

City of Seward, NE

Tuesday, April 19, 2016

Regular Session

Item G3

PUBLIC HEARING - 7:00 -P.M. - TAX INCREMENT FINANCING APPLICATION - BUGEATERS/RICHARD GOKIE - Katie Kock, Cline Williams Wright, Johnson & Oldfather, L.L.P.

Presentation and Review of TIF Application

Presentation and Review of Cost-Benefit Analysis

Presentation and Review of Amendment to Redevelopment Plan

Presentation and Review of Redevelopment Agreement

Consideration of a Resolution approving the Redevelopment Plan Amendment

*Consideration of a Resolution Approving the Redevelopment Agreement and the Issuance of TIF
Indebtedness for the Redevelopment Project*

Administrative Report: The Planning Commission reviewed the TIF application during a public hearing on April 11, 2016 and unanimously approved the application. The only comment was they would like to see some green space included in the plan. The Community Redevelopment Authority met on April 6, 2016 and unanimously approved the project, plan amendment and plan agreement.

Following the public hearing, review and discussion, motions to approve the plan amendment, agreement and resolutions would be in order.

Staff Contact:

NOTICE OF PUBLIC HEARINGS

Public notice is hereby given by the Planning Commission of the City of Seward, Nebraska, that a public hearing will be held at 7:30 p.m. on April 11, 2016, at the Seward Municipal Building, 142 North 7th Street, Seward, Nebraska.

Public notice is hereby also given by the Mayor and City Council of the City of Seward, Nebraska, that a public hearing will be held at 7:00 p.m. on April 19, 2016, at the Seward Municipal Building, 142 North 7th Street, Seward, Nebraska.

The purpose of both hearings is to obtain public comment prior to the review and consideration of a proposed amendment to the redevelopment plan for the City of Seward, including a specific redevelopment project.

The property which is the subject of this notice and of the public hearing is the property generally located on the north side of Jackson Avenue between 6th and 7th Streets, and is legally described as follows:

Lots 7-18, Block 38, Seward Cloyd's Addition, together with the adjacent vacated alley, City of Seward, Seward County, Nebraska.

All interested parties shall be afforded at each public hearing a reasonable opportunity to express their views regarding the proposed redevelopment plan amendment.

/s/Bonnie Otte, City Clerk

Publish one time March 30, 2016
One Proof of Publication

Tax-Increment Financing Application

CITY OF SEWARD, NEBRASKA
COMMUNITY REDEVELOPMENT AUTHORITY (CRA)
537 MAIN STREET – P.O. BOX 38 – SEWARD, NE 68434-0038
(Return to City Administrator's Office)

PROJECT SCOPE: (PLEASE PRINT OR TYPE ALL INFORMATION)

1. Applicant Information

Business Name _____

Contact Person for Applicant _____

Street Address _____

Mailing Address _____

Telephone _____ Alternate Telephone _____

Fax _____

Email _____

Business Structure: (e.g. corporation, limited liability company, etc.; also identify the state of organization): _____

Owners _____

2. Project Description

- a. What type of business does this project involve (i.e. industrial, commercial, residential, etc.)
 - i. If the project involves housing, please give a description of intended tenants, type of household (families/elderly/etc.), income levels, impact on the schools and/or community, etc.:
 - ii. If the project involves retail business, please give a description of the retail business, how the community would benefit from this retail business, the impact on similar existing retail businesses, etc.:
 - iii. If the project involves industry, please give a description of the type of industry, impact on the environment, impact on the community, similar existing industries in town, etc.:
- b. What is the estimated number of new jobs this project will create?
- c. What is the pay scale and benefits package for these positions?

3. Proposed Project Site:

Please provide the address, legal description, current owner. If the current owner is not the applicant, identify whether the project site is under contract, option, etc.:

4. Physical Description of the Proposed Project:

Building square footage, size of property, description of building materials, etc. (Attach site plan, if available)

5. Land Use:

- a. If property is to be subdivided, show division planned (attach copy of the plat):
- b. Current Zoning of the property:
- c. Is the proposed project a permitted use on the property? What permits would be required?
- d. Please describe any other relevant information relating to zoning, permitting, or similar land use issues:

City of Seward, Nebraska – City Administrator's Office – 402.643.2928
CityofSewardNE.com

6. Estimated Project Costs:

- a. Land Acquisition, if applicable: \$ _____
- b. Site Development (itemize):
- i. Demolition: \$ _____
 - ii. Grading: \$ _____
 - iii. Site Preparation \$ _____
 - iv. Other (explain): \$ _____
- c. Building Construction Cost: \$ _____
- d. Other Site Improvements (explain) \$ _____
- e. Equipment: \$ _____
- f. Architectural and Engineering Fees: \$ _____
- g. Legal Fees: \$ _____
- h. Financing Costs: \$ _____
- i. Broker Costs, if any: \$ _____
- j. Contingencies: \$ _____
- k. Other (explain): \$ _____
- Total:** \$ _____

7. Please attach the following documentation:

- a. Construction Pro Forma.
- b. Annual Income and Expense Pro Forma (with appropriate schedules).
- c. Applicant's Corporate/Business Annual Financial Statements for the last three years.
- d. Business Plan for the proposed project.

8. Estimated Tax Increment:

- a. Total estimated assessed valuation of Real Property at completion (please also describe how you arrived at this value; e.g., discussions with County Assessor, based on previous construction projects, etc.):
- b. Latest property valuation before construction (from Property Tax Statement):
- c. Estimated increase in real estate valuation:
- d. Estimated new real estate tax generated annually:

9. Proposed Source of Financing:

- a. Equity
- b. Bank loan (please provide conditional approval or commitment letters, if applicable):
- c. Tax Increment Financing:
- d. Other (please describe):

10. Name and address of architect, engineer, and general contractor:**11. Project construction schedule:**

- a. Construction start date: _____
- b. Construction completion date: _____
- c. If project is phased:
 - Year _____ / _____ % Complete
 - Year _____ / _____ % Complete

12. **Municipal reference (if applicable).** Please name any other municipality wherein the applicant, or other corporations the applicant has been involved with, has completed development within the last five years:

13. Amount of TIF request:

\$ _____

(Note: If the Application is approved, the applicant is not entitled to receive the requested TIF amount. The actual amount of the TIF Indebtedness will vary depending on multiple factors including without limitation lender interest rates, identification of eligible expenditures, and additional information identified in the redevelopment project approval process. However, as a general estimate for this application, request no more than ten (10) times the amount identified in section 8(d) of this application.

14. Describe eligible costs for which tax increment financing will be used.

Please provide a detailed breakdown of proposed eligible uses and costs of each use, including any available bids or cost estimates for such work (include attachment if necessary):

15. Statement of necessity for use of tax increment financing (include attachment if necessary):

- a. Is your project economically feasible as designed without tax increment financing? If no, please indicate how tax increment financing is necessary for the economic feasibility of your project.
- b. Would you locate your project in the redevelopment area without Tax Increment Financing? Explain.

16. List any other long term public benefits your project will bring to the City, or any other information relevant to this application.

"Applicant"

By: _____

Name: _____

Title: _____

**Tax-Increment Financing Application
City Of Seward**

1. Applicant Information

Fast Mart/Bugeaters Properties

Richard Gokie

215 N. 6th

Seward, NE 68434

(402)450-7896

rgokie@windstream.net

**Fast Mart Inc. – Corporation
Bugeaters Properties, LLC**

Owners-Richard & Kate Gokie

#2 a. Project Description

Fast Mart is a retail convenience store that sells gasoline, snacks, alcohol and carwashes. Fast Mart would continue to offer the products they currently provide and increase the selections for its customers. Fast Mart would also upgrade the current automatic carwash. This project would create a new, larger retail area as well as new, larger restrooms. We would also be installing new double-wall tanks and piping for petroleum products, with the latest in containment and monitoring equipment. By providing more goods and services to our customers as well as larger and new restrooms along with great service we hope to help make Seward a place where more people wish to stop and shop at instead of just driving through to Lincoln.

b. Job Creation

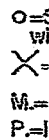
Fast Mart would continue to employ the current 3 full-time employees and 6-7 part-time employees. We would expect to add 1 full-time employee and 2-3 part time employees in the first year. By year 3 we would expect to add another full-time employee along with another part-time employee.

c. Pay Scale

The Fast Mart pay scale is in line with other convenience stores in the area. Part-time help will start at minimum wage or just above. Full-time help will make slightly more.

This project would be located on property legally described as Seward Cloyd's Addition, Block 38, Lots 7-18 & Adj. Vac. Alleys. It is located on the north side of Jackson Ave between 6th and 7th Streets.

The property facing 6th street is 132' wide and 254' deep for a total area of 20,328 sq. ft. The convenience store would be 86' x 45' with a building area of 3,870 sq. ft. The 2 bay carwash and maintenance room would be 54' x 42'. A 25' x 31' garage that currently sets on the property would be moved to the back of the lot. There would also be a 60' x 80' canopy over the pump. The carwash would be a block building attached to the convenience store.



#5 Land Use:

The property is Zoned CBD-Commercial Business District. It is within the redevelopment area that has been declared blighted and substandard by the City of Seward.

The permits and licenses that we will have are:

- Building Permit
- Electrical Permit
- Plumbing Permit
- Tank Operating Permit
- Food Safety & Consumer Protection Permit
- Tobacco License
- Liquor License
- Pickle Card License
- Motor Fuels License

Estimated Cost of Project

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#7 a. Construction Pro Forma

Site Development	\$ 50,000.00
Architectural & Engineering	\$ 50,000.00
Building Cost	\$1,050,000.00
Canopy/tanks/Installation	\$ 440,000.00
Total	\$1,590,000.00

#7 b.	FAST MART TARGET SALES PROJECTIONS				
YEAR	1	2	3	4	5
PROJECTED INCREASE FROM YR 1		5%	10%	13%	15%
SALES	\$6,150,000.00	\$6,457,500.00	\$6,765,000.00	\$6,949,500.00	\$7,072,500.00
COGS	\$5,565,000.00	\$5,848,500.00	\$6,121,500.00	\$6,288,450.00	\$6,399,750.00
GROSS PROFIT	\$585,000.00	\$609,000.00	\$643,500.00	\$661,050.00	\$672,750.00
EXPENSES					
WAGES	\$185,000.00	\$195,000.00	\$205,000.00	\$211,000.00	\$215,000.00
INSURANCE	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00
LIC & FEES	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
CC FEES	\$86,000.00	\$90,000.00	\$94,600.00	\$97,180.00	\$98,900.00
REP & Maint	\$15,000.00	\$15,000.00	\$17,000.00	\$18,000.00	\$19,000.00
SUPPLIES	\$10,000.00	\$13,000.00	\$15,000.00	\$17,000.00	\$18,000.00
R.E. & Per. PROPERTY TAX	\$28,000.00	\$28,000.00	\$28,000.00	\$28,000.00	\$28,000.00
UTILITIES	\$38,000.00	\$39,000.00	\$40,000.00	\$41,000.00	\$42,000.00
ADV	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
PROFESSIONAL FEES	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
TRAVEL EXP	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
LONG/SHORT	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00
DISCOUNTS	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
OFFICE/POSTAGE	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
MISC. EXP./Cont.	\$2,000.00	\$3,000.00	\$4,000.00	\$5,000.00	\$6,000.00
DONATIONS	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
TOTAL EXP	\$407,400.00	\$426,400.00	\$447,000.00	\$460,580.00	\$470,300.00
INCOME BEFORE DEPRECIATION/INTEREST/Taxes To be applied to loan payment.	\$177,600.00	\$182,600.00	\$196,500.00	\$200,470.00	\$202,450.00
LOAN PAYMENT	\$2,000,000.00				
4.50%	\$183,600.00	\$183,600.00	\$183,600.00	\$183,600.00	\$183,600.00

#7 c.

Fast Mart
Profit & Loss

YEAR	2014	2013	2012
SALES	\$6,150,000.00	\$6,183,000.00	\$5,872,000.00
COGS	\$5,565,000.00	\$5,731,000.00	\$5,447,000.00
GROSS PROFIT	\$585,000.00	\$452,000.00	\$425,000.00
EXPENSES			
WAGES	\$156,000.00	\$150,000.00	\$153,700.00
INSURANCE	\$8,000.00	\$7,700.00	\$7,100.00
LIC & FEES	\$2,500.00	\$4,700.00	\$3,000.00
CC FEES	\$86,000.00	\$83,000.00	\$75,800.00
REP & Maint	\$30,000.00	\$23,000.00	\$28,500.00
SUPPLIES	\$10,000.00	\$8,500.00	\$6,300.00
PROPERTY TAX	\$4,900.00	\$5,700.00	\$3,200.00
UTILITIES	\$28,000.00	\$25,500.00	\$25,100.00
ADV	\$2,000.00	\$1,300.00	\$500.00
PROFESSIONAL FEES	\$9,000.00	\$1,500.00	\$800.00
TRAVEL EXP	\$3,000.00	\$100.00	\$0.00
LONG/SHORT	\$900.00	\$1,500.00	\$3,750.00
DISCOUNTS	\$7,000.00	\$5,800.00	\$1,600.00
OFFICE/POSTAGE	\$2,000.00	\$700.00	\$350.00
DEPRECIATION	\$37,500.00	\$12,423.00	\$21,400.00
RENT	\$98,000.00	\$57,000.00	\$40,500.00
CORP. TAXES	\$26,300.00	\$14,300.00	\$9,500.00
DONATIONS	\$5,000.00	\$2,500.00	\$4,000.00
MISC EXP	\$4,200.00	\$500.00	\$6,100.00
TOTAL EXP	\$520,300.00	\$405,723.00	\$391,200.00
INCOME	\$64,700.00	\$46,277.00	\$33,800.00
OTHER INCOME	\$10,000.00	\$5,450.00	\$5,100.00
TOTAL INCOME	\$74,700.00	\$51,727.00	\$38,900.00

#7 c.

Bugeaters Properties, LLC
Profit & Loss

YEAR	2014	2013
Rents	\$33,000.00	\$15,000.00
EXPENSES		
Legal & Prof. Fees	\$375.00	\$450.00
Interest	\$9,649.00	\$13,324.00
Property Tax	\$5,641.00	\$5,706.00
Utilities		\$120.00
Misc.		\$52.00
Depreciation	\$4,381.00	\$5,757.00
TOTAL EXP	\$20,046.00	\$25,409.00
INCOME	\$12,954.00	-\$10,409.00

First Year
for Bugeaters L

#7 d.

Fast Mart Inc.

Business Plan

January 1, 2016

VISION:

Fast Mart wishes to increase sales of fuel, carwashes, and convenience products in a clean, convenient, and friendly location.

TARGET MARKET:

Fast Mart serves the entire community of Seward, NE as well as traffic on Highway 15, passing through Seward.

WHAT WE SELL:

Fast Mart's sales include fuel, soft drinks, beer, tobacco, snack foods and convenience items. We also operate an automated carwash.

WHY WE ARE DIFFERENT FROM OUR COMPETITION:

Our customers: We have a very loyal base of customers that keep returning for our fast and friendly service.

Our employees: Fast Mart has a very low turnover rate in full-time employees. They are friendly, happy in their jobs, and know our customer-base well.

Our location: Fast Mart will be located on a larger property than any of our competition. This allows more parking, and safer traffic movement in and out of our store location.

Our contribution to the community: Fast Mart is active in the community, both through financial donations and the involvement by its owners in the community. We are not just a business in a town. We feel we are part of the community and have relationships with our customers away from the business.

MARKETING STRATEGIES:

We gain customers by pricing our products competitively and providing a friendly customer experience. This helps to spread good word-of-mouth.

GOALS and PLAN OF ACTION:

- Update and Modernize the Property
 - New/Rebuild Project will Include:
 - Install more retail/backroom/office space.
 - Install new & larger restrooms.
 - Install new energy efficient heating, cooling and lighting.
 - Install new double wall tanks and piping for petroleum products with the latest containment and monitoring equipment.
 - Provide ample parking to reduce congestion.
 - Install car wash chemical room and bay for potential second car wash.
- Increase Fuel Sales
 - Add additional fuel pumps. Currently, there are many times that all pumps are busy and we cannot serve all customers wishing to purchase fuel.
- Increase Inside Sales
 - Increase size of building.
 - Increase offerings to customers such as hot foods, wine, liquor, and additional coffee and fountain choices.

#8 a.

Estimated Valuation

In looking for comparable property I would look at Casey's in Aurora, NE. That location was built new in 2014. It sits on 2+ acres of land. The building is 4332 sq. ft. That location has 4 gas pumps & canopy out front of building. It also has 2 more pumps and a canopy to the side. The Hamilton county assessor's web site has this property assessed at \$1,245,000 for 2015.

Fast Mart in Seward would sit on 20,328 sq. ft. The convenience store would be 3870 sq. ft. The car wash chemical room and 2 bays would be 2268 sq. ft. There will be one automatic wash in bay 1 and the second bay would be storage at the current time. If demand is there, second bay could be used as another automatic wash. There would be 6 pumps with a canopy in front of the building. A 25' x 31' garage would also be moved from lots 12 & 13 to lot 1 & 2.

The Casey's in Aurora sits on a larger lot with more concrete parking. The store area is 462 sq. ft. more than Seward. There would be the same number of gas pumps with canopy over all pumps. The Seward location would look similar inside but with less kitchen area. The Seward location would have the 2268 sq. ft. car wash area that Aurora location does not have. I would estimate that the Seward property would appraise slightly more than the Aurora location and be in the range of \$1,400,000.

#8 b. Lots & Current Valuations - 2015

	Current Owner	Valuation 2015
Seward Cloyd's Addition Block 38		
Lots 7-10 & Adj. Vac. Alleys	Buegeaters Properties LLC	\$123,973.00
Lots 11-14 & Adj. Vac. Alleys	Buegeaters Properties LLC	\$113,547.00
Lots 15-18 & Adj. Vac. Alleys	Robert Martens	\$292,243.00
	Total	\$529,763.00

#8 c. Estimated Increase in Real Estate Valuation

Est. New Valuation	\$1,400,000.00
old Valuation	<u>\$529,763.00</u>

Increase in R.E. Valuation	\$870,237.00
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8 d. Estimated New R.E. Tax Generated Annually

Increase	\$870,237.00
Rate	\$0.0175
	\$15,229.15

Lots 15-18 are being leased from Robert Martens.

At the end of the lease there is an option to purchase property for \$349,000

#9 Proposed Source of Financing

a.	Equity	Land	\$250,000.00
		Cash	\$331,709.00
b.	Bank Loan		\$2,000,000.00
	I have talked to Mike Flyr at Jones National Bank and am sure I can get a loan there. I also plan on talking to Cattle Bank before securing a loan.		
c.	Tax Increment Financing		\$152,291.00
	Total		\$2,734,000.00

#10 Architect & Enineer
BD Construction
209 E. 6th Street
Kearney, NE 68848

General Contractor
Richard Gokie
3003 Bluff Rd
Seward, Ne 68434

#11

- | | | |
|----|----------------------------|-------------|
| a. | Construction Start Date | April, 2016 |
| b. | Construction Complete Date | Dec., 2016 |

If construction does not get started where completion can be finished in December, 2016, construction would begin March, 2017 and be completed October, 2017.

The plan would be to demo everything west of current building and complete convenience and carwash buildings first. Once those are completed the current Fast Mart location would be demolished and work on tanks, pumps and canopy would begin.

#12 Richard Gokie has not been involved in any other development in the past 5 years. Previously I have been involved with the remodeling of current Fast Mart location in Seward in 1985 & 1991.

#13

Amount of TIF

Estimated New R.E. Tax Generated Annually	\$15,229.15
Term 15 years	x 15
Total New R.E. Tax over 15 years	\$228,437.25
TIF Amount Requested	\$152,291.50

#14

Eligible Costs

Site Acquisition	349,000.00
Site Demolition	50,000.00
Site Prep/Landscaping	20,000.00
Façade Improvements	50,000.00
Installation of Public	
Sidewalk	7,000.00
Parking on 7th Street/Curbs	12,000.00
Public restrooms	20,000.00
Total	508,000.00

#15

I have been looking at doing something to the Seward Fast Mart location for several years. Ten years ago the lots adjacent to me came up for sale but I felt I was not in a position to purchase the property at that time. Four years ago the property was still for sale and I was able to purchase it. The question has been, do I remodel the existing location or start from the ground up? From here I put in order the things I see that are needed.

- More Fueling Locations
- More Parking
- Remodeled/New Restrooms
- More Retail/Cooler Area
- New Carwash
- Handicap Accessibility

Most of these needs could be accomplished by putting pumps to the north and doing some remodeling. This would be far less expensive than a new build, but parking and store layout would not be ideal. This is still an option but I would prefer the new build.

When I put together the cost of a new build it was far more than I expected. So I have waited. I believe that I am at a point that with TIF I am ready move forward on a new build. Without TIF I will wait on a new build or revisit a remodel.

#16

I believe new businesses in an area help create other new businesses in that area. They also draw more people to that area. Even though Fast Mart has been in Seward for 30 years I am calling this a new business in the sense that it will be a new building, new carwash, new pumps, it will have more offerings. Besides keeping current business in the downtown area this location will also draw in people just traveling through town.

COMMUNITY REDEVELOPMENT AUTHORITY
CITY OF SEWARD, NEBRASKA
FAST MART REDEVELOPMENT PROJECT
April 2016

COST-BENEFIT ANALYSIS
(Pursuant to Neb. Rev. Stat. § 18-2113)

The cost-benefit analysis for the above referenced project, as described on the attached Exhibit A, which will utilize funds authorized by Neb. Rev. Stat. §18-2147, can be summarized as follows:

1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

a.	Estimate Base Project Area Valuation:	\$529,763
b.	Projected Completed Project Assessed Valuation:	\$1,400,000
c.	Projected Tax Increment Base (b. minus a.):	\$870,237
d.	Estimated Tax Levy:	1.742962
e.	Annual Projected Tax Shift:	\$15,167

Note: The Projected Tax shift is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:

a. Public infrastructure improvements and impacts:

The Project anticipates expenditures of approximately \$2,484,000 for construction and installation of the Project and related and ancillary improvements. It is proposed that approximately \$149,000 of these expenditures will be financed with the proceeds of tax increment financing indebtedness, with the remaining balance to be paid by the Redeveloper. The projected sources and uses of the TIF indebtedness, which will be refined in the Redevelopment Agreement for this Project, are set forth in the TIF Sources and Uses chart on the attached Exhibit B. All expenditures financed by tax increment financing Indebtedness shall be eligible public expenditures. It is not anticipated that the Project will have a material adverse impact on existing public infrastructure.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, it is intended to create a long term benefit and substantial increase in property taxes to the City and other local taxing

jurisdictions. The Project should also generate immediate tax growth for the City. The Project will include an amount of personal property that will be on the property tax rolls upon its acquisition and installation. Additionally, the City should realize revenue from personal property and sales tax paid by the Redeveloper and the sales tax paid by customers for fuel, car washes, and merchandise.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project would retain and expand the current business on the Project Site.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

The Project should not have a material impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers. The Project will be in competition with local gas stations, but this competition currently exists, as a gas station and convenient store is already located on the Site.

5. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:

The redeveloper anticipates that the Project would allow the business to add one full time employees and 2-3 part time employees in the first year, with wages competitive with other convenience stores in the area.

The Project would include the installation of new double wall tanks and piping for petroleum products and newer containment and monitoring equipment. This should provide a positive environmental impact in the redevelopment area by reducing the environmental risks that are inherent in such businesses.

There are no other material impacts determined by the agency relevant to the consideration of the cost or benefits arising from the Project.

6. Cost Benefit Analysis Conclusion:

Based upon the findings presented in this cost benefit analysis, the benefits outweigh the costs of the proposed Project.

Approved by the Community Redevelopment Authority, City of Seward this 6th day of April, 2016.

Michael Hecker, Chairman

Bonnie Otte, Secretary

EXHIBIT A

PROJECT INFORMATION

The project will consist of the construction of an approximately 3870 square foot convenience store, 2,268 square foot car wash and maintenance room, six gas pumps under an approximately 4,800 square foot canopy, and other associated improvements on the following real estate:

Lots 7-10 and one half of the adjacent vacated alley, Block 38, Cloyd's Addition to the City of Seward, Seward County, Nebraska;

Lots 11-14 and one half of the adjacent vacated alley, Block 38, Cloyd's Addition to the City of Seward, Seward County, Nebraska; and

Lots 15-18 and one half of the adjacent vacated alley, Block 38, Cloyd's Addition to the City of Seward, Seward County, Nebraska.

Exhibit A

EXHIBIT B

PROJECTED TIF SOURCES AND USES

Tax Increment Financing Projections

1. Assumptions:

Tax Levy (2015)	1.742962
Interest Rate	5.50%
Number of Years	15

Property Valuation:

	Assessed Val.	Est. Taxes
Pre-Project	\$529,763	\$9,234
Completed Project	\$1,400,000	\$24,401
Difference	\$870,237	\$15,168

2. TIF Calculations:

Annual TIF Amount	\$15,168
Loan Amount	\$153,570
less 3% Admin Fee	\$4,607
Total TIF Available	\$148,960

3. TIF Uses (estimate):

Cost of Issuance	\$4,000
Demolition	\$50,000
Site Prep/Landscaping	\$20,000
Façade	\$50,000
Sidewalks	\$7,000
Public Parking	\$12,000
Additional TIF Uses	\$6,000
Total	\$149,000

4825-5138-0015, v. 1

Exhibit B

**AMENDMENT TO THE REDEVELOPMENT PLAN
OF THE CITY OF SEWARD, NEBRASKA**

(FAST MART PROJECT)

The City of Seward, Nebraska ("City") has undertaken a plan of redevelopment within the community pursuant to the adoption of the Redevelopment Plan for a certain redevelopment area in the City of Seward, as amended (the "Redevelopment Plan"). The Redevelopment Plan was approved by the City Council of the City as of November 15, 2011. The Redevelopment Plan serves as a guide for the implementation of redevelopment activities within certain areas of the City, as set forth in the Redevelopment Plan.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the "Act"), the City created the Community Redevelopment Authority of the City of Seward ("CRA"), which has administered the Redevelopment Plan for the City.

The purpose of this Plan Amendment is to identify specific property within the redevelopment area that is in need of redevelopment to cause the removal of blight and substandard conditions identified as the site located in the City of Seward, Nebraska, and legally described on the attached and incorporated Exhibit "A" (the "Site").

Description of the Project

The project under consideration will consist of the construction of an approximately 3,870 square foot convenience store, 2,268 square foot car wash and maintenance room, and six gas pumps under an approximately 4,800 square foot canopy. Additionally, as part of the project the existing convenience store and gas pumps will be demolished and the existing garage will be moved to the west side of the Site (collectively, the "Project").

Project

The Site is in need of redevelopment. The CRA has considered whether redevelopment of the Site will conform to the general plan and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CRA finds that such a redevelopment of the Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight. The blighted condition of the Site and the Redevelopment Area has contributed to its inability to attract development. In order to support private development, the Site and the Redevelopment Area are in need of renovation and development.

The Site is currently used as a convenience store and gas station. The existing convenience store, gas pumps, and gas tanks need to be removed to redevelop the Site and upgrade the business. The building, gas pumps and gas tanks currently located on the site are inadequate to support the expanding business. The redevelopment will allow the business to increase its store size and selection, add more gas pumps, install energy efficiency enhancements, upgrade its fuel storage and monitoring equipment, create additional parking opportunities, and other related improvements. Significant demolition and site preparation must be undertaken before the Site can be developed. Because of the condition of the property and the upfront costs to remove the blighted and substandard conditions from the property, the Project is not feasible without the use of tax increment financing. The demolition, site preparation, façade enhancements and other aspects of the Project are eligible expenditures under the Act. The redevelopment of the Site pursuant to this Plan Amendment will include the construction of a new convenience store, car wash station, gas pumps/canopy, storage tanks, and other enhancements of the Project Site and Redevelopment Area. The project is anticipated to eliminate the current blight and substandard conditions of the Site and will further the purposes of the Act in conformity with the Redevelopment Plan.

Bugeaters Properties, LLC and Fast Mart, Inc. (collectively the “Redeveloper”), has submitted a proposal for the redevelopment of the Site to include the construction of the convenience store, gas pumps, car wash and associated improvements. Redeveloper will pay the costs of the private improvements, including all construction of the building, car wash, and pumps. As part of the Project, the CRA shall capture available tax increment from the Site to assist in payment for the public improvements listed as eligible expenditures under the Act in the Redevelopment Area. Such public improvements may include, but are not limited to: demolition, site preparation, facade enhancements and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act.

As described above, the project envisions the capture of the incremental taxes created by the Project on the Site to pay for those eligible expenditures as set forth in the Act. Attached as Exhibit “B” and incorporated herein by this reference is a consideration of the statutory elements under the Nebraska Community Development Law.

Approved by the Community Redevelopment Authority, City of Seward, on this 6th day of April, 2016.

Michael Hecker, Chairman

Bonnie Otte, Secretary

EXHIBIT “A”
Legal Description of the Site

The property is generally located north of Jackson Avenue, between 6th Street and 7th Street, and is legally described as follows:

Lots 7–10 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska;

Lots 11–14 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska; and

Lots 15–18 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska.

Exhibit A

EXHIBIT “B”
Statutory Elements

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish the Project. The Redeveloper own two of the three parcels and leases the remaining parcel with a contractual right to purchase it from the current owner.

B. Population Density

The proposed development at the Site is the construction of a convenience store, car wash, and gas pumps, which will not significantly affect population density in the project area.

C. Land Coverage

The Project will consist of constructing a single story convenience store with a total of approximately 3,870 square feet, a single-story car wash and maintenance room with a total of approximately 2,268 square feet, and six gas pumps under an approximately 4,800 square foot canopy. Additionally, as part of the project the existing garages will be relocated to the west portion of the Site. The Project will meet the applicable land-coverage ratios and zoning requirements as required by the City of Seward.

D. Traffic Flow, Street Layouts, and Street Grades

The Project is intended, in part, to improve traffic flow accessing, departing from, and within the Site. The additional paved lanes for ingress, egress, and parking will benefit the Site and the traffic flow at that intersection. No adverse impacts are anticipated with respect to traffic flow, street layouts, and street grades.

E. Parking

The Project is intended to improve and increase available parking at the Site. The construction of the Project will include construction of all parking necessary to satisfy the parking requirements set forth in the applicable zoning district. Additionally, approximately 6-7 public parking stalls shall be constructed on City property along 7th Street adjacent to the Project Site, increasing the public parking in the Redevelopment Area.

F. Zoning, Building Code, and Ordinances

The Site is located in the CBD-Commercial Business District and the Project is a permitted use in said zoning district. No additional zoning, building code, or ordinance changes will be necessary for the Project. The Redeveloper will maintain its tank operating permit, food safety & consumer protection permit, tobacco license, liquor license, pickle card license, and motor fuels license.

Exhibit B

Exhibit B

**REDEVELOPMENT AGREEMENT
(Fast Mart Redevelopment Project)**

This Redevelopment Agreement is made and entered into as of the ____ day of April, 2016, by and between the Community Redevelopment Authority of the City of Seward, Nebraska ("CRA"), Bugeaters Properties, LLC, a Nebraska limited liability company, and Fast Mart, Inc., a Nebraska corporation (collectively "Redeveloper").

RECITALS

- A. The CRA is a duly organized and existing community redevelopment authority, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Redevelopment Agreement.
- B. The City of Seward, in furtherance of the purposes and pursuant to the provisions of Article VIII, Section 12 of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 to 18-2154, as amended (collectively the "Act"), has adopted a Redevelopment Plan for a blighted and substandard area designated by the City, including the Redevelopment Area.
- C. Redeveloper owns a portion of the Project Site and holds a lease with an option to purchase one parcel in the Project Site. The Project Site is located in the Redevelopment Area.
- D. Redeveloper submitted a redevelopment project proposal to redevelop the Project Site.
- E. The CRA has approved the Redeveloper's proposed redevelopment project, including the utilization of tax-increment financing to provide for the construction of the eligible public improvements defined in this Redevelopment Agreement.
- F. CRA and Redeveloper desire to enter into this Redevelopment Agreement for redevelopment of the Project Site.

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

**ARTICLE I
DEFINITIONS AND INTERPRETATION**

Section 1.01 Terms Defined in this Redevelopment Agreement.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Agreement, 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:

A. “Act” means Article VIII, Section 12 of the Nebraska Constitution, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended, and acts amendatory thereof and supplemental thereto.

B. “City” means the City of Seward, Nebraska.

C. “County” means Seward County, Nebraska.

D. “CRA” means Community Redevelopment Authority of the City of Seward, Nebraska.

E. “Effective Date” means January 1, 2017.

F. “Eligible Project Costs” means only costs or expenses incurred by Redeveloper for Public Improvements that are eligible for reimbursement under the Act.

G. “Minimum Project Valuation” means the amount of One Million Four Hundred Thousand and No/100 Dollars (\$1,400,000.00).

H. “Private Improvements” means all the private improvements to be constructed on the Project Site as more particularly described on Exhibit “A”.

I. “Project” means the work undertaken in the Redevelopment Area which is necessary or incidental to the proper clearance, development, or redevelopment of blighted and substandard conditions in the Redevelopment Area, which shall include improvements to the Project Site and adjacent thereto, including the Private Improvements and Public Improvements defined herein and described on Exhibit “A” attached and incorporated by this reference.

J. “Project Completion Date” means December 31, 2016.

K. “Project Site” means all that certain real property situated in the City of Seward, Seward County, Nebraska, more particularly described on Exhibit “A”.

L. “Public Improvements” shall include all the public improvements more particularly described on Exhibit “A” which are eligible improvements under the Act. The costs of the Public Improvements include the debt service payments of the TIF Indebtedness.

M. “Redeveloper” means jointly and severally Bugeaters Properties, LLC, a Nebraska limited liability company, and Fast Mart, Inc., a Nebraska corporation, and their successors and assigns.

N. “Redevelopment Agreement” means this Redevelopment Agreement between the CRA and Redeveloper with respect to the Project.

O. "Redevelopment Area" means the Redevelopment Area #1 that is set forth in the Redevelopment Plan.

P. "Redevelopment Plan" means the Redevelopment Plan for the Redevelopment Area by the CRA and approved by the City pursuant to the Act, as amended from time to time.

Q. "Tax Increment" means incremental ad valorem taxes generated by the Project which are allocated to and paid to the CRA pursuant to the Act, as more particularly described in Section 3.02 of this Redevelopment Agreement.

R. "TIF Indebtedness" means any bonds, notes, loans and advances of money or other indebtedness, including interest thereon, issued by the CRA or the City secured in whole or in part by the Tax Increment.

Section 1.02 Construction and Interpretation.

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

(a) This Redevelopment Agreement shall be interpreted in accordance with and governed by the laws of the State of Nebraska, including the Act.

(b) Wherever in this Redevelopment Agreement 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.

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

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

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

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

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

(h) The captions to the sections of this Redevelopment Agreement 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 the CRA.

The CRA makes the following representations and findings:

- (a) The CRA is a duly organized and validly existing community redevelopment authority under the Act.
- (b) The CRA deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper for the redevelopment of the Project Site as specified herein.
- (c) The Project will achieve the public purposes of the Act by, among other things, increasing the tax base and lessening blighted and substandard conditions in the Redevelopment Area.

Section 2.02 Representations of Redeveloper.

Redeveloper makes the following representations and findings:

- (a) Bugeaters Properties, LLC is a Nebraska limited liability company, having the power to enter into this Redevelopment Agreement and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Agreement.
- (b) Fast Mart, Inc. is a Nebraska corporation, having the power to enter into this Redevelopment Agreement and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Agreement.
- (c) The execution and delivery of the Redevelopment Agreement 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 Redeveloper contrary to the terms of any instrument or agreement.
- (d) 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 Agreement or, except as disclosed in writing to the CRA, as to any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

(e) Redeveloper owns a portion of the Project Site consisting of parcel number 800078152 and parcel number 800078160, in fee simple and free from any liens, encumbrances, or restrictions which would prevent the performance of this Agreement by Redeveloper.

(f) Redeveloper holds a valid lease with an option to purchase the remainder of the Project Site consisting of parcel number 800078179.

(g) Robert J. Martens and Galene S. Martens (collectively, the "Landlord") own the portion of the Project Site that is leased by Redeveloper (the "Leased Site").

(h) Pursuant to the terms of the lease, Redeveloper has the right to enter into this Agreement.

(i) Landlord understands and acknowledges that this Agreement included certain conditions and obligations that will affect the Leased Site for fifteen (15) years following the date of this Agreement, including without limitation certain restrictions on the ability to protest the valuation of the Leased Site and the ability to convey the Leased Site to the exempt entities.

(j) Landlord acknowledges and agrees that if the lease on the Leased Site terminates at any point during the term of this Agreement, this Redevelopment Agreement shall remain in effect with respect to the Leased Site and Landlord shall be the successor and assign to Fast Mart, Inc., for the purposes of this Redevelopment Agreement, and Landlord shall comply with all provisions of this Redevelopment Agreement.

ARTICLE III OBLIGATIONS OF THE CRA AND PUBLIC IMPROVEMENTS

Section 3.01 Capture of Tax Increment.

Subject to the contingencies described below and to all of the terms and conditions of this Agreement, commencing for the tax year of the Effective Date and continuing thereafter, the CRA shall capture the Tax Increment from the Private Improvements pursuant to the Nebraska Community Development Law. The CRA shall divide the ad valorem tax and capture the Tax Increment generated by the Project Site for a total period of not to exceed fifteen (15) years after the Private Improvements have been included in the assessed valuation of the Project Site and is generating the Tax Increment subject to capture by the CRA. The effective date of this provision shall be the Effective Date. The CRA shall file with the County Assessor the "Notice to Divide Taxes" on or prior to August 1st in the year of the Effective Date.

Section 3.02 Tax Increment.

The term Tax Increment shall mean, in accordance with Neb. Rev. Stat. § 18-2147 of the Nebraska Community Development Law, the difference between the ad valorem tax which is produced by the tax levy (fixed each year by the County Board of Equalization) for the Project Site before the completion of the construction of the Private Improvements and the ad valorem tax which is produced by the tax levy for the Project Site after completion of construction of the Private Improvements as part of the Project. For this Project, the anticipated Tax Increment is the difference between the projected taxes payable for 2017 (after construction completion) and the taxes payable for 2016 (before completion of construction), as more particularly set forth on Exhibit "B".

The parties acknowledge and understand that ad valorem taxes in Nebraska are typically paid in arrears in the year following the year said taxes are due. Accordingly, the Tax Increment created in the fifteenth (15th) year of the project pursuant to Neb. Rev. Stat. § 18-2147 and this Agreement may be paid in the sixteenth (16th) year according to customary practices in Nebraska. Said payment in arrears only affects the timing of tax payments, but does not in any way affect the fifteenth (15th) year division of taxes.

Section 3.03 Extension of Effective Date and Project Completion Date.

If Redeveloper determines it will be unable to complete construction of the Project on or before the Project Completion Date, Redeveloper shall provide written notice of such determination to the CRA prior to the commencement of any construction. Upon receiving such notice, the CRA may, but is not obligated to, extend the Effective Date and the Project Completion Date by one year.

Section 3.04 Issuance of TIF Indebtedness.

(a) On or after thirty (30) days following the approval and execution of this Agreement, the CRA shall incur or issue Redeveloper TIF Indebtedness in the estimated amount of One Hundred Forty Nine Thousand and No/100 Dollars (\$149,000.00), as calculated on the attached and incorporated Exhibit "B", to be purchased by the Redeveloper or a lender of the Redeveloper. The Redeveloper TIF Indebtedness, which shall be in the form of a TIF Promissory Note in one or more series, shall not be a general obligation of the CRA or City which shall issue such Note solely as a conduit. The Redeveloper shall locate a lender or other entity to acquire and fund the acquisition of the TIF Note for this Redeveloper TIF Indebtedness. The Redeveloper Indebtedness shall be secured by a pledge or assignment of the Tax Increment or otherwise secured by the Redeveloper as required by the lender.

(b) The parties acknowledge that there are additional eligible public improvements within the Redevelopment Area that would benefit the Project and the City including, but not limited to, additional street and infrastructure improvements, utility improvements, public space enhancements, public facility improvements, landscaping, the implementation and financing of a CRA program of voluntary or compulsory repair, rehabilitation, or demolition of buildings and

other improvements in accordance with the Redevelopment Plan, and the removal of blighted and substandard conditions, that are being included in the Project as CRA Improvements. If the Redeveloper TIF Indebtedness is fully repaid prior to the end of the fifteen (15) year tax increment capture period, the CRA shall have the right to incur or issue CRA TIF Indebtedness in an amount reasonably determined by the CRA to be used for the construction and completion of the CRA Improvements. The CRA TIF Indebtedness may be issued in the form of a CRA TIF promissory note, loan, advance of money, or any form of indebtedness incurred by the CRA, and the CRA shall capture any remaining Tax Increment to pay the CRA TIF Indebtedness in the Redevelopment Area. The CRA TIF Indebtedness shall in no case be a general obligation of the CRA or City.

Section 3.05 Use of TIF Indebtedness.

(a) CRA will collect the Tax Increment and use said Tax Increment to pay debt service on the TIF Indebtedness incurred as provided in Section 3.04 of this Redevelopment Agreement. Notwithstanding the foregoing, the amount of the Redeveloper TIF Indebtedness that the CRA agrees to service and repay with the Tax Increment shall not exceed the amount of the Eligible Project Costs certified pursuant to Section 4.02. In addition, the CRA shall retain an amount sufficient to pay its reasonable and necessary cost of issuance, including attorney fees, and a CRA administration fee in the amount of three percent (3%) of the Redeveloper TIF Indebtedness. The Tax Increment, less the CRA's costs set forth above, shall be paid pursuant to the terms and schedules of any TIF Promissory Note or TIF resolution issued by the CRA relating to this Project.

(b) Upon the repayment in full of the Redeveloper TIF Indebtedness, the CRA shall retain the Tax Increment to pay the CRA TIF Indebtedness, if the CRA issues or incurs any CRA TIF Indebtedness pursuant to Section 3.04(b). The CRA shall not be obligated to issue any CRA TIF Indebtedness.

Section 3.06 Creation of Fund.

CRA will create a special fund to collect and hold the receipts of the Tax Increment. Such special fund shall be used for no purpose other than to: (1) pay TIF Indebtedness issued pursuant to Section 3.04 above; and (2) hold any Tax Increment until such time as the CRA commences the public improvements and incurs the CRA TIF Indebtedness described in Section 3.04(b).

Section 3.07 Projected TIF Sources and Uses.

In addition to the Redeveloper TIF Indebtedness calculation formula set forth on Exhibit "B", Redeveloper's anticipated TIF sources and eligible uses are attached and incorporated for the parties' reference as Exhibit "C."

ARTICLE IV OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Insurance.

(a) Redeveloper will complete the Public Improvements and the Private Improvements as described on Exhibit “A” and install all equipment necessary to operate the Public Improvements and the Private Improvements no later than the Project Completion Date. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Public Improvements and the Private Improvements. Until construction of the Public Improvements and the Private Improvements has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the CRA as to the actual progress of Redeveloper with respect to construction of the Public Improvements and the Private Improvements. Promptly after completion by Redeveloper of the Public Improvements and the Private Improvements, Redeveloper shall furnish to the CRA a Certificate of Completion in the form attached hereto as Exhibit “D” and incorporated by this reference. When signed and accepted by the CRA, the certification by Redeveloper shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Agreement with respect to the obligations of Redeveloper to construct the Public Improvements and the Private Improvements.

(b) Any contractor chosen by Redeveloper or 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 (provided that Redeveloper may self-insure in lieu of obtaining and keeping in force such policy of insurance) and a penal bond as required by the Act. Redeveloper shall be named as an additional insured. Any contractor chosen by Redeveloper or Redeveloper itself, as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof (provided that Redeveloper may self-insure in lieu of obtaining and keeping in force such policy of insurance). This insurance shall insure against the perils of fire and extended coverage and shall include “special causes of loss” insurance for physical loss or damage.

(c) Redeveloper shall have no obligation to construct or complete any CRA improvements that will be constructed with the CRA TIF Indebtedness, pursuant to Section 3.04(b) of this Redevelopment Agreement.

Section 4.02 Cost Certification.

Redeveloper shall submit to CRA a certification of Eligible Project Costs, after expenditure of such project costs. Redeveloper may, at its option, submit one or more partial Eligible Project Costs Certifications prior to expenditure of all Eligible Project Costs providing certification of receipt of billings for work in progress. All Eligible Project Costs Certifications shall be subject to review and approval by the CRA. Determinations by the CRA whether costs included in the Eligible Project Costs Certification are properly included in Eligible Project Costs as defined in this Agreement shall be made in its sole discretion and

shall be conclusive and binding on Redeveloper.

Section 4.03 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as this Redevelopment Agreement 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, color, religion, sex, 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 4.04 Pay Real Estate Taxes.

(a) Redeveloper intends to create a taxable real property valuation of the Project and Project Site of not less than the Minimum Project Valuation no later than the Effective Date. During the period of this Agreement, Redeveloper, its successors and assigns, will: (1) not protest a real estate property valuation of the Project and Project Site to a sum less than or equal to the Minimum Project Valuation; and (2) not convey the Project Site or 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.

(b) If, during the period of this Agreement, the Project Site is assessed at less than the Minimum Project Valuation, Redeveloper shall either: (1) successfully protest the valuation of the Project Site upwards such that the valuation is equal to or greater than the Minimum Project Valuation; or (2) make a payment in lieu of taxes in the amount the anticipated Tax Increment, as defined in Exhibit "B", exceeds the actual Tax Increment.

Section 4.05 No Assignment or Conveyance.

Redeveloper shall not convey, assign or transfer the Project Site or any interest therein prior to the termination of the 15 year period commencing on the Effective Date specified in Section 3.01 hereof without the prior written consent of the CRA, which shall not be unreasonably withheld and which the CRA may make subject to any terms or conditions it reasonably deems appropriate, except for the following conveyance, which shall be permitted without consent of the CRA:

(a) any conveyance as security for indebtedness (i) previously incurred by Redeveloper or incurred by Redeveloper after the effective date for Project costs or any subsequent physical improvements to the premises with the outstanding principal amount of all such indebtedness (whether incurred prior to or after the effective date of this Agreement) secured by the Project Site which shall have lien priority over the obligations of Redeveloper pursuant to this Redevelopment

Agreement, or (ii) any additional or subsequent conveyance as security for indebtedness incurred by Redeveloper for Project costs or any subsequent physical improvements to the premises provided that any such conveyance shall be subject to the obligations of Redeveloper pursuant to this Redevelopment Agreement.

(b) the termination of the lease between Redeveloper and Landlord on the Leased Property, provided that Landlord affirms Landlord's agreement contained herein to assume all the obligations of Redeveloper in this Redevelopment Agreement with respect to the Leased Property.

ARTICLE V PUBLIC LICENCES AND EASEMENTS

Section 5.01 Façade Easement.

Redeveloper shall grant the City a Façade Easement Agreement in the form attached hereto as Exhibit "F". The grant of said easement shall be at no cost to the City.

Section 5.02 Landlord Consent. Landlord hereby agrees to execute the Parking Lot License and Façade Easement as the owner of the Leased Property and to subject itself and the Lease Property to the terms and conditions stated therein.

ARTICLE VI FINANCING PROJECT; ENCUMBRANCES

Section 6.01 Financing.

(a) Redeveloper shall pay all costs for the construction of the Private Improvements and the Public Improvements. Redeveloper shall be responsible for arranging all necessary financing for the construction of the Public Improvements and Private Improvements, including, with respect to the Public Improvements, the TIF Indebtedness.

(b) Notwithstanding Redeveloper's obligation above, the CRA shall pay the cost of and shall be responsible for arranging all necessary financing for any CRA improvements that shall be constructed utilizing the CRA TIF Indebtedness, pursuant to Section 3.04(b) of this Redevelopment Agreement.

Section 6.02 Encumbrances.

Redeveloper shall not create any lien, encumbrance or mortgage on the Project or the Project Site except, (a) encumbrances which secure indebtedness incurred to acquire, construct and equip the Project or for any other physical improvements to the Project Site, (b) easements and rights of entry granted by Redeveloper, (c) construction and materialman liens that may be filed in connection with the construction of the Private Improvements so long as any such lien is discharged or bonded within 90 days of completion of the Private

Improvements, and (d) any other liens so long as any such lien is satisfied and released or substitute security is posted in lieu thereof within 90 days of Redeveloper receiving notice thereof.

ARTICLE VII DEFAULT, REMEDIES; INDEMNIFICATION

Section 7.01 General Remedies of the CRA and Redeveloper.

Subject to the further provisions of this Article VII, in the event of any failure to perform or breach of this Redevelopment Agreement or any of its terms or conditions, by either 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 Agreement 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 Agreement, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations; provided that, in view of the additional remedies of the CRA set out in Section 7.02, the remedy of specific performance by Redeveloper shall not include or be construed to include the covenant to build or construct the Private Improvements or Project.

Section 7.02 Additional Remedies of the CRA.

In the event that:

(a) Redeveloper, or successor in interest, shall fail to complete the construction of the Project on or before the Project Completion Date, or shall abandon construction work for any period of 120 days (not including any period covered pursuant to the terms of Section 7.04 below);

(b) Redeveloper, or successor in interest, shall fail to pay real estate taxes or assessments on the Project Site or any part thereof when due, and such taxes or assessments or payments in lieu of taxes shall not have been paid, or provisions satisfactory to the CRA made for such payment within thirty (30) days following written notice from the CRA;

(c) Redeveloper does not maintain an assessed valuation equal to or greater than the Minimum Project Valuation for the Project Site for the term of this Agreement and fails to satisfy the obligations of Section 4.04(b) of this Agreement; or

(d) There is, in violation of Section 4.05 of this Redevelopment Agreement, transfer of the Project Site or any part thereof, and such failure or

action by Redeveloper has not been cured within 30 days following written notice from the CRA,

then Redeveloper shall be in default of this Redevelopment Agreement; and such failure to perform, breach or default is not cured in the period herein provided, the parties agree that the damages caused to the CRA would be difficult to determine with certainty. To the extent that such failure results in the fact that the CRA is not able to capture the full amount of the anticipated Tax Increment contemplated hereunder, Redeveloper shall be obligated, on an annual basis, to remit the sum by which the anticipated Tax Increment exceeds the actual Tax Increment.

Section 7.03 Remedies in the Event of Other Redeveloper Defaults.

In the event Redeveloper fails to perform any other provisions of this Redevelopment Agreement (other than those specific provisions contained in Section 7.02), and such failure has not been cured within 30 days following written notice from the CRA, then Redeveloper shall be in default. In such an instance, the CRA may seek to enforce the terms of this Redevelopment Agreement or exercise any other remedies that may be provided in this Redevelopment Agreement or by applicable law; provided, however, that the default covered by this Section shall not give rise to a right or rescission or termination of this Redevelopment Agreement.

Section 7.04 Limitation of Liability; Indemnification.

(a) Notwithstanding anything in this Article VII or this Redevelopment Agreement to the contrary, neither the CRA, City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Agreement. The obligation of the CRA on any TIF Indebtedness shall be limited solely to the Tax Increment pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither City nor the CRA shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. Redeveloper releases the CRA and the City from and agrees that the CRA and the City shall not be liable 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 Private Improvements.

(b) Redeveloper agrees to indemnify, defend (at the CRA's and/or the City's option) and hold harmless the CRA, the City, their respective employees, officials, agents, representatives and volunteers from and against any and all liabilities, damages, injuries (including death), property damage (including loss of use), claims, liens, judgments, costs, expenses, suits, actions, or proceedings and reasonable attorney's fees, and actual damages of any kind or nature, arising out of or in connection with any aspect of the acts, omissions, negligence or willful misconduct of Redeveloper, its employees, agents, officers, contractors or subcontractors, or Redeveloper's performance or failure to perform under the terms and conditions of this Redevelopment Agreement. Such indemnification,

hold harmless and defense obligation shall exclude only such liability actions as arise directly out of acts, omissions, or the sole negligence or willful misconduct of the CRA or the City. The indemnification and defense obligations set forth herein shall survive the termination of this Redevelopment Agreement.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Memorandum.

A Memorandum of this Redevelopment Agreement shall be recorded with the County Register of Deeds. The form of the Memorandum is attached as Exhibit "G" and incorporated by this reference.

Section 8.02 Governing Law.

This Redevelopment Agreement shall be governed by the laws of the State of Nebraska, including the Act.

Section 8.03 Binding Effect; Amendment.

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

Section 8.04 No Agency or Partnership.

This Redevelopment Agreement is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between the CRA and the City, on the one hand, and Redeveloper, on the other hand, nor between the CRA and the City, on the one hand, and any officer, employee, contractor or representative of Redeveloper, on the other hand. No joint employment is intended or created by this Redevelopment Agreement for any purpose. Redeveloper agrees to so inform its employees, agents, contractors and subcontractors who are involved in the implementation of or construction under this Redevelopment Agreement.

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

[Signature and Notary Pages to Follow]

“CRA”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____
Bonnie Otte, Secretary

By: _____
Michael Hecker, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Michael Hecker and Bonnie Otte, Chairman and Secretary respectively of the Community Redevelopment Authority of the City of Seward, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

“REDEVELOPER”

FAST MART, INC., a Nebraska corporation

By: _____
Richard Gokie, President

BUGEATERS PROPERTIES, a Nebraska
limited liability company

By: _____
Richard Gokie, Member

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Richard Gokie, President of Fast Mart, Inc., a Nebraska corporation, on behalf of the company.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Richard Gokie, Member of Bugeaters Properties, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

ACKNOWLEDGMENT AND AGREEMENT OF LANDLORD

The undersigned Landlord hereby acknowledges and consents to Redeveloper's construction of the Project in part on the Leased Property and does hereby agree to be bound by Sections 2.02(g), (h), (i), and (j), 4.05(b), and 5.02 of this Agreement and all the obligations contained therein.

"LANDLORD"

Robert J. Martens

Galene S. Martens

EXHIBIT “A”

DESCRIPTION OF PROJECT

The Project undertaken by Redeveloper on the Project Site, defined as the real estate legally described as:

Lots 7–10 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska;

Lots 11–14 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska; and

Lots 15–18 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska (the “Project Site”)

shall consist of the following:

- (a) **Private Improvements.** The construction of an approximately 3,870 square foot convenience store, 2,268 square foot carwash and maintenance room, gas pumps under an approximately 4,800 square foot canopy, and other associated improvements in the Redevelopment Area.
- (b) **Public Improvements.** Demolition, site preparation, landscaping, sidewalks, public parking improvements, façade enhancements and other eligible public improvements on the Project Site and in the Redevelopment Area, which public improvements are eligible improvements under the Act pursuant to this Redevelopment Agreement; paid for, in part, by the Tax Increment created by the Private Improvements.

Exhibit “A”

EXHIBIT “B”

REDEVELOPER TIF INDEBTEDNESS

1. **Principal Amount.** The principal amount of the Redeveloper TIF Indebtedness shall be the amount, together with interest accruing thereon, which can be amortized by December 31, 2032, solely from the Tax Increment Revenues based upon the current aggregate ad valorem tax rate applicable to the Project Site multiplied by an assumed valuation of \$1,400,000, subject to required debt service coverage, required reserve, and cost of issuance.
2. **Anticipated Tax Increment:** \$15,168 annually. The ad valorem taxes shall be divided for a period not to exceed 15 years.
3. **Payments.** Semi-annually with interest only until real estate taxes are fully collected for the tax year 2017 in an amount sufficient to fully amortize the TIF Indebtedness on or before the Maturity Date.
4. **Maturity Date.** On or before December 31, 2032.
5. **TIF Period.** The period for the division of taxes for this Project shall be fifteen (15) years, commencing on the Effective Date of January 1, 2017 (2017 taxes paid in 2018) and terminating on December 31, 2031 (2031 taxes due on December 31, 2031 but paid in 2032). Payment of ad valorem taxes in arrears pursuant to customary payments in Nebraska shall not affect the 15 year TIF period.

Exhibit “B”

EXHIBIT "C"

PROJECTED TIF SOURCES AND USES

Tax Increment Financing Projections

1. Assumptions:

Tax Levy (2015)	1.742962
Interest Rate	5.50%
Number of Years	15

Property Valuation:

	Assessed Val.	Est. Taxes
Pre-Project	\$529,763	\$9,234
Completed Project	\$1,400,000	\$24,401
Difference	\$870,237	\$15,168

2. TIF Calculations:

Annual TIF Amount	\$15,168
Loan Amount	\$153,570
less 3% Admin Fee	\$4,607
Total TIF Available	\$148,960

3. TIF Uses (estimate):

Cost of Issuance	\$4,000
Demolition	\$50,000
Site Prep/Landscaping	\$20,000
Façade	\$50,000
Sidewalks	\$7,000
Public Parking	\$12,000
Additional TIF Uses	\$6,000
Total	\$149,000

Exhibit "C"

EXHIBIT “D”

**CERTIFICATE OF COMPLETION OF IMPROVEMENTS
(Fast Mart Redevelopment Project)**

The undersigned certifies, represents and warrants to the City of Seward, Nebraska, and the Community Redevelopment Authority of the City of Seward, Nebraska (“CRA”) with regard to the following real property situated in the City of Seward, Seward County, Nebraska, to wit:

Lots 7–10 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska;

Lots 11–14 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska; and

Lots 15-18 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska,

that the Private Improvements required to be constructed by the Redeveloper upon the above described property have been satisfactorily completed in accordance with the requirements of the Redevelopment Agreement dated _____, 2016, as referenced in the Memorandum of Redevelopment Agreement recorded as Instrument No. _____ in the office of the Register of Deeds for Seward County, Nebraska.

[SIGNATURE PAGE TO FOLLOW]

Exhibit “D”

1

“REDEVELOPER”

FAST MART, INC., a Nebraska corporation

By: _____
Richard Gokie, President

BUGEATERS PROPERTIES, a Nebraska
limited liability company

By: _____
Richard Gokie, Member

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Richard Gokie, President of Fast Mart, Inc., a Nebraska corporation, on behalf of the company.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Richard Gokie, Member of Bugeaters Properties, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

Exhibit “D”

2

ACCEPTED by the Community Redevelopment Authority of the City of Seward, Nebraska this _____ day of _____, 2016.

“CRA”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____
Bonnie Otte, Secretary

By: _____
Michael Hecker, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by E. Michael Hecker and Bonnie Otte, Chairman and Secretary respectively of the Community Redevelopment Authority of the City of Seward, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

Exhibit “D”

3

**EXHIBIT “E”
(Intentionally Deleted)**

Exhibit “E”

1

EXHIBIT “F”

FAÇADE EASEMENT AGREEMENT (Fast Mart Redevelopment Project)

THIS FAÇADE EASEMENT AGREEMENT (the “Agreement”) is made this ____ day of _____, 2016 by and between Bugeaters Properties, LLC, a Nebraska limited liability company (“Bugeaters”), Robert J. Martens and Galene S. Martens, husband and wife (“Martens”) (Bugeaters and Martens shall be collectively referred to as the “Grantor”), and the City of Seward, Nebraska, a municipal corporation (“Grantee”).

RECITALS

- A. Bugeaters owns certain real estate located in the City of Seward, Seward County, Nebraska, legally described as follows:

Lots 7–10 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska; and

Lots 11–14 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska

(the “Bugeaters Property”).

- B. Martens owns certain real estate located in the City of Seward, Seward County, Nebraska, legally described as follows:

Lots 15–18 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska

(the “Martens Property”)

- C. The Bugeaters Property and the Martens Property shall collectively be referred to herein as the “Property”.
- D. Licensor entered into a Redevelopment Agreement (the “Redevelopment Agreement”) with the Community Redevelopment Authority of the City of Seward (“CRA”) for the construction, renovation, and remodeling of a convenience store, carwash, gas pumps and related public and private improvements located on the Property.
- E. Pursuant to the Redevelopment Agreement, and to ameliorate the blighted and substandard conditions of the Property, Grantor agrees to make certain improvements to the façade of the Building (the “Façade”) for the benefit of the public. Under the Redevelopment Agreement Grantor is receiving financial assistance from Grantee to make certain public improvements including, but not limited to the improvements to the Façade.
- F. This Agreement sets forth the parties’ rights and obligations with respect to the Façade.

Exhibit “F”

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Grantor and Grantee do now hereby agree as follows:

1. Façade. In consideration of the benefits received by Grantor under the Redevelopment Agreement, Grantor hereby agrees to construct and install the Façade substantially similar to the specifications set forth in the plans, drawings and specifications set forth in the attached Exhibit A ("Plans"). Grantor shall obtain the CRA's consent prior to construction of the façade that materially deviates from the Plans.

2. Façade Restrictions. Grantor agrees to observe and comply with the following restrictions:

a. Grantor shall not demolish, remove or raze the Façade during the term of this Agreement.

b. Grantor shall not undertake, or allow to be undertaken, any changes to the Façade without the express written consent of Grantee. Changes to the Façade include, but are not limited to:

(i) Any change in the Façade, including the alteration, partial removal, construction, remodeling or physical or structural change or change in color or surfacing with respect to the appearance or construction of the Façade;

(ii) The addition of any signs, canopies, plaques or other attachments to the Façade; or

(iii) Any significant reconstruction, repair, repainting or refinishing of any Façade feature that alters its state from the existing condition.

c. This section shall not preclude Grantor from implementing any ordinary or necessary maintenance as set forth in Section 3 below.

3. Façade Maintenance. Grantor shall perform all ordinary and/or necessary maintenance and repairs on the Façade to maintain its appearance and structural soundness and to prevent any deterioration of the Façade.

4. Specification of Work. In the event Grantor desires to make any changes to the Façade, Grantor shall give Grantee copies of the plans, designs, elevations, specifications and documents relating to the change or work, including specification of all materials, colors and construction techniques to be used in any such work and photographs of the subject area as it appears at the time of the request.

5. Insurance. Grantor, at its expense, shall (i) keep the Building insured under a standard form of insurance policy against loss or damage resulting from fire or other perils normally insured under uniform standard extended coverage endorsement; and (ii) carry and maintain comprehensive public liability insurance. The public liability policy shall name Grantee as an additional insured as to the Façade and shall provide for not less than thirty

Exhibit "F"

2

(30) days prior written notice to the Grantee by the insurer of any proposed cancellation of any such insurance. Grantor shall deliver to Grantee a certificate of insurance prior to the recording of this Agreement.

6. Casualty Damage. In the event that the Building or any part thereof shall be damaged by fire or other casualty, then the proceeds of the insurance required to be carried pursuant to Section 5 above and Grantor's funds shall be applied to reconstructing the Façade to the condition required under this Agreement. If the Building is damaged to such an extent that Grantor determines that reconstruction is not feasible and provides Grantee with a statement from an independent engineer to the same effect, then this Agreement shall be void and of no further force or effect.

7. Inspection. Grantee shall be permitted to have access to the Property at reasonable times to inspect the Façade for the purpose of determining conformance with this Agreement.

8. Term. The term of this Agreement shall be fifteen (15) years from the date of completion of the improvements to the Façade. Provided, however, this Agreement shall terminate at any earlier date that the Redevelopment Agreement is terminated and is no longer in effect.

9. Public Access. Grantor acknowledges and agrees that the general public shall have the regular and substantial opportunity to view the Façade from the sidewalks and other property near the Building. Grantor shall have no obligation under this Agreement to allow the general public to view the interior of the Building.

10. Indemnification. Grantor shall defend, indemnify and hold Grantee harmless from and against any liability, claims, suits, demands, judgments (including costs, expenses and attorneys fees), resulting from actions or claims by third parties or defaults under this Agreement by Grantor arising out of the conveyance of or possession of the Façade Easement.

11. Binding Effect. This Agreement shall be appurtenant to and run with the property. The grant of this easement shall be binding upon the heir, executors, administrators, successors and assigns of Grantor.

[Signature and Notary Pages to Follow]

Exhibit "F"

3

“GRANTOR”

BUGEATERS PROPERTIES, a Nebraska limited liability company

By: _____
Richard Gokie, Member

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Richard Gokie, Member of Bugeaters Properties, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

Exhibit “F”

4

“GRANTEE”

CITY OF SEWARD, NEBRASKA, a municipal
corporation

By: _____
Joshua Eickmeier, Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____,
2016, by Joshua Eickmeier, Mayor of the City of Seward, Nebraska, a municipal corporation,
on behalf of the City.

Notary Public

Exhibit “F”

“LANDLORD”

Robert J. Martens

Galene S. Martens

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Robert J. Martens and Galene S. Martens, as husband and wife, each on their own behalf.

Notary Public

Exhibit “F”

6

**FAÇADE EASEMENT AGREEMENT
EXHIBIT A**

PLANS, DRAWINGS AND SPECIFICATIONS

Exhibit "F"

7

Exhibit "F"

8

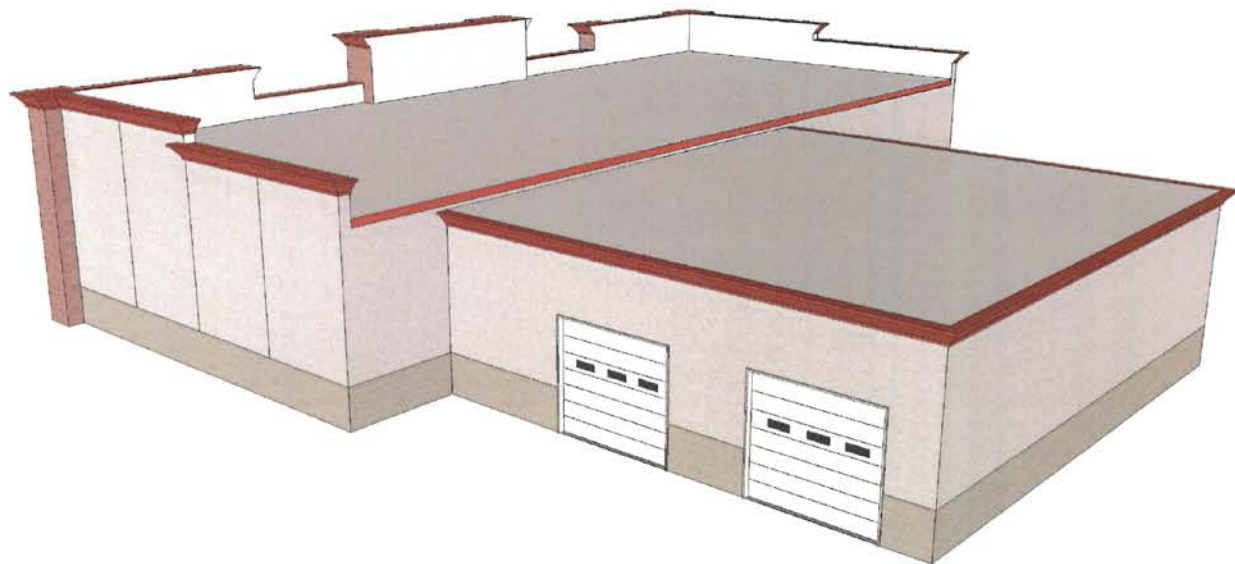


Exhibit "F"
9

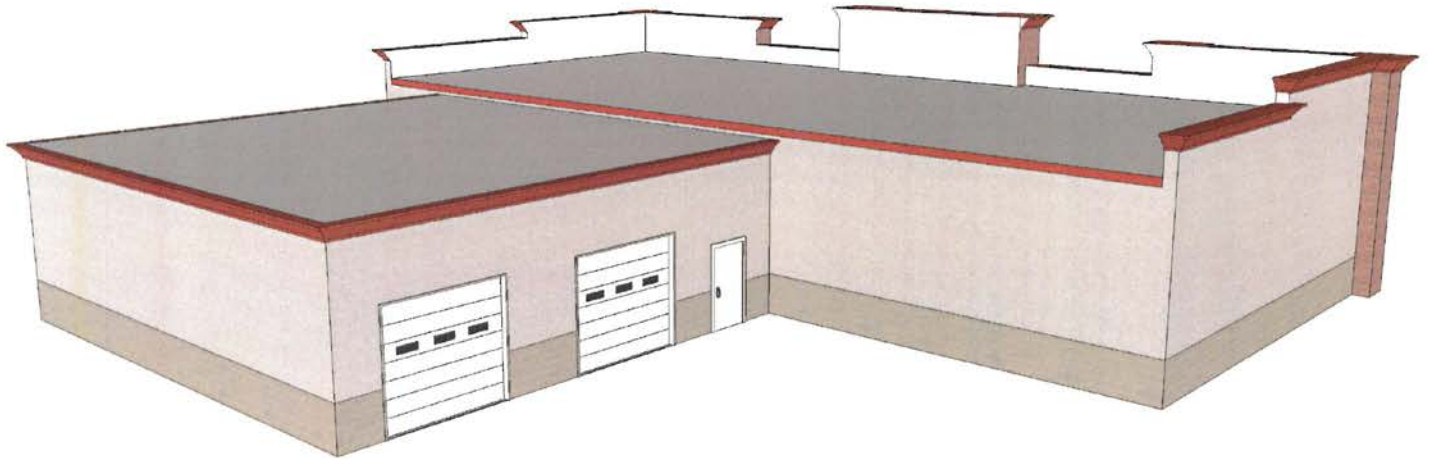
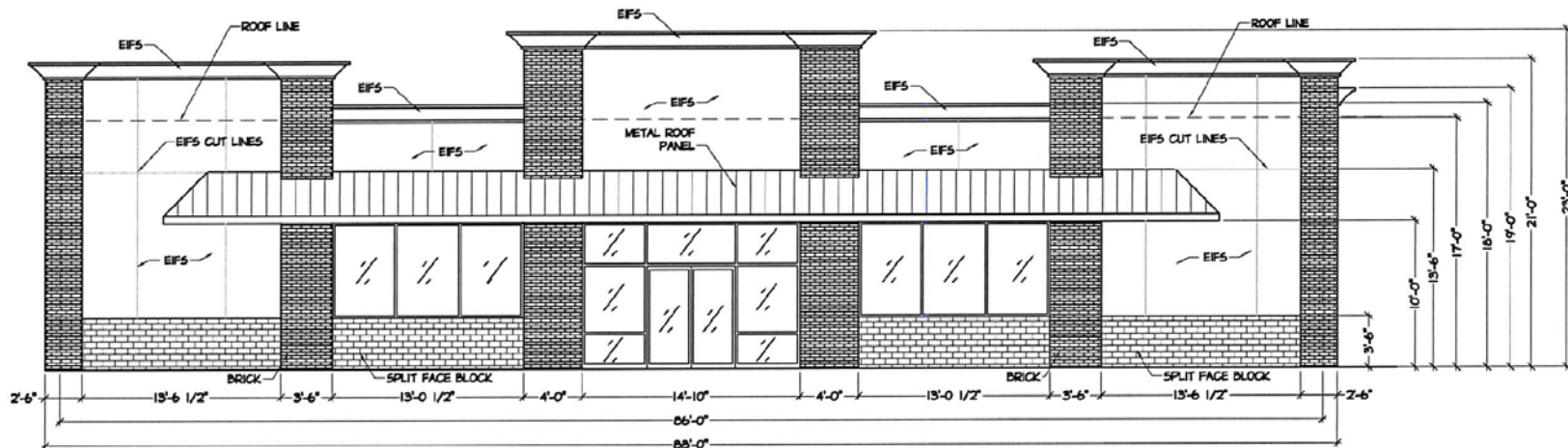


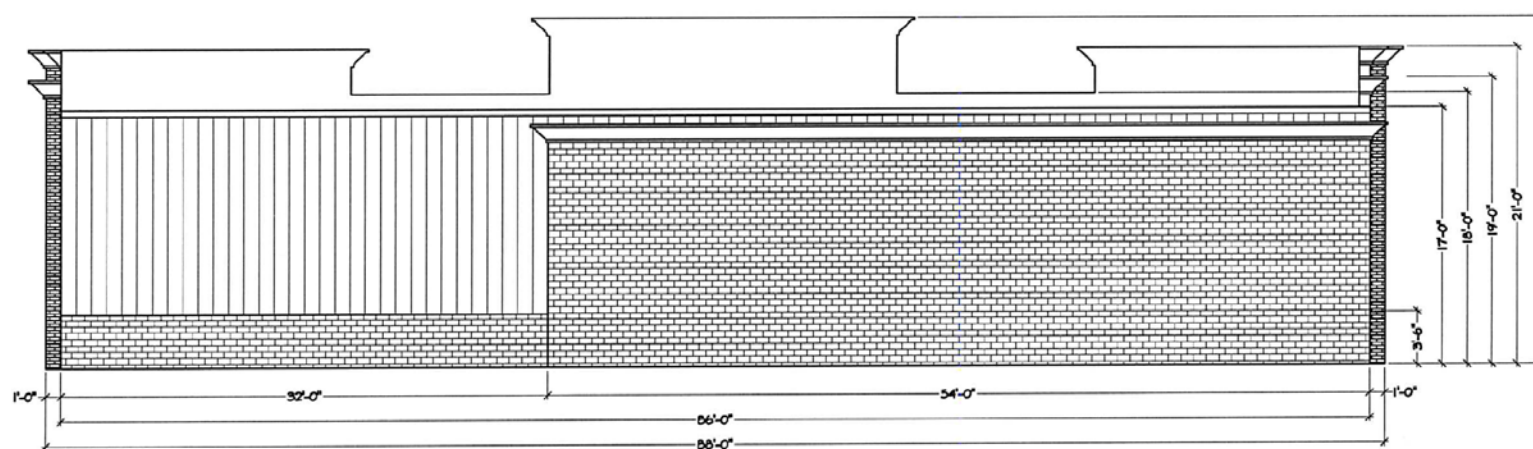
Exhibit "F"
10



Exhibit "F"
11



EAST



WEST

PROPOSED ELEVATIONS

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

Exhibit "F"
12

PHILLIPS 66
PROPOSED ELEVATIONS
SEWARD NEBRASKA

PROJECT NO:
XX-XX-XXX
DRAWN BY:
A. BARTLING
DATE:
03.18.2016

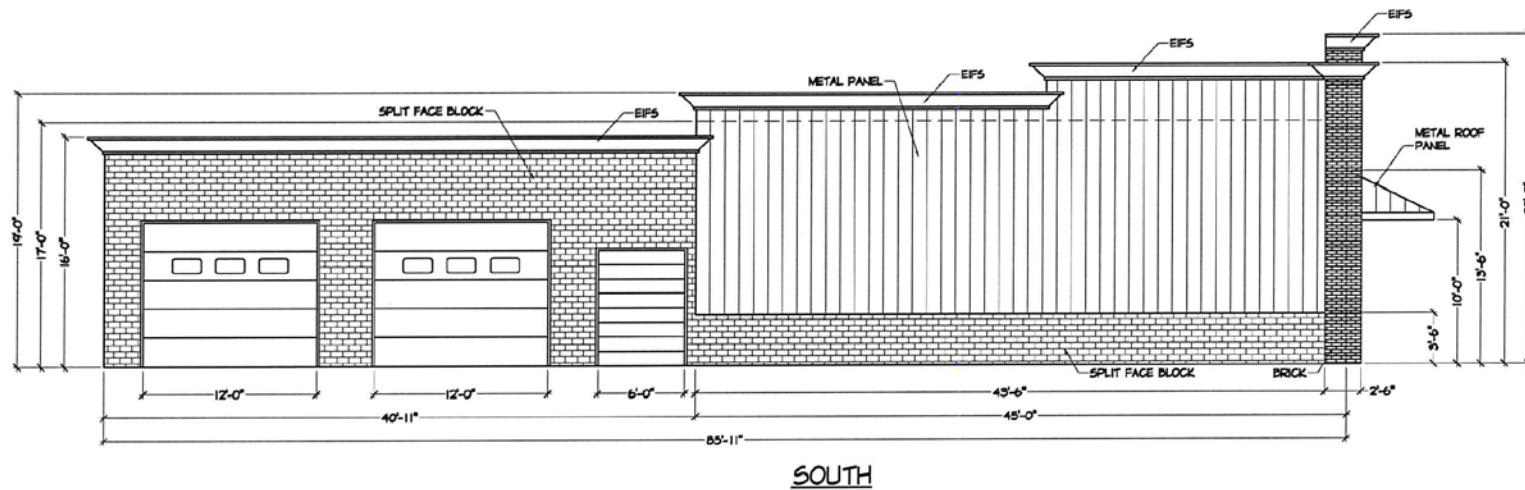
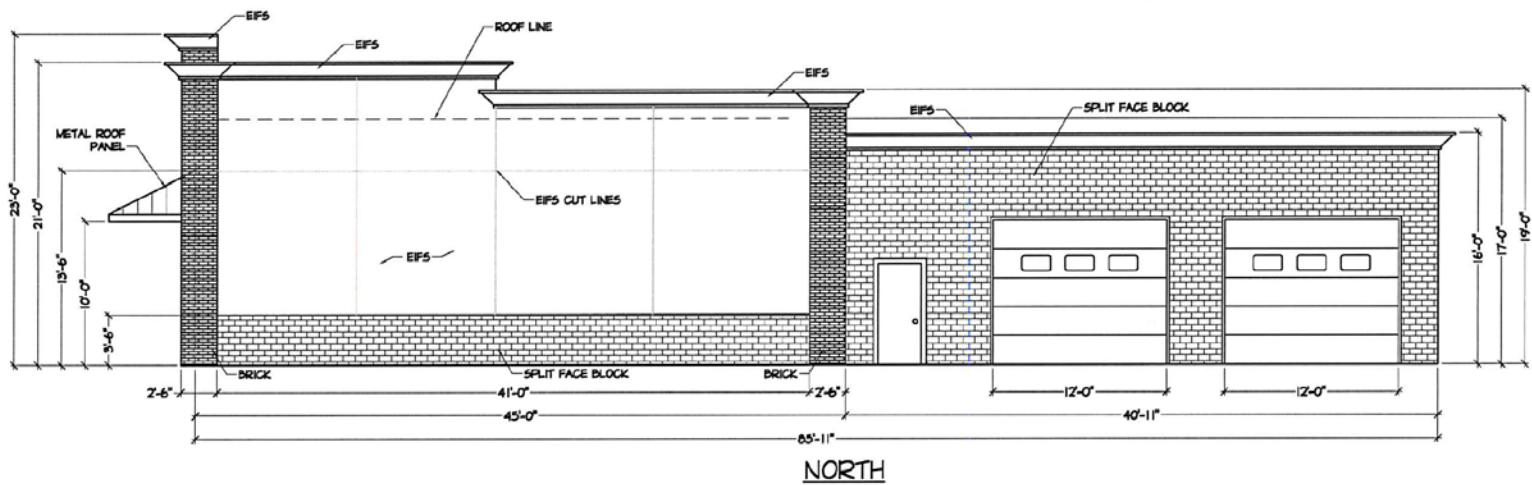
PHILLIPS 66
208 East 6th Street
Post Office Box 7238
Seward, Nebraska 68471
TEL 308.234.1838

WHAT'S THE BOY? Visit Us At: www.bocconstruction.com

BOC
construction

PHILLIPS 66
208 East 6th Street
Post Office Box 7238
Seward, Nebraska 68471
TEL 308.234.1838

A3.0



PROPOSED ELEVATIONS
SCALE: 1/8" = 1'-0"

Exhibit "F"
13

PHILLIPS & B
208 East 8th Street
Post Office Box 728
Seward, Nebraska 68420
TEL: 324-2341, 324-1938

PROPOSED ELEVATIONS
SEWARD, NEBRASKA

PROJECT NO: XX-XX-XXX
DRAWN BY: A. BARTLING
DATE: 03.18.2016
SHEET NO: A3.1

PHILLIPS & B CONSTRUCTION
WWW.PHILLIPSANDB.COM

EXHIBIT “G”

MEMORANDUM OF REDEVELOPMENT AGREEMENT (Fast Mart Redevelopment Project)

This Memorandum of Redevelopment Agreement (“Memorandum”) is made this ____ day of _____, 2016 by and between the Community Redevelopment Authority of the City of Seward, Nebraska (“CRA”) and Bugeaters Properties, LLC, a Nebraska limited liability company, and Fast Mart, Inc., a Nebraska corporation (collectively “Redeveloper”).

1. **Redevelopment Agreement.** CRA and Redeveloper have entered into that certain Redevelopment Agreement dated as of this even date, describing the public improvements being made by the CRA in the Redevelopment Area and the private improvements being made to real property owned by Redeveloper and legally described as:

Lots 7–10 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska;

Lots 11–14 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska; and

Lots 15-18 and one half of the adjacent vacated alley, Block 38, Cloyd’s Addition to the City of Seward, Seward County, Nebraska

(the “Project Site”).

2. **Tax Increment Financing.** The Redevelopment Agreement provides for the capture of the Tax Increment, as defined therein, by the CRA of the private improvements to be made by the Redeveloper for a period not to exceed fifteen (15) years after the Project Effective Date of January 1, 2017. The Tax Increment so captured by the CRA shall be used to make the public improvements as described in the Redevelopment Agreement.

3. **Remaining Terms.** The rest and remaining terms of the Redevelopment Agreement are hereby incorporated into this Memorandum as if they were set forth in full. A full and correct copy of the Redevelopment Agreement may be inspected at the CRA offices in Seward, Nebraska.

[SIGNATURE PAGES TO FOLLOW]

Exhibit “G”

1

“CRA”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____
Bonnie Otte, Secretary

By: _____
Michael Hecker, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Michael Hecker and Bonnie Otte, Chairman and Secretary respectively of the Community Redevelopment Authority of the City of Seward, Nebraska, a public body corporate and politic, on behalf of the Authority.

Notary Public

Exhibit “G”

2

“REDEVELOPER”

FAST MART, INC., a Nebraska corporation

By: _____
Richard Gokie, President

BUGEATERS PROPERTIES, a Nebraska
limited liability company

By: _____
Richard Gokie, Member

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Richard Gokie, President of Fast Mart, Inc., a Nebraska corporation, on behalf of the company.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Richard Gokie, Member of Bugeaters Properties, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

4832-9233-1311, v. 2

Exhibit “G”

3

CITY OF SEWARD, NEBRASKA

RESOLUTION #2016-__

(Amendment to Redevelopment Plan - Fast Mart Project)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, NEBRASKA, APPROVING AN AMENDMENT OF THE REDEVELOPMENT PLAN FOR THE CITY OF SEWARD, NEBRASKA, INCLUDING A SPECIFIC REDEVELOPMENT PROJECT.

RECITALS

A. The Community Redevelopment Authority of the City of Seward ("CRA") has recommended that the Redevelopment Plan for Redevelopment Area #1, a copy of which is on file and available for public inspection with the City Clerk, (the "Redevelopment Plan") should be amended to include a project for the redevelopment of certain real property within the Redevelopment Area identified and legally defined in said amendment (the "Project Site").

B. The proposed amendment to the Redevelopment Plan ("Redevelopment Plan Amendment") is on file and available for public inspection with the Seward City Clerk.

C. The Redevelopment Plan Amendment includes a redevelopment project, (the "Project") that will utilize tax increment financing pursuant to Neb. Rev. Stat. § 18-2147.

D. The CRA submitted the question of whether the Redevelopment Plan Amendment should be recommended to the City Council to the Planning Commission of the City of Seward.

E. The Planning Commission recommended the approval of the Redevelopment Plan Amendment.

F. Notice of public hearing regarding the adoption and approval of the Redevelopment Plan Amendment by the City Council was provided in conformity with the Open Meetings Act, Neb. Rev. Stat. § 84-1407 et seq., the Community Development Law, Neb. Rev. Stat. § 18-2115, and Nebraska law.

G. On April 19, 2016, the City Council held a public hearing relating to the question of whether the Redevelopment Plan should be adopted and approved by the City. All interested parties were afforded at such public hearing a reasonable opportunity to express their views respecting the submitted question.

H. The City Council has reviewed the Redevelopment Plan Amendment, the cost benefit analysis prepared by the CRA, and the recommendations of the Planning Commission, and has duly

considered all statements made and material submitted related to the submitted question.

NOW THEREFORE, it is found by the City Council of the City of Seward, Nebraska, in accordance with the Community Development Law, Neb. Rev. Stat. §§ 18-2101 through 18-2154 (the "Act"), as follows:

1. The Project Site is in need of redevelopment to remove blight and substandard conditions identified pursuant to Section 18-2109 of the Act.
2. The Redevelopment Plan Amendment will, in accordance with the present and future needs of the City of Seward, promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community in conformance with the legislative declarations and determinations set forth in the Act.
3. The Redevelopment Plan Amendment is in conformance with the general plan for development of the City of Seward as a whole, as set forth in the City of Seward Comprehensive Plan, as amended.
4. The cost and benefits set forth in the Project cost benefit analysis are found to be in the long-term best interest of the City of Seward.
5. The Project would not be economically feasible without the use of tax increment financing.
6. The Project would not occur on the Redevelopment Area without the use of tax increment financing.

BE IT RESOLVED, that pursuant to the provisions of the Act and in light of the foregoing findings and determinations, the Redevelopment Plan Amendment is hereby approved and adopted by the City Council as the governing body for the City of Seward.

[SIGNATURE PAGE TO FOLLOW]

Dated this 19th day of April, 2016.

CITY OF SEWARD, NEBRASKA

By: _____
Mayor

ATTEST: _____
City Clerk

**CITY OF SEWARD, NEBRASKA
RESOLUTION NO. 2016-_____**

(Approval of Redevelopment Agreement - Fast Mart Project)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, SEWARD COUNTY, NEBRASKA, APPROVING THE FORM OF THE REDEVELOPMENT AGREEMENT AND AUTHORIZING THE COMMUNITY REDEVELOPMENT AUTHORITY TO ENTER INTO SAID AGREEMENT.

RECITALS

A. Pursuant to the Nebraska Community Development Law, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended (the "Act"), the City of Seward, Nebraska ("City"), has adopted a redevelopment plan ("Redevelopment Plan") for certain portions of the City. A copy of the Redevelopment Plan is on file with the City Clerk for inspection.

B. The Redevelopment Plan, as amended, includes a specific redevelopment project identified as the Fast Mart Project that will include the use of tax increment financing (the "Project").

C. On April 6, 2016, the CRA approved the Redevelopment Agreement for the Project.

D. The City has reviewed the Redevelopment Agreement and has found it to be in conformity with the Act and the General Comprehensive Development Plan of the City, and in the best interests of the City.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Seward, Nebraska, that the Redevelopment Agreement between the Community Redevelopment Authority of the City of Seward, Nebraska, Bugeaters Properties, LLC, and Fast Mart, Inc., which is attached hereto as Exhibit "A" and incorporated here by this reference, is hereby approved;

BE IT FURTHER RESOLVED, the CRA is hereby authorized to execute and deliver the Redevelopment Agreement, with such changes, modifications, additions, and deletions therein and shall they seem necessary, desirable or appropriate, for and on behalf of the CRA;

BE IT FURTHER RESOLVED, the CRA is hereby authorized to take all actions contemplated and required in the Redevelopment Agreement including, without limitation, the issuance of such TIF Indebtedness not to exceed the amount of TIF Indebtedness set forth in the Redevelopment Agreement. Such TIF Indebtedness shall be repaid solely from the Tax Increment created by the Project and does not represent the general obligation of the CRA of the City;

BE IT FURTHER RESOLVED, that all Resolutions or parts thereof in conflict with the provisions of this Resolution or to the extent of such conflicts, are hereby repealed.

DATED THIS 19th day of April, 2016.

CITY OF SEWARD, NEBRASKA

By: _____
Mayor

ATTEST: _____
City Clerk

EXHIBIT "A"

(Redevelopment Agreement)

Exhibit "A"