuant to the Act.

“Resolution” means the Resolution of the Authority, as supplemented from time to time, approving this Redevelopment Contract and the issuance of the TIF Indebtedness.

“TIF Indebtedness” means the note incurred by the Authority pursuant to Article III hereof and secured in whole or in part by TIF Revenues, as shown on attached Exhibit B.

“TIF Revenues” means incremental ad valorem taxes generated by the Project which are allocated to and paid to the Authority pursuant to the Act.

Section 1.02 Construction and Interpretation.

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

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

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

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

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

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

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

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

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations by Authority.

The Authority makes the following representations and findings:

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

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

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

(d) The Redevelopment Project will achieve the public purposes of the Act by, among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening conditions of blight and substandard in the Redevelopment Area.

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

(2) Based on Representations made by the Redeveloper:

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

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

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

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

Section 2.02 Representations of Redeveloper.

The Redeveloper makes the following representations:

(a) The Redeveloper is a corporation, having the power to enter into this Redevelopment Contract and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Contract.

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

(c) There is no litigation pending or to the best of its knowledge threatened against Redeveloper affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Contract or, except as disclosed in writing to the Authority, as in any other matter

materially affecting the ability of Redeveloper to perform its obligations hereunder.

(d) Any financial statements of the Redeveloper or its Members delivered to the Authority prior to the date hereof are true and correct in all respects and fairly present the financial condition of the Redeveloper and the Project as of the dates thereof; no materially adverse change has occurred in the financial condition reflected therein since the respective dates thereof; and no additional borrowings have been made by the Redeveloper since the date thereof except in the ordinary course of business, other than the borrowing contemplated hereby or borrowings disclosed to or approved by the Authority.

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

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

(g) The Redeveloper is an accredited investor as that term is defined for purposes Regulation D, issued pursuant to the Securities Act of 1933, as amended.

(h) The Redeveloper hereby verifies it has been legally obligated to incur the costs set forth on Exhibit C as part of the Project.

ARTICLE III

OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Authority hereby provides that any ad valorem tax on the following real property in the Project: to wit: Lot 1 of Dowd Subdivision, in the City of Grand Island, Hall County Nebraska, for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in this section. The effective date of this provision shall be January 1, 2014.

(a) That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That proportion of the ad valorem tax on real property in the Redevelopment Area in excess of such amount (the "Incremental Ad Valorem Tax"), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by whether funded, refunded, assumed, or otherwise,

such Authority for financing or refinancing, in whole or in part, such Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Project shall be paid into the funds of the respective public bodies.

Section 3.02 Issuance of TIF Indebtedness

The Authority shall execute and deliver to the Redeveloper, as Purchaser, at closing, the TIF Indebtedness in substantially the same form as the copy attached hereto as Exhibit B. The purchase price of the TIF Indebtedness shall be offset against the Grant described in Section 3.04 hereof.

The TIF Indebtedness issued pursuant to the provisions of this contract constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Redevelopment Area". The TIF Indebtedness shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. The TIF Indebtedness shall not constitute an obligation of the State of Nebraska or of the City or the Authority (except for such receipts as have been pledged pursuant to Section 3.03) and neither the State or Nebraska, the Authority nor the City shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 3.03). Neither the members of the Authority's governing body nor any person executing the TIF Indebtedness shall be liable personally on the TIF Indebtedness by reason of the issuance thereof. The Authority's obligation to the holder of the TIF Indebtedness shall terminate, in all events no later than 15 years from the effective date set forth in Section 3.01 hereof.

Section 3.03 Pledge of TIF Revenues.

The Authority hereby pledges 100% of the annual TIF Revenues as security for the TIF Indebtedness.

Section 3.04 Grant of Proceeds of TIF Indebtedness.

From the proceeds of the TIF indebtedness incurred as described on Exhibit B, the Authority shall grant the following sums to the following entities, to wit: 100% to the Redeveloper for Project Costs.

Notwithstanding the foregoing, the amount of the grant shall not exceed the amount of Project Costs certified pursuant to Section 4.02. The grants shall be paid to the Redeveloper upon certification that the Redeveloper has incurred or is obligated to incur such Project Costs which include supporting documentation requested by Authority from time to time.

Section 3.05 Creation of Fund.

The Authority will create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay TIF Indebtedness issued pursuant to Sections 3.02 above.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Insurance.

(a) Redeveloper will complete the Project and install all infrastructure, improvements, buildings, fixtures, equipment and furnishings necessary to operate the Project. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Project. Until construction of the Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of the Project. Promptly after completion by the Redeveloper of the Project, the Redeveloper shall furnish to the Authority a Certificate of Completion. The certification by the Redeveloper shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Contract with respect to the obligations of Redeveloper and its successors and assigns to construct the Project. As used herein, the term "completion" shall mean substantial completion of the Project.

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

Section 4.02 Cost Certification.

Redeveloper shall submit to Authority a certification of Project Costs, on or before the issuance of the TIF Indebtedness which shall contain detail and documentation showing the payment or obligation for payment of Project Costs specified on the attached Exhibit C in an amount at least equal to the grant to Redeveloper pursuant to Section 3.05.

Section 4.03 Costs.

Redeveloper shall pay the Authority the following sums on execution of this agreement:

- a. \$5,000 for legal expenses of Authority
- b. \$1,000 for City administrative accounting of incremental tax payments.
- c. \$500 for Authority administrative fees.

Redeveloper understands that the law firm assisting with the issuance of the TIF Indebtedness represents the Authority and not the Redeveloper.

Section 4.04 No Discrimination.

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

Section 4.05 Pay Real Estate Taxes.

Redeveloper intends to create a taxable real property valuation of the Redevelopment Area and Project of Five Hundred Seventy Five Thousand Dollars (\$575,000) no later than January 1, 2015. During the period that any TIF Indebtedness is outstanding, neither the Redeveloper, nor its assigns, will (1) file a protest seeking to obtain a real estate property valuation on the Redevelopment Area of less than Five Hundred Seventy Five Thousand Dollars (\$575,000) after substantial completion or occupancy; (2) convey the Redevelopment Area on structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes; nor (3) allow real estate taxes and assessments levied on the Redevelopment Area and Project to become delinquent during the term that any TIF Indebtedness is outstanding.

Section 4.07 Assignment or Conveyance.

Any assignment or conveyance of the any portion of the Redevelopment, the Project or any interest therein prior to the termination of the 15 year period commencing on the effective date specified in Section 3.01 hereof Area by the Redeveloper shall be subject to the terms and conditions of this Redevelopment Contract.

Section 4.08 Purchase of TIF Indebtedness.

The Redeveloper shall purchase the TIF Indebtedness at 100% of the principal amount thereof upon issuance of such debt. The Authority offset such purchase against the grant provided in Section 3.04 hereof.

Section 4.09 Penal Bond.

The Redeveloper shall execute a penal bond for the Project with good and sufficient surety to be approved by the Authority meeting the requirements of Section 18-2151, Reissue Revised Statutes of Nebraska, as amended, on or prior to its execution of this Contract.

Section 4.10 Immigration Status.

Redeveloper agrees that any contractor providing services on the Project site will utilize the federal immigration verification system, as defined in Section 4-114, Reissue Revised Statutes of Nebraska, (Supp. 2009), to determine the work eligibility status of new employees physically performing services on the Project.

ARTICLE V

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

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

ARTICLE VI

DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform on in breach of its obligations.

Section 6.02 Additional Remedies of Authority

In the event that:

(a) the Redeveloper, on successor in interest, shall fail to complete the construction of the Project on or before January 1, 2015, or shall abandon construction work for any period of 90 days,

(b) the Redeveloper, on successor in interest, shall fail to pay real estate taxes or assessments on the Redevelopment Area on any part thereof or payments in lieu of taxes pursuant to Section 4.07 when due; or

(c) There is, in violation of Section 4.08 of this Redevelopment Contract, and such failure or action by the Redeveloper has not been cured within 30 days following written notice from Authority, then the Redeveloper shall be in default of this Redevelopment Contract.

In the event of such failure to perform, breach or default occurs and is not cured in the period herein provided, the parties agree that the damages caused to the Authority would be difficult to determine with certainty and that a reasonable estimation of the amount of damages that could be incurred is the amount of the grant to Redeveloper pursuant to Section 3.04 of this Redevelopment Contract, less any reductions in the principal amount of the TIF Indebtedness, plus interest on such amounts as provided herein (the **“Liquidated Damages Amount”**). The Liquidated Damages Amount shall be paid by Redeveloper to Authority within 30 days of demand from Authority.

Interest shall accrue on the Liquidated Damages Amount at the rate of one percent (1%) over the prime rate as published and modified in the Wall Street Journal from time to time and interest shall commence from the date that the Authority gives notice to the Redeveloper demanding payment.

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

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

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

Section 6.04 Forced Delay Beyond Party's Control.

For the purposes of any of the provisions of this Redevelopment Contract, neither the Authority nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of or default in its obligations with respect to the conveyance or preparation of the Redevelopment Area for redevelopment, or the beginning and completion of construction of the Project, or progress in respect thereto, in the event of forced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays in subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such forced delay, the time or times for performance of the obligations of the Authority or of the Redeveloper with respect to construction of the Project, as the case may be, shall be extended for the period of the forced delay: Provided, that the party seeking the benefit of the provisions of this section shall, within thirty (30) days after the beginning of any such forced delay, have first notified the other party thereto in writing, and of the cause or causes thereof and requested an extension for the period of the forced delay.

Section 6.05 Limitations of Liability; Indemnification.

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

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

Redevelopment Contract or any other cause pertaining to the Project.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract shall be recorded with the County Register of Deeds in which the Redevelopment Area is located.

Section 7.02 Governing Law.

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

Section 7.03 Binding Effect; Amendment.

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

Section 7.04 Third Party Enforcement.

The provisions of this Redevelopment Contract which obligate the Redeveloper shall inure to the benefit of the holder of the TIF Indebtedness, the Hall County Assessor, the City and the Authority, any of whom may, but are not obligated to enforce the terms of this Redevelopment Contract in a court of law.

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

ATTEST:

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

Secretary

By: _____
Chairman

Auto One, Inc.

President

STATE OF NEBRASKA)
) ss.
COUNTY OF HALL)

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

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

 The foregoing instrument was acknowledged before me this _____ day of _____,
_____, by _____, President of Auto One, Inc., on behalf of the company.

Notary Public

EXHIBIT A

DESCRIPTION OF REDEVELOPMENT AREA

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

A-I

EXHIBIT B

FORM OF TIF INDEBTEDNESS

Exhibit B

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

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF HALL

TAX INCREMENT REVENUE NOTE OF THE COMMUNITY
AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA
(AUTO ONE PROJECT)

Principal Amount
\$159,000

Interest Rate Per Annum
0.00%

Final Maturity Date
December 31, 2028

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Redevelopment Authority of the City of Grand Island, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to the registered holder hereof, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest at the rate of zero percent [0.00%] per annum on the unpaid balance. This Note is due and payable in full on December 31, 2028. This Note shall also be subject to mandatory partial redemption, without notice, on each June 1 and December 1, ("Payment Date") beginning June 1, 2015, from all funds available in the Debt Service Fund established by the Grand Island City Treasurer for the tax increment revenues pledged to payment of this Note, rounded down to the nearest one hundred dollars (which funds are referred to in this Note as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each payment date and shall be remitted to the

registered owner of the Note. The payment of principal due upon the final maturity is payable upon presentation and surrender of this Note to the Treasurer of said Authority, as Paying Agent and Registrar for said Authority, at the offices of the Community Redevelopment Authority of the City of Grand Island at City Hall, in Grand Island, Nebraska. The payments of mandatory partial redemption of principal on each payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this Note, as shown on the books or record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the payment date occurs, to such owner's address as shown on such books and records.

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

This Note is the single Note in the total principal amount of One Hundred Fifty Nine Thousand and no one hundredths Dollars (\$159,000.00) issued by the Authority for the purpose of paying the costs of redevelopment of certain real estate located in the City of Grand Island, as designated in that redevelopment plan amendment recommended by the Authority and approved by the City Council of the City of Grand Island, Nebraska, (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, and has been duly authorized by resolution passed and approved by the governing body of the Authority (the "Resolution").

This Note constitutes a limited obligation of the Authority payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" (as defined in the Redevelopment Contract). Pursuant to Section 18-2150, R.R.S. Neb. 2007, said portion of taxes has been pledged for the payment of this Note, as the same become subject to mandatory redemption. This Note shall not constitute a general obligation of the Authority and the Authority shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Note shall not constitute an obligation of the State of Nebraska or of the City or Grand Island (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007) and neither the State or Nebraska nor the City of Grand Island shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007). Neither the members of the Authority's governing body nor any person executing this Note shall be liable personally on this Note by reason of the issuance hereof.

This Note is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this Note for notation of transfer as provided on the reverse hereof and subject to the conditions provided

for established by the Authority. The Authority, the Paying Agent and Registrar and any other person may treat the person whose name this Note is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this Note be overdue or not.

THIS NOTE MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS ESTABLISHED BY THE AUTHORITY.

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

THE PRINCIPAL AND INTEREST DUE ON THIS NOTE SHALL BE REDUCED TO ZERO AFTER ALL AVAILABLE FUNDS PLEDGED TO THIS NOTE HAVE BEEN PAID TO THE HOLDER HEREOF REGARDLESS OF WHETHER SUCH PAYMENTS ARE SUFFICIENT TO AMORTIZE THE ORIGINAL PRINCIPAL AND INTEREST HEREON. "AVAILABLE FUNDS" IN THIS REGARD SHALL MEAN ALL INCREMENTAL AD VALOREM TAXES RELATED TO THE PROJECT WHICH BECOME DELINQUENT PRIOR TO JANUARY 1, 2028.

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

Delivered this ____th day of _____, 2012.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA

:

By: _____
Chair

ATTEST:

Secretary

PROVISION FOR REGISTRATION

The ownership of this Note shall be registered as to both principal and interest on the books and records of the Community Redevelopment Authority of the City of Grand Island, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing Note, who shall make notation of such registration in the registration blank below, and the transfer of this Note may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration	Name of Registered Owner	Signature of Paying Agent and Registrar
_____, 2012	Auto One, Inc.	_____

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EXHIBIT C

PROJECT COSTS

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

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