

City of Seward, NE

Tuesday, June 16, 2015

Regular Session

Item G4

PUBLIC HEARING - 7:00 P.M. - CONSIDERATION OF TIF APPLICATION OF TWO CREEKS HOLDING - TIF Attorney, Andrew Willis

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 Resolution approving the Redevelopment Plan Amendment

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

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 June 8, 2015, 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 June 16, 2015, 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.

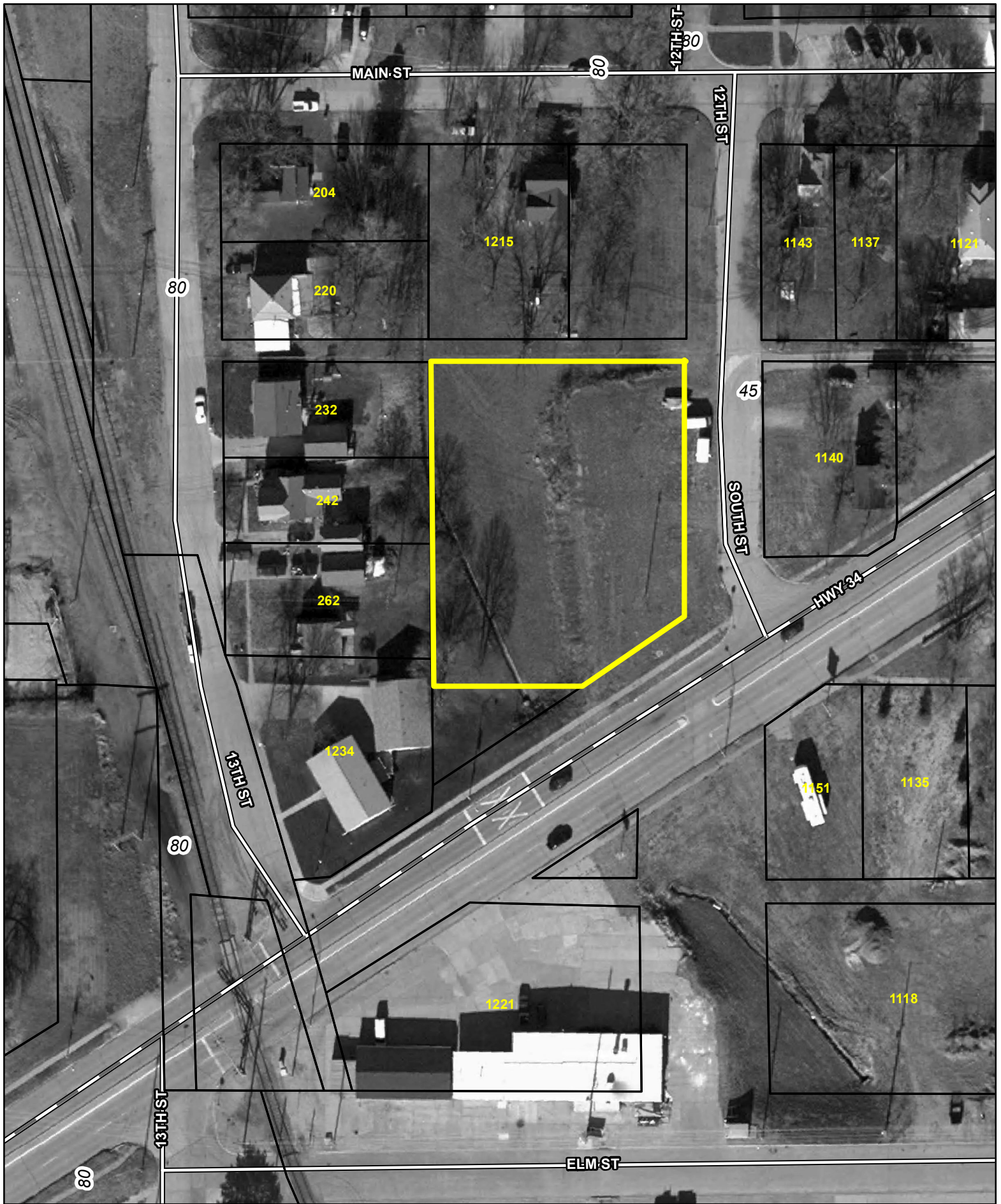
The property which is the subject of this notice and of the public hearing is generally located at Highway 34 and South 12th Street in Seward, and is legally described as follows:

Lots 10-12, Block 45, H M & R Addition, and the West 35 feet of the adjacent vacated 12th Street and the adjacent vacated South Street, 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 on May 20, 2015 and one time on May 27, 2015
One Proof of Publication



0 37.5 75 150 Feet

12th & Hwy 34

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

Two Creeks Holdings, LLC
Business Name
Michael Lewis
Contact Person for Applicant
1870 266th Rd
Street Address
Seward NE 68434
Mailing Address
402-270-5392 (C)
Telephone
402-643-6430
Fax
ML95625@WINDSTREAM.NET
Email
LLC
Business Structure: (e.g. corporation, limited liability company, etc.; also identify the state of organization):
Michael + Staci Lewis
Owners

402-270-2618
Alternate Telephone

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:

6. Estimated Project Costs:

- a. Land Acquisition, if applicable: \$ 30,000
- b. Site Development (itemize):
Retaining wall
 i. ~~Demoition:~~ \$ 11775
 ii. Grading: \$ _____
 iii. Site Preparation \$ 8300 Utility Appx
 iv. Other (explain): \$ _____
- c. Building Construction Cost: \$ 28,314
- d. Other Site Improvements (explain) \$ _____
- e. Equipment: \$ 10,000
- f. Architectural and Engineering Fees: \$ N/A
- g. Legal Fees: \$ 1000.00
- h. Financing Costs: \$ _____
- i. Broker Costs, if any: \$ _____
- j. Contingencies: \$ _____
- k. Other (explain): \$ _____
- Total:** \$ 359889.00

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. *NEW ENTERPRISE Tax Record*
OR Financial Not Public
- 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: June 20, 2015
- b. Construction completion date: Dec 2015
- 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:

\$ 56,000

(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):

See ATTACHMENT

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: Two Creeks Holding LLC

Name: Michael Lewis

Title: President

[Signature]

*Rec'd by Seward
City of Seward
Barnes 5/7/15*

TIF- REQUEST FOR

TWO CREEKS HOLDINGS, LLC

1870 266TH ROAD
SEWARD NE 68434

P. 402-270-5392
F. 402-643-6430

ML95625@WINDSTREAM.NET

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ATTACHMENTS

SITE PLAN BEFORE

SITE PLAN AFTER

LIST OF COSTS RELATED TO PROJECT

AVAILABLE BIDS

CURRENT VALUATION COPY

BANK APPROVAL LETTER

Executive Summary

Two Creeks Holdings, LLC will develop a building on land purchased in the blighted areas along Hwy 34. The building will be leased to St. PJ Supply Inc. for the purpose of expanding their business which sells Autobody related products. Currently St. PJ Supply Inc. is located at 1222 Elm Street. St. PJ Supply Inc. will expand from 1800 sq ft to the building on the new property of 4675 sq ft.

Highlights

Two Creeks Holding LLC will charge rent and hold a triple net lease from St. PJ Supply Inc. to generate rental income to payoff debt held by Two Creeks LLC. St. PJ Supply Inc. has been in business since February 1994 and has grown from 1 employee (Mike Lewis) to 13 current full and part time employees today. St. PJ Supply Inc. has grown 250% since 2008 as business. Sales today are over 3 million in wholesale purchases by auto body shops and dealers statewide. Expanding to a new building is a must for this growing company.

Objectives

Building project will be completed in 2015

Description of Business

Company Ownership/Legal Entity

Michael P Lewis and Staci Jo Lewis 1870 266th Road Seward NE 68434 are 50/50 owners of TWO CREEKS HOLDINGS, LLC and the leasing corporation St. PJ Supply Inc 1222 Elm Street Seward NE 68434.

Products and Services

St. PJ Supply Inc which will lease the building sells auto body related good and service to 2/3 of the counties in Nebraska. Technical training and product training set this corporation apart from their competitors. This is a fast growing company which has continued to invest in growth. Color tinting , paint mixing , tools and supplies are a key part of St. PJ Supply Inc. success. Whole sale paint sold to body shops is 80 % of revenue. This is the only wholesale paint and body shop supply provider in the county.

PROPOSED PROJECT SITE

SEWARD HM & R ADDITION BLOCK 45 LOTS 10-12 & W 35' ADK VAC 12TH STREET AND ADJ VAC SOUTH STREET

Description of the Proposed Project

85 x 55 steel Behlen building , 20 ft side wall, r-36 insulation, high efficient floor heat, 750 sq office space and 4300 sq retail / warehouse.

7000 sq ft parking area.

Land Use

Site will be zoned as a Business Support Services Building

Zoning is Urban Corridor for the lot.

APPENDIX

EMPLOYMENT PLANS PLANS TO ADD 2 – 3 POSITIONS FULL TIME IN THE NEXT 1 – 3 YEARS. AVERAGE SALARY FOR CURRENT EMPLOYEES IS OVER 15 DOLLARS PER HOUR. AND AS HIGH AS 25 PER HOUR FOR TECHNICAL POSITIONS. SIMPLE IRA MATCH IS OFFERED ALL CURRENT AND FUTURE EMPLOYEES AS WELL AS PROFIT SHARING. CURRENT STAFF OF THE TENTANT OF THIS BUILDING HAS GROWN BY 7 POSITIONS SINCE 2008.

ANNUAL INCOME AND EXPENSE FOR TWO CREEKS HOLDING LLC. - Since this is a start up LLC there is no previous history of tax return.

Annual rent for this building will be \$36000.00 and leasing corporation will pay property tax, insurance, fees.

Annual loan payments will total \$26580.00 generating \$9420 free cash flow.

St. PJ Supply Inc tenant (owned by TIF applicant) has been in business 21 years. With long history and stable financials that make this a simple and stable rental property.

Estimated Tax Increment

Property valuation estimated value at \$72 dollars per sq x 4675 = \$336600.00 less (current value) \$13871.00 = \$327404 TIF improvement x 1.73 mil

5664.09 in new taxes. \$ 72 per square figure in based on the Dollar General Store value \$650,000.00 / 9000 sq = \$72 per square . Similar style ,
frontage.

Purposed Financing

TIF- REQUEST FOR - [SELECT DATE]

Cattle Bank	\$260000.00
Equilty	\$ 50000.00
Tif	\$56000.00
Total	\$366000.00

TIF / BENEFITS

The city will get an excellent taxable property . This building will be built with sprinkler system for highest safety. Flammable storage room to code.

The property will add a very nice addition to the Hwy 34 corridor. The property will have attractive signage and landscape to add appeal to the area.

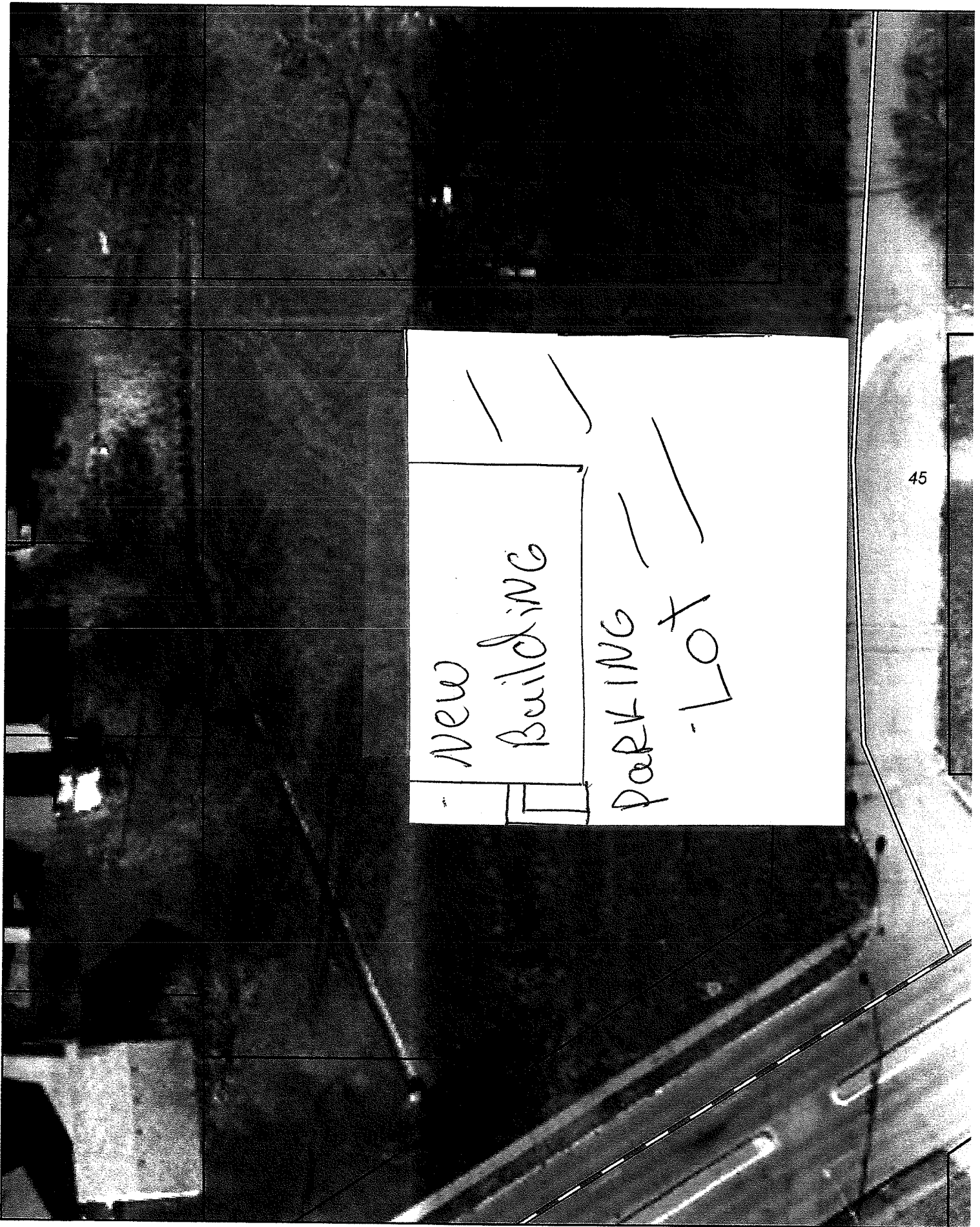
With a growing and vibrant tentant this property will add jobs and revenue for the long term.

Statement of necessity

Without TIF funding this project would probably not be completed. The uses of TIF fund make this lot usable with improvements made by TIF funding. Such as the retaining wall and city main cost. This site has no utilities and no improvement so without the TIF we would probable not consider building on this lot.



0 15 30 60 Feet



0 15 30 60 Feet

TWO CREEK ESTIMATES				
Items	Notes	Real \$\$	Estimate\$\$	Tifable
Water in City			2500	2500
Sewer in City			2000	2000
Electrical in City		3800	3800	3800
Retaining Wall		11775	11775	11775
Floor Heat			25000	25000
parking lot concrete		35100	35100	35100
Land Cost			30000	30000
Site Cost - Gas			0	
Concret Floor			29055	
Concret Footing			6275	
Building		120000	120000	
Electrical in Building			33700	
Plumbling			7000	
Sprinklers		16100	16100	
Fire Alarm			5000	
Fire Wall & Room			3000	
equipment mix room			10500	
Framing Office			5084	
Sheet Rock			2000	
Stairs Metal x z			2000	
H VAC			16111	
TOTAL			366000	110175

**Proposal**

Page No. _____ of _____ Page

BLUE VALLEY CONTRACTING1830 Deer Run Drive
SEWARD, NEBRASKA 68434
(402) 643-3005

PROPOSAL SUBMITTED TO ST P		PHONE 402-270-5392	DATE 4/18/15
STREET 1222 Elm St.		JOB NAME	
CITY, STATE and ZIP CODE Seward, NE 68434		JOB LOCATION Seward	
ARCHITECT	DATE OF PLANS	JOB PHONE	

We hereby submit specifications and estimates for:

8' x 147' Retaining wall # 11,775.00**Approx 6930 sq ft of Paving # 35,100.00**
= PARKING LOT =**We Propose** hereby to furnish material and labor — complete in accordance with above specifications, for the sum of _____ dollars (\$ _____)

Payment to be made as follows: _____

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature **[Signature]**Note: This proposal may be withdrawn by us if not accepted within **90** day(s)**Acceptance of Proposal** — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized Signature _____

COUNT NO. _____

**CITY OF SEWARD
ELECTRIC DEPARTMENT
JOB WORK ORDER**

Ruth

1853

CUSTOMER ORDER _____

BILL TO Estimate for Bern Kralik

ORDER TAKEN BY _____

ADDRESS _____

DATE ORDERS 3-27-15CITY & STATE Relocation of Primary wire

JOB NAME & LOCATION _____

DAY WORK

OVERTIME

MATERIAL LIST

QUAN.	INVENTORY NO.	DESCRIPTION	UNIT PRICE		PRICE	
600'		1/2 15 KV wire	300' @	2 40	720	00
100'		2" Roll Conduit	300' @	80	240	00
1		40' Wood Pole	354	00	354	00
1		8' Wood Arm	36	25	36	25
2		Single Phase Cutout & Arrestor Brackets	2 @	50 40	100	80
1		Anchor	44	63	44	63
35'		Guystrand	35' @	49	17	15
20'		2" Rigid Conduit	20' @	2 40	48	00
30'		2" PVC Conduit	30' @	60	18	00
		Miscellaneous Material			25	00
2		1/2 Terminators	2 @	38 00	76	00
1		3KV Arrestor	32	25	32	25
1		100 Amp Cutout	74	00	74	00
		25 % Restocking Fee			446	52

HOURS	AMOUNT	TOTAL MATERIALS	
		2232	60
1	Backhoe @ \$75.00/Hour	75	00
150'	Trenching & Backfilling @ \$1.00/foot	150	00
2	Bucket Truck @ \$100.00/Hour	200	00
12	Man Hours @ \$27.16/Hour	325	92
1	Digger Derrick @ \$100.00/Hour	100	00
	Directional Boring @ \$10.00/ft. 63'	630	00
	TOTAL LABOR	1480	92
		TOTAL	3869 80

Carsten Dueschke
SIGNATURE

Parcel Information	
Parcel ID	800084187
Links	
Current Owner	LEWIS/MICHAEL P & STACI J
Mailing Address	PO BOX 68 SEWARD, NE 68434-0068
Situs Address	
Tax District	5
School District	401 (Seward SD9)
Legal Description	SEWARD H M & R ADDITION BLOCK 45 LOTS 10-12 & W 35'ADJ VAC 12TH ST & ADJ VAC SOUTH ST

Current Value Information			
<u>Land Value</u>	<u>Dwelling Value</u>	<u>Improvement Value</u>	<u>Total Value</u>
\$13,871	\$0	\$0	\$13,871

Prior Year Value Information				
<u>Year</u>	<u>Land Value</u>	<u>Dwelling Value</u>	<u>Improvement Value</u>	<u>Total Value</u>
2013	16,606	0	0	16,606
2012	16,606	0	0	16,606
2011	17,419	0	0	17,419
2010	17,419	0	0	17,419
2009	17,419	0	0	17,419

Yearly Tax Information		
<u>Year</u>	<u>Amount</u>	<u>Levy</u>
2014	230.8600	1.735900

2014 Tax Levy	
<u>Description</u>	<u>Rate</u>
County General	0.227638
Seward County Debt Service	0.014662
Seward County Veterans Aid	0.000177
Seward General Fund	0.318000
Seward School General	0.862678
Qual Cap Purpose Fund	0.010540
Seward SD9 Spec Bldg	0.020000
Seward HS 2000 Bond	0.025186
Seward MS 2010 Bond	0.098903
ED Service Unit 6 Gen	0.015000
UBB General	0.028333
SE Comm College General	0.049800
SECC Cap Improvement Fund	0.010000
Ag Society General	0.020000
Seward Airport General	0.019736
Seward Airport Bond	0.015264



May 7, 2015

Mr. Mike Lewis
St. P. J.'s Supply, Inc./Two Creeks Holdings, LLC
1221 Highway 34 West
Seward, NE 68434

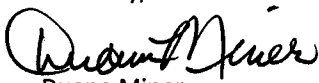
RE: Construction and term financing of new commercial building – address -TBD

Dear Mike,

The Cattle National Bank and Trust has approved your request for a real estate loan for the construction and term financing of a commercial building on West Hiway 34, Seward, NE. This commitment is for a loan up to \$300,000 depending on final costs. This commitment expires on December 31, 2015.

We appreciate the opportunity and look forward to the chance to be of service. Please do not hesitate to call or e-mail if additional information is needed.

Sincerely,


Duane Miner
Executive Vice President



104 South 5th • P.O. Box 467 • Seward, NE 68434-0467
Phone: 1-402-643-3636 • Fax: 1-402-643-3099 • www.cattlebank.com • E-mail: info@cattlebank.com

1550 South Coddington Ave., Suite R • Lincoln, Ne 68522
Phone:: 1-402-434-7400 • Fax 1-402-434-7405



COMMUNITY REDEVELOPMENT AUTHORITY
CITY OF SEWARD, NEBRASKA
TWO CREEKS HOLDINGS, LLC
May, 2015

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:	\$13,871
b.	Projected Completed Project Assessed Valuation:	\$336,600
c.	Projected Tax Increment Base (b. minus a.):	\$322,729
d.	Estimated Tax Levy:	1.735900
e.	Annual Projected Tax Shift:	\$5,602

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 \$360,000 for construction and installation of the Project and related and ancillary improvements. It is proposed that approximately \$55,000 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 sales tax paid by customers for goods sold at the retail store.

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

Redeveloper has a commitment to lease the building to St. PJ Supply, Inc. ("Tenant"). Tenant's operations are currently located at 1222 Elm Street in Seward, but Tenant needs to expand beyond its current 1,806 square foot facility. The Project will allow Tenant to move to the Project Site in the Redevelopment Area rather than potentially relocating to another location outside the Redevelopment Area or the City. It is beneficial for the City to retain its growing businesses, and this Project will facilitate the retention of Tenant and further the redevelopment of the Redevelopment Area. 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.

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 relocate an existing business so it may expand its operations and remain in the City. While this Project will create a vacancy in the Redevelopment Area, it is a vacancy that would be created regardless, since the Tenant needed to move out and expand. This vacancy can be seen as a positive, since it will free up an existing facility for a new business opportunity and potential further redevelopment.

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

The Project is anticipated to create 2 to 3 full time jobs in the City in the next one to three years. The Tenant has been steadily growing and has created seven new jobs since 2008. The Redeveloper is also planning energy efficiency upgrades that should positively affect its impact on community resources and the environment. The Project will include landscaping to the Site which will enhance the aesthetics of the Highway 34 corridor. Finally, the Project will increase the number of available public parking spaces for weekends and holidays, which has been a continuing goal of the CRA.

There are no other material impacts determined by the agency relevant to the consideration of the cost of 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 ____ day of May, 2015.

E. Thomas Spunaugle, Chairman

Bonnie Otte, Secretary

EXHIBIT A

PROJECT INFORMATION

The Project will consist of the construction of an approximately 4,675 square foot commercial retail and warehouse facility, public parking improvements, and other associated improvements on the following real estate:

Lots 10-12, Block 45, H M & R Addition, and the West 35 feet of the adjacent vacated 12th Street and the adjacent vacated South Street, Seward County, Nebraska.

Exhibit A

EXHIBIT B

PROJECTED TIF SOURCES AND USES

1. TIF SOURCES

Assumptions:

Tax Levy	1.735900
Interest Rate	5.5%
Number of years	15

Property Value

Assumptions:

	Assessed Value	Estimated Taxes
Pre-Project	\$13,871	\$241
Completed Project	\$336,600	\$5,843
Difference	\$322,729	\$5,602

TIF Calculations:

Annual TIF Amount	\$5,602
Total TIF Amount	\$84,034
Loan Amount	\$56,720
less 3% Admin Fee	(\$1,702)
Total TIF Available	\$55,019

2. TIF USES

Cost of Issuance	TBD
Site Acquisition	\$30,000
Site Preparation & Retaining Wall	\$11,775
Utility Improvements	\$8,300
Public Parking Improvements	\$35,100
Total	\$85,175

4816-5486-1347, v. 1

Exhibit B

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

(TWO CREEKS HOLDINGS 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 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 4,675 square foot retail autobody facility and associated improvements on the Site (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 businesses and/or development. In order to support private development, the Site and the Redevelopment Area are in need of renovation and development.

The Site is currently vacant. Significant 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 site acquisition required site preparation, stabilization and the construction of a retaining wall, extension of utilities, public parking facilities, 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 commercial autobody facility 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.

Two Creeks Holdings, LLC (the “Redeveloper”), have submitted a proposal for the redevelopment of the Site to include the construction of new commercial autobody facility and associated improvements. Redeveloper will pay the costs of the private improvements, including the construction of the building. 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: site acquisition, site preparation, utility improvements, public parking improvements, energy efficiency 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 ____ day of May, 2015.

E. Thomas Spunaugle, Chairman

Bonnie Otte, Secretary

EXHIBIT "A"
Legal Description of the Site

The property is located at Highway 34 and South 12th Street and is legally described as follows:

Lots 10-12, Block 45, H M & R Addition, and the West 35 feet of the adjacent vacated 12th Street and the adjacent vacated South Street, 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 has a contractual right to purchase the property from the current owner, and the land will be purchased by Redeveloper.

B. Population Density

The proposed development at the project site is the construction of a commercial retail and warehouse facility which will not significantly affect population density in the project area.

C. Land Coverage

The Project will consist of constructing a commercial building consisting of retail, warehouse, and office space with approximately 4,675 square feet. The Project will also include an approximately 7,000 square foot parking lot. The Project Site is approximately 25,965 square feet. 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 Site is located on Highway 34. No adverse impacts are anticipated with respect to traffic flow, street layouts, and street grades.

E. Parking

The construction of the Project will include construction of all parking necessary to satisfy the parking requirements set forth in the applicable zoning district. The Project will include an approximately 7,000 square foot parking lot subject to a public parking license.

F. Zoning, Building Code, and Ordinances

The Site is located in the Urban Corridor zoning district. The building constructed as part of the Project will be classified as a Business Support Services Building, which is a permitted use in the applicable zoning district. No additional zoning, building code, or ordinance changes will be necessary for the Project.

4851-3416-7587, v. 1

Exhibit B

**REDEVELOPMENT AGREEMENT
(Two Creeks Holdings Project)**

This Redevelopment Agreement is made and entered into as of the ____ day of June, 2015, by and between the Community Redevelopment Authority of the City of Seward, Nebraska (“CRA”) and Two Creeks Holdings, LLC, a Nebraska limited liability company (“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 has contracted to purchase the Project Site which 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, 2016.

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 Three Hundred Thirty Six Thousand Six Hundred and No/100 Dollars (\$336,600.00).

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, 2015.

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 Two Creeks Holdings, LLC, a Nebraska limited liability company.

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 employment, 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) Redeveloper 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) 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.

(c) There is no litigation pending or to the best of its knowledge threatened against Redeveloper affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment 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.

(d) Redeveloper owns or has contracted to purchase the Project Site, in fee simple and free from any liens, encumbrances, or restrictions which would prevent the performance of this Agreement by Redeveloper.

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 2016 (after construction completion) and the taxes payable for 2015 (before completion of construction), as more particularly set forth on Exhibit "B".

Section 3.03 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 Fifty Six Thousand Seven Hundred Twenty and No/100 Dollars (\$56,720.00), 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, 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 3.04 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 3.03 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 3.03(b). The CRA shall not be obligated to issue any CRA TIF Indebtedness.

Section 3.05 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 3.03 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 3.03(b).

Section 3.06 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 3.03(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 Parking Lot License. Redeveloper shall grant to the City a Parking Lot License in the form attached hereto as Exhibit "E". The grant of said license shall be at no cost to the City.

Section 4.06 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.

ARTICLE V FINANCING PROJECT; ENCUMBRANCES

Section 5.01 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 3.03(b) of this Redevelopment Agreement.

Section 5.02 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 VI DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of the CRA and Redeveloper.

Subject to the further provisions of this Article VI, 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 6.02, 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 6.02 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 6.04 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 6.03 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 6.02), 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 6.04 Limitation of Liability; Indemnification.

(a) Notwithstanding anything in this Article VI 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 VII
MISCELLANEOUS**

Section 7.01 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 "F" and incorporated by this reference.

Section 7.02 Governing Law.

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

Section 7.03 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 7.04 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: _____
E. Thomas Spunaugle, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of June, 2015, by E. Thomas Spunaugle 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”

TWO CREEKS HOLDINGS, LLC, a Nebraska
limited liability company

By: _____
Michael Lewis, President

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of June,
2015, by Michael Lewis, President of Two Creeks Holdings, LLC, a Nebraska
limited liability company, on behalf of the company.

Notary Public

EXHIBIT “A”

DESCRIPTION OF PROJECT

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

Lots 10-12, Block 45, H M & R Addition, and the West 35 feet of the adjacent vacated 12th Street and the adjacent vacated South Street, Seward County, Nebraska (the “Project Site”)

shall consist of the following:

- (a) **Private Improvements.** The construction of an approximately 4,675 square foot autobody retail and warehouse facility, and the associated improvements within the Redevelopment Area.
- (b) **Public Improvements.** Site acquisition, site preparation and stabilization, utility improvements, public parking improvements, 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 the Maturity Date, 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 \$336,600, subject to required debt service coverage, required reserve, and cost of issuance.
2. **Anticipated Tax Increment:** \$5,602 annually. The ad valorem taxes shall be divided for a period not to exceed 15 years, starting with the 2016 tax year (collected in 2017) through the 2030 tax year (collected in 2031).
3. **Payments.** Semi-annually with interest only until real estate taxes are fully collected for the tax year 2016 in an amount sufficient to fully amortize the TIF Indebtedness on or before the Maturity Date.
4. **Maturity Date.** On or before December 31, 2031.

Exhibit “B”

EXHIBIT "C"

PROJECTED TIF SOURCES AND USES

1. TIF SOURCES

Assumptions:

Tax Levy	1.735900
Interest Rate	5.5%
Number of years	15

Property Value

Assumptions:

	Assessed Value	Estimated Taxes
Pre-Project	\$13,871	\$241
Completed Project	\$336,600	\$5,843
Difference	\$322,729	\$5,602

TIF Calculations:

Annual TIF Amount	\$5,602
Total TIF Amount	\$84,030
Loan Amount	\$56,751
less 3% Admin Fee	(\$1,702)
Total TIF Available	\$55,019

2. TIF USES

Cost of Issuance	TBD
Site Acquisition	\$30,000
Site Preparation/Stabilization	\$11,775
Utility Improvements	\$8,300
Parking Improvements	\$35,100
Total	\$85,175

Exhibit "C"

1

EXHIBIT “D”

**CERTIFICATE OF COMPLETION OF IMPROVEMENTS
(Two Creeks Holdings 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 10-12, Block 45, H M & R Addition, and the West 35 feet of the adjacent vacated 12th Street and the adjacent vacated South Street, 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 _____, 2015, as referenced in the Memorandum of Redevelopment Agreement recorded as Instrument No. _____ in the office of the Register of Deeds for Seward County, Nebraska.

“REDEVELOPER”

TWO CREEKS HOLDINGS, LLC, a Nebraska
limited liability company

By: _____
Michael Lewis, President

Exhibit “D”

1

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by Michael Lewis, President of Two Creeks Holdings, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

ACCEPTED by the Community Redevelopment Authority of the City of Seward, Nebraska this ____ day of _____, 2015.

“CRA”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____
Bonnie Otte, Secretary

By: _____
E. Thomas Spunaugle, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by E. Thomas Spunaugle 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”

2

EXHIBIT “E”

PARKING LOT LICENSE AGREEMENT (Two Creeks Holdings Project)

This PARKING LOT LICENSE AGREEMENT (the “Agreement”) is made this ____ day of _____, 2015 by and between Two Creeks Holdings, LLC, a Nebraska limited liability company (“Licensor”), and the Community Redevelopment Authority of the City of Seward, Nebraska (“Licensee”).

RECITALS

- A. Licensor owns certain real estate located in Seward, Seward County, Nebraska, legally described as:

Lots 10-12, Block 45, H M & R Addition, and the West 35 feet of the adjacent vacated 12th Street and the adjacent vacated South Street, Seward County, Nebraska (the “Property”).
- B. Licensor entered into a Redevelopment Agreement (the “Redevelopment Agreement”) with the Community Redevelopment Authority of the City of Seward (“CRA”) for the construction of an approximately 4,675 square foot autobody retail and warehouse facility, and the associated improvements located on the Property.
- C. Pursuant to the Redevelopment Agreement, and to ameliorate the blighted and substandard conditions of the Property, Licensor agrees to grant a nonexclusive limited license to the public to use the commercial parking lot located on the Property (the “Parking Lot”). Under the Redevelopment Agreement, Licensor is receiving financial assistance from the CRA to improve the Parking Lot provided that the public is granted certain rights to use the Parking Lot. The Parking Lot, as defined herein, shall not include any parking facilities that are solely constructed for the autobody, retail and warehouse facility.
- D. This Agreement sets forth the parties’ rights and obligations with respect to the license on the Parking Lot.

Exhibit “E”

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein and in the Redevelopment Agreement, Licensor and Licensee do now hereby agree as follows:

1. Parking Lot License. Licensor hereby grants to Licensee, for the benefit of the public, a nonexclusive limited license for non-commercial vehicular parking in the Parking Lot during Permitted Non-Business Hours (as defined below), in accordance with the following conditions:

a. This Agreement shall grant the public rights solely for the parking of non-commercial vehicles and vehicular ingress and egress from the public street to the Parking Lot.

b. Nothing in this Agreement is intended to permit any of the following enumerated or similar activities by the public in the Parking Lot: loitering, partying, demonstrating, picketing, soliciting, begging, littering, sunbathing, consuming alcoholic beverages, carrying firearms, erecting signs or displays, engaging in any illegal, offensive, indecent, obscene, vulgar, lewd or disorderly speech, dress or conduct, or otherwise disturbing the peace.

c. Licensor shall have the right to deny access to the Parking Lot to persons who are disorderly or intoxicated or engaging in any of the activities identified in subsection b. above.

d. For the purposes of this Agreement, "Permitted Non-Business Hours" are defined as:

- 6:00 p.m. to 1:00 a.m., Monday-Friday (except Holidays)
- 7:00 a.m. to 1:00 a.m., Saturday, Sunday, and Holidays

"Holidays" shall include all days officially designated as a Holiday by the City of Seward.

e. Licensor shall have the right to deny public access to the Parking Lot and remove unauthorized vehicles in the Parking Lot during any time outside of the Permitted Non-Business Hours.

f. Licensor shall have the right to post and enforce any reasonable requirements regarding the use of the parking lot, including but not limited to reservation of certain stalls for handicapped or other designated users, time limits per parking session, and any other requirements it deems appropriate.

2. Authorized Use. Licensee shall be entitled to use the Parking Lot solely for the limited uses specified in this Agreement during the permitted hours specified in the Agreement and for no other purposes whatsoever.

Exhibit "E"

2

3. Private Property. The Parking Lot shall at all times remain the private property of the Licensor and nothing in this Agreement or the granting of this License shall be deemed to create or constitute a public forum, limited or otherwise.

4. Maintenance and Upkeep. Licensor shall perform all ordinary and/or necessary maintenance and repairs on the Parking Lot. Licensee shall have no responsibility to provide or pay for any security, upkeep, maintenance services or repairs related to use of the Parking Lot.

5. Indemnification. Licensor shall defend, indemnify and hold Licensee 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 Licensor arising out of the license on the Parking Lot.

6. Term. This Agreement shall be for a term of fifteen (15) years. Provided, however, this Agreement shall terminate at any earlier date that the Redevelopment Agreement is terminated and is no longer in effect.

7. Insurance. Licensor, at its expense, shall (i) keep the Parking Lot 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.

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

[Signature and Notary Page Follows]

Exhibit "E"

3

“LICENSOR”

TWO CREEKS HOLDINGS, LLC, a
Nebraska limited liability company

Michael Lewis, President

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by Michael Lewis, President of Two Creeks Holdings, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

“LICENSEE”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____ By: _____
Bonnie Otte, Secretary E. Thomas Spunaugle, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by E. Thomas Spunaugle 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 “E”

EXHIBIT “F”

MEMORANDUM OF REDEVELOPMENT AGREEMENT (Two Creeks Holdings Project)

This Memorandum of Redevelopment Agreement (“Memorandum”) is made this ____ day of June, 2015 by and between the Community Redevelopment Authority of the City of Seward, Nebraska (“CRA”) and Two Creeks Holdings, LLC, a Nebraska limited liability company (“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 10-12, Block 45, H M & R Addition, and the West 35 feet of the adjacent vacated 12th Street and the adjacent vacated South Street, 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, 2016. 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 “F”

1

“CRA”

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

By: _____
Bonnie Otte, Secretary

By: _____
E. Thomas Spunaugle, Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of June, 2015, by E. Thomas Spunaugle 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 “F”

2

“REDEVELOPER”

TWO CREEKS HOLDINGS, LLC, a Nebraska
limited liability company

By: _____
Michael Lewis, President

STATE OF NEBRASKA)
) ss.
COUNTY OF SEWARD)

The foregoing instrument was acknowledged before me this ____ day of June,
2015, by Michael Lewis, President of Two Creeks Holdings, LLC, a Nebraska
limited liability company, on behalf of the company.

Notary Public

4840-7399-6836, v. 1

Exhibit “F”

3

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

Registered

Registered

No. 1

\$_____

UNITED STATES OF AMERICA
STATE OF NEBRASKA
THE COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF SEWARD

COMMUNITY REDEVELOPMENT REVENUE NOTE
(TWO CREEKS HOLDINGS PROJECT)
SERIES 2015A

Maturity Date	Original Issuance Date
December 15, 2031	_____, 2015

Registered Holder	Principal Amount
	[\$TBD]

Interest Rate:
[TBD]

THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SEWARD, NEBRASKA (the “Issuer”), a body politic and corporate organized and existing under the laws of the State of Nebraska, for value received hereby promises to pay, solely from the source and as hereinafter provided, to the Registered Holder identified above, or registered assigns, the Principal Amount identified above at the office of the Seward City Treasurer, as Paying Agent and Registrar, and in like manner to pay solely from said source interest on said principal sum at the Interest Rate identified above from the Original Issuance Date identified above or from the most recent date to which interest has not been paid. Accrued Interest shall be payable in three (3) installments due December 15, 2015, June 15, 2016, and December 15, 2016. Thereafter principal and accrued interest shall be payable in thirty (30) semi-annual installments due June 15, 2017, December 15, 2017, and each June 15 and December 15 thereafter through December 15, 2031, when all principal and accrued interest shall be due and

payable. Except with respect to interest not punctually paid, the principal and interest on this Note will be paid by check or draft mailed to the Registered Holder in whose name this Note is registered at the close of business on the fifteenth calendar day next preceding the applicable maturity date at his address as it appears on such note registration books. The principal and interest of this Note is payable in any coin or currency of the United States of America which on the respective dates of payment is legal tender for the payment of public and private debts.

This Note is designated The Community Redevelopment Authority of the City of Seward, Nebraska Redevelopment Revenue Note (Two Creeks Holdings Project), Series 2015A, aggregating _____ and No/100 Dollars (\$_____) (the "Note") in principal amount which have been issued pursuant to the Section 12 of Article VIII of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended and supplemented (the "Act") and under and pursuant to a Redevelopment Agreement between Issuer the Redeveloper on the above-referenced project, to aid in the financing of a redevelopment project pursuant to the Act. This Note does not represent a debt or pledge of the faith or credit of the Issuer or grant to the Registered Holder of this Note any right to have the Issuer levy any taxes or appropriate any funds for the payment of the principal hereof or the interest hereon nor is this Note a general obligation of the Issuer, or the individual officials, officers or agents thereof. This Note is payable solely and only out of the Tax Increment Revenues generated by the above-referenced Project. All such revenue has been duly pledged for that purpose.

THIS NOTE AND THE INTEREST HEREON DOES NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SEWARD, NEBRASKA, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, NOR SHALL THIS NOTE AND THE INTEREST HEREON EVER GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SEWARD, NEBRASKA, A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or upon any obligation, covenant or agreement contained in the Redevelopment Agreement for the Project against any past, present or future employee, member or elected official of the Issuer, or any incorporator, officer, director, member or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, officer, director or member as such is hereby expressly waived and released as a condition of and in consideration of the issuance of this Note.

It is hereby certified and recited and the Issuer has found: that the Project is an eligible "redevelopment project" as defined in the Act; that the issuance of this Note and the construction of the Project will promote the public welfare and carry out the purposes of the Act by, among other things, contributing to the development of a blighted and substandard area of the City of Seward, Nebraska, pursuant to a Redevelopment Plan adopted by the City; that all acts, conditions and things required to be done precedent to and in the issuance of this Note have been

properly done, have happened and have been performed in regular and due time, form and manner as required by law; and, that this Note does not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitations.

This Note is transferable only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person, or by the Registered Holder's duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder, together with a Purchase Letter from the transferee that is satisfactory to Issuer in Issuer's sole discretion, and thereupon a new registered Note or Notes in the same aggregate principal amounts shall be issued to the transferee in exchange therefor, and upon payment of the charges therein prescribed. The Issuer and the Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and premium, if any, and interest due hereon and for all other purposes.

The Note is issuable in the form of a registered Note without coupons. Subject to such conditions and upon the payment of such charges reasonably set by Issuer, the owner of any registered Note or Notes may surrender the same (together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of registered Notes of any other authorized denominations.

The Note is prepayable at any time in whole or in part, at a prepayment price of par plus accrued interest to the prepayment date, to the extent there are any funds in the Debt Service Fund in excess of amounts necessary to pay scheduled debt service or in the event the Redeveloper directs the Issuer that it wishes to prepay the Note. Prepayments shall reduce the number, but not the amount, of scheduled debt service payments on the Note, in inverse order of maturity.

It is hereby certified and recited that all conditions, acts and things required by law and the Redevelopment Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issue of this Note, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the laws of the State of Nebraska.

This Note shall not be entitled to any benefit or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Registrar of the Certificate of Authentication hereon.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SEWARD, NEBRASKA has caused this Note to be signed in its name and on its behalf by the signature of its Chairman and attested by the signature of its Secretary, as of the Original Issuance Date identified above.

THE COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SEWARD, NEBRASKA

ATTEST:

Bonnie Otte, Secretary

By: _____
E. Thomas Spunaugle, Chairman

CERTIFICATE OF AUTHENTICATION

This Note is delivered pursuant to the Redevelopment Agreement and the CRA's authorizing resolution.

Seward City Treasurer,
as Paying Agent and Registrar

By: _____
Authorized Signature

4833-4244-0484, v. 1

CITY OF SEWARD, NEBRASKA

RESOLUTION #2015-__

(Amendment to Redevelopment Plan – Two Creeks Holdings 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 June 16, 2015, 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 16th day of June, 2015.

CITY OF SEWARD, NEBRASKA

By: _____
Mayor

ATTEST: _____
City Clerk

4843-1410-2820, v. 1

CITY OF SEWARD, NEBRASKA
RESOLUTION NO. 2105-_____

(Approval of Redevelopment Agreement- Two Creeks Holdings 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 the area of the City identified as Redevelopment Area #1. 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 Two Creeks Holdings Project that will include the use of tax increment financing (the “Project”).

C. On May 27, 2015, 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, and Two Creeks Holdings, LLC, 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 16th day of June, 2015.

CITY OF SEWARD, NEBRASKA

By: _____
Mayor

ATTEST: _____
City Clerk

EXHIBIT “A”

(Redevelopment Agreement)

4843-9746-4612, v. 1

Exhibit “A”