

City of Scottsbluff, Nebraska

Monday, August 7, 2023

Regular Meeting

Item Reports1

Council to discuss and consider action on release of CDBG loan fund on Lincoln House Project.

Staff Contact: Kevin Spencer, City Manager

AGREEMENT FOR
PURCHASE
OF GENERAL PARTNER'S INTEREST

This Agreement is made this 21st day of June, 2023, by and between GLS PROPERTIES, LLC, a Florida Limited Liability Company (hereinafter "Seller"), the general partner of MDI LIMITED PARTNERSHIP #48, a Nebraska Limited Partnership (the "Partnership"), and TYLER D. CHRISMAN or Assigns (hereinafter "Purchaser").

WHEREAS, the Seller is the sole general partner of the Partnership, holding a 0.1% interest in the Partnership as the general partner. The sole limited partner of the Partnership is GLS Stenson Family Limited Partnership, a Florida limited partnership, which simultaneous with the Closing (as defined herein), is transferring all of its limited partnership interests in the Partnership pursuant to that certain Agreement For Purchase of Limited Partners' Interests dated as of June 27th, 2023.

WHEREAS, the Seller and Purchaser have agreed upon the terms of purchase of the general partner's interest described in this Agreement and desire to memorialize the terms of purchase.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. Purchase of General Partner's Interest.

a. The parties agree that the recitals are an integral part of this Agreement and that the recitals are incorporated into this Agreement.

b. The Seller agrees to sell and transfer to Purchaser, or Purchaser's designee or designees, upon the terms set forth in this Agreement, the general partner's interest in the Partnership, as set forth in the particulars described in the Second Amended and Restated Agreement of the Limited Partnership, dated June 30, 2014, and all amendments thereto (the "Limited Partnership Agreement"), for the purchase price of FORTY NINE THOUSAND, ONE HUNDRED SIXTY THREE and 40/100 DOLLARS (\$49,163.40) and Purchaser agrees to pay the purchase price.

c. Seller warrants that it is the sole owner and holder of the general partner's interest in the Partnership, as described in the Limited Partnership Agreement, which is generally summarized as a 50% interest in net sale proceeds under section 12.2 of the Partnership Limited Partnership Agreement, and thereafter a 1% interest in profits, losses, and credits under section 5.1 of the Partnership Limited Partnership Agreement.

Agreement for GP Interest MDI LP #48 – Page 1

2. **Conditions Precedent to Closing or Transfer.** Closing is conditioned upon the prior occurrence of the following:

a. The United States Department of Agriculture, Rural Development (hereinafter "Rural Development") and Nebraska Investment Finance Authority ("NIFA"), if required, approval of Purchaser, or Purchaser's nominee or nominees, as General Partner of the Partnership will be required prior to closing. The Purchaser agrees to promptly make the required application or applications.

b. A due diligence checklist is attached hereto as Exhibit A, which outlines information to be reviewed by Purchaser as part of its due diligence. Seller agrees to promptly provide the information as listed on Exhibit A which is in its possession or under its control, or Seller shall formally certify that it does not have such documentation in its possession and shall further disclose whether it previously had such documentation in its possession. After receipt of all applicable documents or certification that Seller does not have such documentation, Purchaser shall have forty-five (45) days to review the same. The sale is contingent upon Purchaser's approval after review of this information, provided however, that such approval shall not be unreasonably withheld. Purchaser shall notify Seller in writing of Purchaser's decision within ten (10) days after expiration of the forty-five (45) day review period. Failure to provide such notification to Seller in a timely manner shall operate as an approval. If Purchaser timely notifies the Seller within the forty-five (45) day review period that it does not approve of the transaction hereunder, then this Agreement shall terminate immediately without any further documentation. If Purchaser notifies Seller that it approves the purchase at any time within the forty-five (45) day due diligence period or ten (10) day notice period, Purchaser thereby waives and releases any and all termination rights in this paragraph and shall be bound by the terms of this Agreement regardless of the amount of due diligence review actually completed.

c. Consent by the USDA Rural Development of Purchaser's assumption of that certain Section 515 mortgage encumbering the Housing Project.

d. Consent by the City of Scottsbluff, Nebraska, to the forgiveness of those two (2) certain Community Development Block Grant (CDBG) loans in the amounts of \$25,000 and \$100,000, along with any accrued interest thereon, which consent shall be obtained prior to Closing, but which forgiveness shall be recorded and effective immediately after the Closing and no later than thirty (30) days after the Closing.

e. Any partnership level liabilities, due to, but not paid to the Partnership, to be assigned to Purchaser by Seller as a condition to closing.

f. The Seller certifies that no material legal obligations known to Seller or material debts of the Partnership exist which are not disclosed on the audited financial statements or unaudited supplementary financial statements of the Partnership. Material

Agreement for GP Interest MDI LP #48 – Page 2

legal obligations and material debts specifically excludes any utility invoices or other accounts payable arising in the ordinary course of business of operating the Housing Project.

3. **Tax Incidents.** After Closing, Purchaser shall be entitled to receive each Seller's share of profits, losses, gains, net cash from the Partnership and tax incidents to otherwise be received by Seller as general partner of the Partnership which accrue on or after the Closing.

4. **Closing in Name of Purchasing Entity.** Purchaser may assign its rights under this Agreement to a corporation, limited liability company, limited partnership or general partnership controlled by Purchaser and/or a Chrisman affiliate and may close in the name of such entity, subject to USDA, Rural Development approval and NIFA approval, if required. If Purchaser is unable to timely assign its rights to an entity able to obtain the approvals described herein, Purchaser shall be obligated to close in its own name. Assignment of Purchaser's rights under this Agreement to a third party, shall require prior written approval by Seller.

5. **Closing.**

a. The closing of sale pursuant to this Agreement shall occur in the office of the Purchaser's attorney Rebecca J. Knapp, Knapp Law Office, P.C., 203 E. Main Street, Suite 1, Enterprise, Oregon 97828 after the latest of the following: (1) ninety (90) days from the effective date of this Agreement and acknowledged receipt of due diligence, or (2) thirty (30) days from Rural Development's and NIFA's, if required, approval of Purchaser or Purchaser's designee or designees as the new general partner of the Partnership, or (3) thirty (30) days after the due diligence approval described in paragraph 2. In no event shall the Closing occur after December 31, 2023, and this Agreement shall automatically terminate on December 31, 2023, unless extended in writing by the parties hereto.

b. An earnest money deposit of FIVE HUNDRED and 00/100 DOLLARS (\$500.00) shall be deposited by Purchaser with Rebecca J. Knapp, Knapp Law Office, P.C., 203 E. Main Street, Suite 1, Enterprise, OR 97828 ("Escrowee"), within ten (10) business days after full execution of this Agreement. The earnest money shall be non-refundable upon the following: (1) Purchaser's approval of due diligence as provided in paragraph 2, and (2) upon USDA, Rural Development and NIFA, if required, approval of Purchaser or Purchaser's designee or designees as the new general partner of the Partnership. All earnest money deposits shall be applied to the purchase price at the time of closing. If either condition (1) is disapproved or condition (2) fails because both Purchaser and any designees or assignees are unable to obtain the required approvals, Seller agrees to promptly approve that the Escrowee may release the earnest money deposit to Purchaser.

c. The sale and transfer of the general partner's interest shall be documented with the documents required by the Limited Partnership Agreement to evidence a transfer of partner's interest, which shall include an Assignment and Assumption of General Partner's Interest, an Amended Certificate of Limited Partnership, and an Amended Limited Partnership Agreement. Purchaser shall be responsible for the preparation of said documents at Purchaser's expense.

d. Purchaser and Seller each agree to pay their own legal fees directly. Other closing costs, transfer taxes and recording taxes will be handled in a mutually agreeable manner and in accordance with local customs of Scotts Bluff County, Nebraska.

e. The Closing hereunder shall occur simultaneously with the Closing pursuant to that certain Agreement for Purchase of Limited Partners' Interest dated as of June 21st, 2023, by and between the Purchaser, and GLS Stenson Family Limited Partnership, a Florida limited partnership ("LP Sale Agreement"), and the Closing hereunder shall not occur without the simultaneously closing under the LP Sale Agreement.

6. **Commissions.** Purchaser and Seller each agree that any commissions or fees negotiated by either party are their sole and separate responsibility.

7. **Condition of Property.** Seller covenants and agrees with Purchaser that the assets, property, and rights now owned by the Partnership will be used, preserved, and maintained in the ordinary course of business to the same extent and in the same condition as such assets, property, and rights are used, preserved, and maintained on the date of this Agreement, and no unusual or novel methods of purchase, sale, management, or operation of such properties or business will be made or instituted. Seller further covenants and agrees with Purchaser that the real property owned by the Partnership will be delivered to Purchaser in the same or better condition as it existed at the end of Purchaser's due diligence period set out in paragraph 2b above.

8. **Property Covered.** The following assets are owned by the Partnership and the parties intend that they will remain assets of the Partnership following the closing:

a. The thirty-five (35) unit, multi-family rural residential housing apartment complex, located in Scottsbluff, Nebraska, known as "Lincoln House Apartments" (the "Housing Project") and all the improvements and fixtures located thereon.

b. All the personal property owned by the Partnership, including appliances and furniture, provided for the use by tenants of the Housing Project or used in the operation of the Housing Project, all lease and rental agreements of the Property

and all agreements with Rural Development, which shall be assumed by the Purchaser at closing.

c. The following accounts for the Housing Project (collectively, the "Transferred Accounts"): Replacement Reserve Account, Tax and Insurance Reserve Account, Tenant Security Deposit Account, and Operating Account or accounts, together with the rent supplement accounts receivable at closing and the tenant accounts receivable in such amounts as exist on the day of closing. Partnership funds of Sellers not subject to regulatory oversight are not being purchased and are not included with the Transferred Accounts.

9. Seller's Representations and Warranties.

a. The Partnership is a Nebraska limited partnership duly organized and legally existing under the laws of its domicile state and is qualified to do business in every jurisdiction in which its ownership of property or conduct of business requires it to qualify. The Partnership has all requisite power and authority and all material licenses, permits, and authorizations necessary to own and operate its properties and to carry on its business as now conducted. The Partnership is governed by that certain Amended and Restated Agreement of Limited Partnership of MDI Limited Partnership #48 dated as of April 1, 1999, as amended by the First Amendment to Amended and Restated Agreement and Certificate of Limited Partnership of the Partnership dated effective as of August 1, 2008, as further amended by the Assignment and Assumption of Partnership Interest in MDI Limited Partnership #48 dated as of August 1, 2008, as further amended by the Assignment and Assumption Agreement and Second Amendment to Amended and Restated Agreement of Limited Partnership dated as of June 30, 2014, which have all been furnished to the Purchaser, which reflects all amendments made thereto at any time before the closing date and are correct and complete.

b. The Partnership is not in default under, and no condition exists that with notice or lapse of time or both would constitute a default of the Partnership under, (a) any mortgage, loan agreement, indenture, evidence of indebtedness, or other instrument evidencing borrowed money to which the Partnership is a party or by which the Partnership or the property of the Partnership is bound or (b) any judgment, order, or injunction of any court, arbitrator, or governmental agency that would reasonably be expected to affect materially and adversely the Partnership's business, financial condition, or results of operations.

c. Except for liabilities and obligations incurred in the ordinary course of business since the date of the Partnership's current balance sheet, neither the Partnership nor any of the property of the Partnership is subject to any material liability or obligation that would be required under GAAP to be included or adequately reserved against in the Partnership's financial statements.

10. **Indemnification.** Seller agrees to indemnify and to hold Purchaser and its successors and assigns harmless from and against any and all claims, liabilities, obligations, costs, and expenses, including reasonable attorney fees (collectively, "Damages") arising out of or related to: (a) Any material breach or inaccuracy of any respective representation or warranty of the Seller made in this Agreement or any related document provided to Purchaser during Purchaser's due diligence investigation; or (b) any material failure by the respective Seller to perform any covenant required to be performed by it pursuant to this Agreement. Purchaser agrees to indemnify and to hold Seller and its successors and assigns harmless from and against any and all claims, liabilities, obligations, costs, and expenses, including reasonable attorney fees (collectively, "Damages") arising out of or related to: (a) any material failure by Purchaser to perform any covenant required to be performed by it pursuant to this agreement; or (b) liabilities and obligations of the Partnership and the Purchaser, as the new general partner of the Partnership, incurred or accrued from and after the Closing.

11. **Choice of Law.** This Agreement shall be construed and governed by the laws of the State of Nebraska.

12. **Applicable Law and Jurisdiction.** This Agreement is entered into and is performable in Scotts Bluff County, Nebraska. Exclusive venue and jurisdiction for any civil action arising from any dispute concerning this Agreement shall be only in the State and Federal District Courts located in Scotts Bluff County, Nebraska, and each of the parties' consents to personal and subject matter jurisdiction in such courts.

13. **Merger and Non-Modification.** This Agreement, together with any exhibits attached hereto at the time of execution, constitutes the entire agreement between the parties to this Agreement. In order to be enforceable, any modification of this Agreement or other agreement between the parties relating to the same subject matter must (1) be in writing, (2) bear a date contemporaneous with or subsequent to the date of this Agreement, and (3) be agreed to and executed in writing by all parties bound by such modification. This Agreement may not be orally modified or modified by performance. On execution of the Agreement, all prior agreements or understandings between the parties shall be null and void.

14. **Assignment.** No party may assign its interest in this Agreement to a third party unless the consent of the other parties is obtained in writing.

15. **Agreement Survives Closing.** The terms and conditions of this Agreement shall survive closing and shall remain in existence after closing.

16. **Signature by Separate Counterpart.** This Agreement shall be executed by separate counterparts. Each person executing this Agreement may affix his or her

signature to a separate signature page and execution of this Agreement may be evidenced by separate signature pages. Signatures transmitted by facsimile or electronic mail shall be valid and binding. There shall be duplicate originals and each party shall sign two original counterparts.

17. **Date of Agreement.** This Agreement, and the Agreement for Purchase of the Limited Partners' Interests, shall be dated June 27th, 2023.

PURCHASER:

TYLER D. CHRISMAN



Tyler D. Chrisman

SELLER:

MDI LIMITED PARTNERSHP #48,
a Nebraska limited Partnership

By: **GLS PROPERTIES, LLC,**
a Florida limited liability company,
Its: General Partner

By: *Gary L. Stenson*
Gary L. Stenson, Member &
Authorized Signer

CONSENT BY LIMITED PARTNER

Subject to the terms and conditions of the foregoing Agreement, the undersigned Limited Partner, representing the controlling Limited Partnership interest in MDI Limited Partnership #48, a Nebraska Limited Partnership hereby consents to the substitution of Tyler D. Chrisman or Assigns, as general partner of MDI Limited Partnership #48, a Nebraska Limited Partnership, at closing of the transaction contemplated by the foregoing agreement.

GLS Stenson Family Limited Partnership, a Florida Limited Partnership

By: GLS Properties LLC, a Florida Limited Liability Company
Its: General Partner

By: *Gary L Stenson*
Gary L. Stenson, Authorized Signer

EXHIBIT A

1. **Entity Documents** (To include operating and/or partnership agreements and all amendments or Assignments that reflect and document historical ownership changes):
 - A. MDI Limited Partnership #48
 - B. GLS Properties LLC
 - C. GLS Stenson Family Limited Partnership

2. **Tax Documents** (2021 & 2022 Federal Tax Returns (Complete with K-1 Schedules):
 - A. MDI Limited Partnership #48

3. **Financial Audits** (2020, 2021 & 2022)
 - A. MDI Limited Partnership #48

4. **Loan Agreements and Promissory Notes** (Any Secured Debt Obligations of the Partnership Encumbering the Real Property):
 - A. MDI Limited Partnership #48

5. **Insurance Certificates** (Evidence of Commercial Property Insurance, Agent Contact Information):
 - A. Lincoln House Apartments

6. **Property Reports in Seller's Possession** (Capital Needs Assessment, Appraisals, Phase I, Surveys, etc.):

7. **Property Management Agent Agreement** (Existing Management Agent Agreement & Primary Contact Information):
 - A. Lincoln House Apartments

Checks 1-866-210-0666 www.umpqua.com

96-505/1232 111

TYLER CHRISMAN
LINDSEY CHRISMAN
INVESTMENT CHECKING
PO BOX 351
JOSEPH, OR 97846

DATE 6/27/23

PAY TO THE ORDER OF Knapp Law office, P.C. \$ 500.00

FIVE Hundred Dollars and 00/100 DOLLARS

UMPQUA BANK
1-866-4UMPQUA
(1-866-486-7782)
WWW.UMPQUABANK.COM

MEMO Lincoln Earnest CP

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AGREEMENT FOR
PURCHASE
OF LIMITED PARTNERS' INTERESTS

This Agreement is made this 27th day of June, 2023, by and between GLS STENSON FAMILY LIMITED PARTNERSHIP, a Florida Limited Partnership ("GLS FAMILY LP") the sole Limited Partner of MDI LIMITED PARTNERSHIP #48, a Nebraska Limited Partnership (the "Partnership"), (GLS FAMILY LP hereinafter, "Seller"), and TYLER D. CHRISMAN or Assigns (hereinafter "Purchaser").

WHEREAS, the Seller is the sole limited partner of the Partnership, holding a 099.9% interest in the Partnership as the limited partner. The sole general partner of the Partnership is GLS Properties, LLC, a Florida limited liability company, which simultaneous with the Closing (as defined herein), is transferring all of its partnership interests in the Partnership pursuant to that certain Agreement For Purchase of General Partners' Interests dated as of June 27th, 2023.

WHEREAS, Seller and Purchaser have agreed upon the terms of purchase of the limited partnership interests described in this Agreement and desire to memorialize the terms of purchase.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. Purchase of General and Limited Partnership Interests.

a. The parties agree that the Recitals are an integral part of this Agreement and that the Recitals are incorporated into this Agreement.

b. The Seller agrees to sell and transfer to Purchaser, or Purchaser's designee or designees, upon the terms set forth in this Agreement, the limited partners' interests in the Partnership (except for the retained partnership interests held back pursuant to section 5(b) below) for the purchase prices set forth below, and Purchaser agrees to pay the purchase prices, being:

i. FORTY NINE THOUSAND ONE HUNDRED SIXTY THREE and 40/100 DOLLARS (\$49,163.40) shall be paid to GLS FAMILY LP for the Limited Partnership Interests.

c. Seller warrants that it is the sole owner and holder of the limited partner's interest in the Partnership, as described in the Limited Partnership Agreement of the Partnership, which is generally summarized as a 50% interest in net sale proceed under section 12.2 of the Partnership Limited Partnership Agreement, and thereafter a 1% interest in profits, losses, and credits under section 5.1 of the Partnership Limited Partnership Agreement.

2. Conditions Precedent to Closing or Transfer. Closing is conditioned upon the prior occurrence of the following:

a. The United States Department of Agriculture, Rural Development (hereinafter "Rural Development") and Nebraska Investment Finance Authority ("NIFA"), if required, will have approved Purchaser as limited partner in the Partnership and Tyler D. Chrisman or Assigns as General Partner of the Partnership in accordance with Tyler D. Chrisman or Assigns Agreement prior to closing. The Purchaser agrees, at the Purchaser's sole cost and expense to promptly submit the required application or applications, diligently pursue Rural Development's approval, and to promptly provide any information or documents required by Rural Development. Purchaser will also provide regular written updates to Seller as to its progress and the status of Rural Development's approval.

b. A due diligence checklist is attached hereto as Exhibit A, which outlines information to be reviewed by Purchaser as part of its due diligence. Seller agrees to promptly provide the information as listed on Exhibit A which is in its possession or under its control, or Seller shall formally certify that it does not have such documentation in its possession and shall further disclose whether it previously had such documentation in its possession. After receipt of all applicable documents or certification that Seller does not have such documentation, Purchaser shall have forty-five (45) days to review the same. The sale is contingent upon Purchaser's approval after review of this information, provided however, that such approval shall not be unreasonably withheld. Purchaser shall notify Seller in writing of Purchaser's decision within ten (10) days after expiration of the forty-five (45) day review period. Failure to provide such notification to Seller in a timely manner shall operate as an approval. If Purchaser timely notifies the Seller within the forty-five (45) day review period that it does not approve of the transaction hereunder, then this Agreement shall terminate immediately without any further documentation. If Purchaser notifies Seller that it approves the purchase at any time within the forty-five (45) day due diligence period or ten (10) day notice period, Purchaser thereby waives and releases any and all termination rights in this paragraph and shall be bound by the terms of this Agreement regardless of the amount of due diligence review actually completed.

c. Consent by the USDA Rural Development of Purchaser's assumption of that certain Section 515 mortgage encumbering the Housing Project.

d. Consent by the City of Scottsbluff, Nebraska, to the forgiveness of those two (2) certain Community Development Block Grant (CDBG) loans in the amounts of \$25,000 and \$100,000, along with any accrued interest thereon, which consent shall be obtained prior to Closing, but which forgiveness shall be recorded and effective immediately after the Closing and no later than thirty (30) days after the Closing.

e. Any partnership level liabilities, due to, but not paid to the Partnership, to be assigned to Purchaser by Seller as a condition to closing.

f. The Seller certifies that no material legal obligations known to Seller or material debts of the Partnership exist which are not disclosed on the audited financial statements or unaudited supplementary financial statements of the Partnership. Material legal obligations and material debts specifically excludes any utility invoices or other accounts payable arising in the ordinary course of business of operating the Housing Project.

3. Tax Incidents. After Closing, Purchaser shall be entitled to receive each Sellers' share of profits, losses, gains, net cash from the Partnership and tax incidents to otherwise be received by Sellers as limited partners of the Partnership which accrue on or after the Closing.

4. Closing in Name of Purchasing Entity. Purchaser may assign its rights under this Agreement to a corporation, limited liability company, limited partnership or general partnership controlled by Purchaser and/or a Chrisman affiliate and may close in the name of such entity, subject to USDA, Rural Development approval and NIFA approval, if required. If Purchaser is unable to timely assign its rights to an entity able to obtain the approvals described herein, Purchaser shall be obligated to close in its own name. Assignment of Purchaser's rights under this Agreement to a third party, shall require prior written approval by Seller.

5. Closing.

a. The closing of sale pursuant to this Agreement shall occur in the office of the Purchaser's attorney Rebecca J. Knapp, Knapp Law Office, P.C., 203 E. Main Street, Suite 1, Enterprise, Oregon 97828 after the latest of the following: (1) ninety (90) days from the effective date of this Agreement and acknowledged receipt of due diligence, or (2) thirty (30) days from Rural Development's and NIFA, if required, approval of Purchaser or Purchaser's designee or designees as the new general partner of the Partnership or (3) thirty (30) days after the due diligence approval described in paragraph 2. In no event shall the Closing occur after December 31, 2023, and this Agreement shall automatically terminate on December 31, 2023, unless extended in writing by the parties hereto.

b. Purchaser acknowledges and agrees that in order to qualify as a Chapter 5 transfer under Rural Development regulations, Sellers are prohibited from transferring 100% of their partnership interests during a 12-month period without compliance with the asset transfer regulations under Chapter 7. For purposes of qualifying under Chapter 5, Purchaser agrees that Seller, shall retain a 1% limited partnership interest in the Partnership for one year and one day after the closing date at which time Seller, shall transfer said 1% limited partnership interest to Purchaser. The allocated price for the 1% interest is NINE HUNDRED NINETY THREE AND 20/100 DOLLARS (\$993.20) and shall be paid one year and one day following the initial closing.

c. An earnest money deposit of FIVE HUNDRED and 00/100 DOLLARS (\$500.00) shall be deposited by Purchaser with Rebecca J. Knapp, Knapp Law Office, P.C., 203 E. Main Steet. Suite 1, Enterprise, OR 97828 ("Escrowee"), within ten (10) business days after full execution of this Agreement.

d. The earnest money shall be non-refundable upon the following: (1) Purchaser's approval of due diligence as provided in paragraph 2, and (2) upon USDA, Rural Development and NIFA, if required, approval of Purchaser or Purchaser's designee or designees as the new general partner of the Partnership. All earnest money deposits shall be applied to the purchase price at the time of closing. If either condition (1) is disapproved or condition (2) fails because both Purchaser and any designees or assignees are unable to obtain the required approvals, Seller agrees to promptly refund the earnest money deposit to Purchaser.

e. The sale and transfer of limited partner's interests shall be documented with the documents required by the partnership agreement and amendments thereto, to evidence a transfer of partnership interests, which shall include an Assignment and Assumption of Limited Partnership Interest, an Amended Certificate of Limited Partnership, and an Amended Limited Partnership Agreement. Purchaser shall be responsible for the preparation of said documents at Purchaser's expense.

f. Purchaser and Seller each agree to pay their own legal fees directly. Other closing costs, transfer taxes and recording taxes will be handled in a mutually agreeable manner and in accordance with local custom of Scotts Bluff County, Nebraska.

g. The Closing hereunder shall occur simultaneously with the Closing pursuant to that certain Agreement for Purchase of General Partners' Interest dated as of June 27, 2023, by and between the Purchaser, and GLS Properties, LLC, a Florida limited liability company ("GP Sale Agreement"), and the Closing hereunder shall not occur without the simultaneously closing under the GP Sale Agreement.

6. Commissions. Purchaser and Seller each agree that any commissions or fees negotiated by either party are their sole and separate responsibility.

7. Condition of Property. Seller covenant and agree with Purchaser that the assets, property, and rights now owned by the Partnership will be used, preserved, and maintained in the ordinary course of business to the same extent and in the same condition as such assets, property, and rights are used, preserved, and maintained on the date of this Agreement, and no unusual or novel methods of purchase, sale, management, or operation of such properties or business will be made or instituted. Sellers further covenant and agree with Purchaser that the real property owned by the Partnership will be delivered to Purchaser in the same or better condition as it existed at the end of Purchaser's due diligence period set out in paragraph 2.b above.

8. Property Covered. The following assets are owned by the Partnership and the parties intend that they will remain assets of the Partnership following the closing:

a. The thirty-five (35) unit, multi-family rural residential housing apartment complex, located in Scottsbluff, Nebraska, known as "Lincoln House Apartments" (the "Housing Project") and all the improvements and fixtures located thereon.

b. All the personal property owned by the Partnership, including appliances and furniture, provided for the use by tenants of the Housing Project or used in the operation of the Housing Project, all lease and rental agreements of the Property and all agreements with Rural Development, which shall be assumed by the Purchaser at closing.

c. The following accounts for the Housing Project (collectively, the "Transferred Accounts"): Replacement Reserve Account, Tax and Insurance Reserve Account, Tenant Security Deposit Account, and Operating Account or accounts, together with the rent supplement accounts receivable at closing and the tenant accounts receivable in such amounts as exist on the day of closing. Partnership funds of Sellers not subject to regulatory oversight are not being purchased and are not included with the Transferred Accounts.

9. Indemnification. Seller agree to indemnify and to hold Purchaser and its successors and assigns harmless from and against any and all claims, liabilities, obligations, costs, and expenses, including reasonable attorney fees (collectively, "Damages") arising out of or related to: (a) Any material breach or inaccuracy of any respective representation or warranty of the Seller made in this Agreement or any related document provided to Purchaser during Purchaser's due diligence investigation; or (b) any material failure by the respective Seller to perform any covenant required to be performed by it pursuant to this Agreement. Purchaser agrees to indemnify and to hold Seller and their successors and assigns harmless from and against any and all claims, liabilities, obligations, costs, and expenses, including reasonable attorney fees (collectively, "Damages") arising out of or related to: (a) any material failure by Purchaser to perform any covenant required to be performed by it pursuant to this agreement; or (b) liabilities and obligations of the Partnership and the Purchaser, as the new limited partner of the Partnership, incurred or accrued from and after the Closing.

10. Choice of Law. This Agreement shall be construed and governed by the laws of the State of Nebraska.

11. Applicable Law and Jurisdiction. This Agreement is entered into and is performable in Scotts Bluff County, Nebraska. Exclusive venue and jurisdiction for any civil action arising from any dispute concerning this Agreement shall be only in the State and Federal District Courts located in Scotts Bluff County, Nebraska, and each of the Parties consents to personal and subject matter jurisdiction in such courts.

12. Merger and Non-Modification. This Agreement, together with any exhibits attached hereto at the time of execution, constitutes the entire agreement between the Parties to this Agreement. In order to be enforceable, any modification of this Agreement or other agreement between the Parties relating to the same subject matter must (1) be in writing, (2) bear a date contemporaneous with or subsequent to the date of this Agreement, and (3) be agreed to and executed in writing by all Parties bound by such modification. This Agreement may not be orally modified or modified by performance. On execution of the Agreement, all prior agreements or understandings between the parties shall be null and void.

13. Assignment. No party may assign its interest in this Agreement to a third party unless the consent of the other parties is obtained in writing.

14. Agreement Survives Closing. The terms and conditions of this Agreement shall survive closing and shall remain in existence after closing.

15. Signature by Separate Counterpart. This Agreement shall be executed by separate counterparts. Each person executing this Agreement may affix his or her signature to a separate signature page and execution of this Agreement may be evidenced by separate signature pages. Signatures transmitted by facsimile shall be valid and binding. There shall be duplicate originals and each party shall sign two original counterparts.

16. Date of Agreement. This Agreement, and the Agreement for Purchase of General Partner's Interest, shall be dated June 27th, 2023.

PURCHASER:

TYLER D. CHRISMAN



Tyler D. Chrisman

SELLERS:

GLS STENSON FAMILY LIMITED PARTNERSHIP,
a Florida Limited Partnership
Its: Sole Limited Partner

By: **GLS PROPERTIES, LLC,**
a Florida limited liability company,

By: *Gary L Stenson*
Gary L. Stenson

Its: General Partner & Authorized Signer

CONSENT BY GENERAL PARTNER

Subject to the terms and conditions of the foregoing Agreement, the undersigned General Partner hereby consents to the substitution of TYLER D. CHRISMAN, or its assigns, as limited partner of the MDI LIMITED PARTNERSHIP #48, a Nebraska limited partnership at closing of the transaction contemplated by the foregoing Agreement.

MDI LIMITED PARTNERSHIP #48,
a Nebraska limited Partnership

By: **GLS PROPERTIES, LLC,**
a Florida limited liability company,
Its: General Partner

By: *Gary L Stenson*
Gary L Stenson, Member &
Authorized Signer

Checks 11/22/21 1-800-210-0103 www.umpqua.com

TYLER CHRISMAN
LINDSEY CHRISMAN
INVESTMENT CHECKING
PO BOX 351
JOSEPH, OR 97846

98-605/1232 112

DATE 6/27/23

PAY TO THE ORDER OF Kraep Law Office, P.C. \$ 500.00

Five Hundred Dollars and 00/100 DOLLARS

UMPQUA BANK
1-866-4UMPQUA
(1-866-486-7782)
WWW.UMPQUABANK.COM

MEMO Lincoln Earnest LP

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SAFETY PAPER Security Features
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EXHIBIT A

1. **Entity Documents** (To include operating and/or partnership agreements and all amendments or Assignments that reflect and document historical ownership changes):
 - A. MDI Limited Partnership #48
 - B. GLS Properties LLC
 - C. GLS Stenson Family Limited Partnership

2. **Tax Documents** (2021 & 2022 Federal Tax Returns (Complete with K-1 Schedules):
 - A. MDI Limited Partnership #48

3. **Financial Audits** (2020, 2021 & 2022)
 - A. MDI Limited Partnership #48

4. **Loan Agreements and Promissory Notes** (Any Secured Debt Obligations of the Partnership Encumbering the Real Property):
 - A. MDI Limited Partnership #48

5. **Insurance Certificates** (Evidence of Commercial Property Insurance, Agent Contact Information):
 - A. Lincoln House Apartments

6. **Property Reports in Seller's Possession** (Capital Needs Assessment, Appraisals, Phase I, Surveys, etc.):

7. **Property Management Agent Agreement** (Existing Management Agent Agreement & Primary Contact Information):
 - A. Lincoln House Apartments

From: Danny Walker <dwalker@prea.co>
Sent: Tuesday, May 2, 2023 2:24 PM
To: Gary Stenson <gstenson@metroplains.com>;
Subject: Chrisman Development

Here are a couple of resume items to share with the City about the potential purchaser, Chrisman Development.

- CARH member (Council for Affordable Rural Housing)
- The Carh organization is a nationally recognized organization promoting, educating, and serving the affordable housing community. They provide an annual ranking list of top 20 Managers, Developers, and Owners in the affordable housing industry in the USDA RD market. The Chrisman Organizations have been in the top 20 of each category consistently, most notably being the 5th ranked Developer of affordable Housing on their most recent 2022 rankings.
- Chrisman Group has great working relationships with USDA RD, city municipalities, and other government agencies helping them work through the many complicated tasks involved in the affordable housing industry.
- We own over 5,000 units of USDA RD properties.
- We have developed over 50 properties with development costs exceeding \$200 Million.

Thank you,

Danny Walker
630-995-0460

