

Agenda Packet

COMMUNITY DEVELOPMENT AGENCY

Monday, April 02, 2018
5:15 p.m.

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Notice of Meeting
Community Development Agency

The Community Development Agency will meet on Monday, April 02, 2018 at 5:15 p.m. at the City Council Chambers, 309 N. 5th St., Norfolk, Nebraska.

The Agency reserves the right to adjourn into closed session as per Section 84-1410 of the Nebraska Revised Statutes.

An agenda for such meeting, kept continuously current, is available at the office of the City Administrator, City of Norfolk, 309 N 5th St, Norfolk, Nebraska, during normal business hours.

Elizabeth A. Deck
Norfolk City Clerk &
CDA Secretary

Publish (March 30, 2018)
1 P.O.P.

COMMUNITY DEVELOPMENT AGENCY

AGENDA

April 02, 2018

Call to Order

1. Call meeting to order
2. Inform the public about the location of the Open Meeting Act posted in the City Council Chambers and accessible to members of the public.
3. Roll Call

Action Items/Discussion Items

- | | |
|--|--------------------------|
| 4. Approve Agenda | Motion |
| 5. Approve the minutes of the March 5, 2018 Agency meeting. | Motion |
| 6. Consideration of approval of Resolution 2018-4 approving the Redevelopment Contract with Norfolk Extended Lodging, LLC. | Resolution 2018-4 |

STAFF MEMORANDUM
COMMUNITY DEVELOPMENT AGENCY

April 02, 2018

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Action Items/Discussion Items

- | | |
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| 4. Approve Agenda | Motion |
| 5. Approve the minutes of the March 5, 2018 Agency meeting. | Motion |
| See Enclosure 5. | |
| 6. Consideration of approval of Resolution 2018-4 approving the Redevelopment Contract with Norfolk Extended Lodging, LLC. | Resolution 2018-4 |
| See Enclosure 6. | |

COMMUNITY DEVELOPMENT AGENCY

The Community Development Agency of the City of Norfolk, Nebraska, met in the City Council Chambers, 309 N 5th Street, Norfolk, Nebraska, on Monday, March 5, 2018, beginning at 5:15 p.m.

Chair Josh Moenning called the meeting to order.

Roll call found the following Agency members present: Jarad Dahlkoetter, Dave Fauss, Corey Granquist, Gary L. Jackson, Jim Lange, Rob Merrill, Josh Moenning, Thad Murren and Dick Pfeil. Absent: None.

City staff members present were City Administrator Andy Colvin, City Attorney Clint Schukei, City Clerk Beth Deck, Finance Officer Randy Gates, Police Captain Don Miller and Communications Manager Liz Wallace.

Notice of the meeting was given in advance by publication in the Norfolk Daily News, and the notice of the meeting was given to the Chair and all members of the Agency prior to the meeting.

The Chair presided and the Secretary recorded the proceedings.

The Chair informed the public about the location of the current copy of the Open Meetings Act posted in the meeting room and accessible to members of the public.

Agenda

Merrill moved, seconded by Granquist, to approve the agenda as printed. Roll call: Ayes: Dahlkoetter, Fauss, Granquist, Jackson, Lange, Merrill, Murren and Pfeil. Nays: None. Absent: None. Not voting: Moenning. Motion carried.

Minutes

(February 5, 2018)

Granquist moved, seconded by Lange to approve the minutes of the February 5, 2018 Agency meeting as printed. Roll call: Ayes: Dahlkoetter, Fauss, Granquist, Jackson, Lange, Merrill, Murren and Pfeil. Nays: None. Absent: None. Not voting: Moenning. Motion carried.

Resolution No. 2018-3

(13th and Omaha Avenue)
(Redevelopment Plan)

Merrill moved, seconded by Granquist, to adopt Resolution 2018-3 recommending approval of the 13th and Omaha Redevelopment Plan to the Norfolk City Council.

City Administrator Andy Colvin provided information to Agency members. The redeveloper, Norfolk Extended Lodging, LLC, 5600 South 59th Street, Suite 201, Lincoln, Nebraska, proposes to construct a hotel behind Perkins Restaurant. The next step will be for the Planning

Commission to make a recommendation on the Plan. The plan is to use tax increment financing (TIF) to develop a new 95-room, 4-story extended stay hotel at the southeast corner of Highway 275 and Highway 81.

Roll call: Ayes: Dahlkoetter, Fauss, Granquist, Jackson, Lange, Merrill, Moenning, Murren and Pfeil. Nays: None. Absent: None. Motion carried. Resolution 2018-3 was adopted.

There being no further business, the Chair declared the meeting adjourned at 5:17 p.m.

Josh Moenning, Chair

ATTEST:

Elizabeth A. Deck, Secretary

(S E A L)

City of Norfolk, 309 N. 5th Street, Norfolk, NE 68701

RESOLUTION NO. 2018- 4

BE IT RESOLVED, by the governing body of the Community Development Agency of the City of Norfolk, Nebraska, that the Redevelopment Contract by and between with Norfolk Extended Lodging, LLC, a limited liability company, is hereby approved and the Chairperson and Secretary are hereby authorized to execute and deliver such agreement in substantially the form presented with such changes and modification thereto as shall be deemed appropriate, based upon advice of the City Attorney or other special council.

PASSED AND APPROVED this _____ day of _____, 2018.

Chairman (Mayor)

(SEAL)

Secretary (Clerk)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by Josh Moenning, Chairperson of the Community Development Agency of the City of Norfolk, Nebraska.

, Notary Public

REDEVELOPMENT CONTRACT

(NORFOLK LODGING REDEVELOPMENT PROJECT)

This Redevelopment Contract is made and entered into as of the ___ day of _____, 2018, by and between the Community Development Agency of the City of Norfolk, Nebraska (“CDA”) and Norfolk Extended Lodging, LLC, a Nebraska limited liability company (“Redeveloper”).

RECITALS

A. The CDA is a duly organized and existing community development agency, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Redevelopment Contract.

B. The City of Norfolk, Nebraska (the “City”), 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. The Redeveloper owns or has contracted to purchase the Project Site and the Project Site is located in the Redevelopment Area. The Project Site is currently part of a larger parcel, which shall be subdivided and replatted so that the Project Site is a separate and distinct parcel. A preliminary legal description of the Project Site is provided on Exhibit “A”, attached and incorporated by this reference, which shall be finalized upon final approval of the subdivision.

D. Redeveloper submitted a redevelopment project proposal as described in the Redevelopment Plan for the 13th and Omaha Redevelopment Area—Norfolk Lodging Redevelopment Project to redevelop the Project Site.

E. The Project consists of the construction of an approximately 85–95 room limited service and extended stay hotel, and associated improvements (the “Project”).

F. The CDA has approved the Redeveloper’s proposed redevelopment project, including the utilization of tax-increment financing to assist in the cost of the eligible public improvements defined in this Redevelopment Contract.

G. The CDA and the Redeveloper desire to enter into this Redevelopment Contract for redevelopment of the Project Site.

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

**ARTICLE I
DEFINITIONS AND INTERPRETATION**

Section 1.01 Terms Defined in this Redevelopment Contract.

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

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. “CDA” means the Community Development Agency of the City of Norfolk, Nebraska.

C. “City” means the City of Norfolk, Nebraska.

D. “Effective Date” means the date set forth in Section 3.01 of this Redevelopment Contract, for the purpose of dividing the ad valorem taxes generated by the Project pursuant to Section 18-2147 of the Act.

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

F. “Project Site” means all that certain real property situated in the City, more particularly described on Exhibit “A”.

G. “Private Improvements” means all the private improvements to be constructed on the Project Site as more particularly described on Exhibit “A” attached and incorporated by this reference.

H. “Project” means the improvements to the Project Site and adjacent thereto, including the Private Improvements and Public Improvements defined herein and described on Exhibit “A”.

I. “Public Improvements” shall mean 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 on the TIF Indebtedness.

J. “Redeveloper” means Norfolk Extended Lodging, LLC, a Nebraska limited liability company or its assignee, which is subject to the written approval of the CDA.

K. “Redevelopment Contract” means this Redevelopment Contract between the CDA and Redeveloper with respect to the Project.

L. “Redevelopment Area” means the Redevelopment Area that is legally described in the Redevelopment Plan.

M. “Redevelopment Plan” means the Redevelopment Plan for the 13th and Omaha Redevelopment Area of the City of Norfolk, Nebraska adopted by the City Council of the City on March 19, 2018 pursuant to Resolution No. 2018-13, as amended.

N. “TIF Indebtedness” means any bonds, notes, loans and advances of money or other indebtedness, including interest thereon, issued by the CDA or the City secured in whole or in part by TIF Revenues.

O. “TIF Revenues” or “Tax Increment” means incremental ad valorem taxes generated by the Project which are allocated to and paid to the CDA pursuant to the Act.

Section 1.02 Construction and Interpretation.

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

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

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

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

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

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

ARTICLE II REPRESENTATIONS

Section 2.01 Representations by the CDA.

The CDA makes the following representations and findings:

(a) The CDA is a duly organized and validly existing Community Development Agency under the Act.

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

(b) The execution and delivery of this Redevelopment Contract and the consummation of the transactions herein 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 Contract or, except as disclosed in writing to the CDA, 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 Contract by Redeveloper.

(e) Except as provided in Section 4.05, Redeveloper shall not assign this Contract to any successor or assignee without the written approval of the CDA.

ARTICLE III
OBLIGATIONS OF THE CDA AND PUBLIC IMPROVEMENTS

Section 3.01 Capture of Tax Increment.

(a) Subject to the contingencies described below and to all of the terms and conditions of this Contract, commencing for the tax year of the Effective Date of the Project and continuing thereafter, the CDA shall capture the Tax Increment, as defined below, from the Project pursuant to the Nebraska Community Development Law. The CDA shall capture the Tax Increment generated by the Project for a total period of not to exceed fifteen (15) years after the Private Improvements have been completed and included in the assessed valuation of the Project Site and the Project Site is generating the Tax Increment subject to capture by the CDA (the "TIF Period").

(b) The "Effective Date" of this provision shall be determined by the construction schedule of the Project. The Effective Date shall be determined as follows; provided, however, that in no case shall the Effective Date be later than January 1, 2021:

1. If the CDA receives a written request from Redeveloper to file with the County Assessor the "Notice to Divide Taxes" prior to June 30, 2019, the Effective Date shall be January 1, 2019.
2. If the CDA receives a written request from Redeveloper to file with the County Assessor the "Notice to Divide Taxes" between July 1, 2019, and June 30, 2020, inclusive, the Effective Date shall be January 1, 2020.
3. In all other cases, the Effective Date shall be January 1, 2021.

(c) The CDA's receipt of the written request, or lack thereof, as outlined under Section 3.01(b), shall determine the Effective Date based on the parameters of this Section without amending this Redevelopment Agreement if such determination does not result in a substantial modification of this Redevelopment Agreement. The CDA shall file with the County Assessor the "Notice to Divide Taxes" on or prior to August 1 in the year of the Effective Date. The Notice to Divide Taxes shall provide conclusive evidence of the date of the Effective Date. The base year, for purposes of capturing Tax Increment, shall be the calendar year immediately preceding the calendar year of the Effective Date.

(d) Under no circumstance shall the City or CDA incur any liability, and Redeveloper shall indemnify and hold the City and CDA harmless from any injuries or damages, arising from Redeveloper's failure to provide the CDA a

written request to file with the County Assessor the "Notice to Divide Taxes" in accordance with the deadlines provided under this Section 3.01 or the timing of Redeveloper providing such Notice to Divide Taxes to the City.

Section 3.02 Tax Increment.

The term Tax Increment shall mean, in accordance with Section 18-2147 of the Act, the difference between the ad valorem tax which is produced by the tax levy (fixed each year by the Madison County Board of Equalization) for the Project Site before the completion of 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. The anticipated Tax Increment for the Project is 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 by the levy of real estate taxes in the fifteenth (15th) year following the Effective Date pursuant to Neb. Rev. Stat. § 18-2147 and this Contract may be paid in the sixteenth (16th) year according to customary practice in Nebraska. Said payment in arrears only affects the timing of tax payments, but does not in any way affect or limit the CDA's ability to capture the real estate taxes levied for the fifteenth (15th) year.

Section 3.03 Issuance of TIF Indebtedness.

The CDA shall incur or issue TIF Indebtedness through a TIF Promissory Note in the amount not to exceed Seven Hundred Ninety-Four Thousand Four Hundred and No/100 Dollars (\$794,400.00), as calculated on Exhibit "B", to be issued to the Redeveloper, or to a lender of the Redeveloper, which shall entitle the holder of the TIF Promissory Note to receive the semi-annual incremental tax payments generated by the Project.

The TIF Promissory Note shall be issued no sooner than thirty (30) days following the approval and execution of this Contract. The TIF Promissory Note shall not be a general obligation of the CDA or the City which shall issue each Note solely as a conduit. If the Redeveloper intends to monetize the TIF Promissory Note, then it shall locate a lender or other entity to acquire and fund the acquisition of each TIF Promissory Note for this TIF Indebtedness. Redeveloper may pledge or assign the TIF Promissory Note to such lender and the CDA shall consent to such pledge upon request, provided any such purchaser, including the Redeveloper, shall provide to the Agency an investment letter setting forth the understanding as to purchase for investment and not for any further distribution, and in substantially the same form as Exhibit "F". The TIF Indebtedness shall be secured by a pledge or assignment of the Tax Increment to be captured by the CDA.

Section 3.04 Use of TIF Indebtedness.

The CDA will collect and use the Tax Increment to pay debt service on the TIF Indebtedness incurred as provided in Section 3.03 of this Redevelopment Contract. Notwithstanding the foregoing, the amount of the TIF Promissory Note that the CDA agrees to service and repay with the Tax Increment shall not exceed the amount of the Eligible Project Costs certified by Redeveloper pursuant to Section 4.02 and listed on Exhibit "C". The Tax Increment, less the CDA's costs, shall be paid pursuant to the terms of any TIF Promissory Note and/or TIF resolution issued by the CDA relating to this Project.

Section 3.05 Tax Increment Receipts.

The CDA will collect and hold the receipts of the Tax Increment for payment on the TIF Note. Such tax increment receipts shall be used for no purpose other than to pay TIF Indebtedness issued pursuant to Section 3.03 above.

Section 3.06 Projected TIF Sources and Uses.

In addition to the TIF Indebtedness calculation formula set forth on Exhibit "B", the anticipated TIF sources and eligible uses are set forth on the attached and incorporated Exhibit "C". The projected uses of the TIF funds are eligible under the Act, and are estimates which shall be confirmed upon construction completion and certified by the Redeveloper under Section 4.02 below.

Section 3.07 Cyhawk Loop Road.

As a part of the Project, the Redeveloper will extend Cyhawk Loop Road approximately four hundred twenty-five (425) feet in the right of way located to the East of the Project Site (the "Cyhawk Loop Extension"). The cost and expense to design and install the Cyhawk Loop Extension is an Eligible Project Cost under the Act. The Redeveloper agrees that the design and installation of the Cyhawk Loop Extension shall comply with all applicable codes and regulations.

**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" no later than the Completion Date set forth on Exhibit "B".

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 CDA as to the actual progress of Redeveloper with respect to construction of the Public Improvements and the Private Improvements. Promptly after substantial completion by Redeveloper of the Public Improvements and the Private Improvements, Redeveloper shall notify the CDA of the completion and request that the CDA issue a Certificate of Completion, the form of which is attached as Exhibit “D” and incorporated by this reference. Notwithstanding Redeveloper's liabilities under Section 4.07 of this Redevelopment Contract, once issued by the CDA, the Certificate of Completion for the Project shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Contract with respect to the obligations of Redeveloper to construct the Public Improvements and the Private Improvements, and Redeveloper shall be entitled to record the Certificate of Completion.

(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 and a penal bond as required by the Act or a reasonable substitute acceptable to the CDA. 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. 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.

Section 4.02 Cost Certification.

Redeveloper shall submit to the CDA a certification of Eligible Project Costs, after expenditure of such project costs to verify the uses described on Exhibit “C”. 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. Said certification(s) of Eligible Project Costs shall, in the aggregate, equal or exceed the TIF Indebtedness. Determinations by the CDA whether costs included in the certification(s) of Eligible Project Costs are properly included in Eligible Project Costs as defined in this Redevelopment Contract shall be made in the sole discretion of the CDA and shall be conclusive and binding on the Redeveloper.

Section 4.03 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as this Redevelopment Contract 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 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 Site of not less than Four Million Three Hundred Thousand and No/100 Dollars (\$4,300,000.00) (the “Minimum Valuation”) no later than as of the Completion Date of the Project, as set forth on Exhibit “B”. During the period of this Contract and upon completion of the Public Improvements and Private Improvements, Redeveloper, its successors and assigns, will: (1) not protest a real estate property valuation of the Project Site to an amount less than or equal to the Minimum 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. Any purchaser of the Project Site shall be subject to this provision so as to agree to not protest any assessed value to an amount less than or equal to the Minimum Valuation.

(b) If, during the period of this Contract and after the filing of a Notice to Divide, the Project Site is assessed at less than the Minimum Valuation, the Redeveloper shall: (1) seek to protest the valuation of the Project Site upwards such that the average valuation of the Project Site is equal to or greater than the Minimum Valuation; (2) make a payment in lieu of taxes to the CDA upon thirty (30) days written notice in the amount of the shortfall equal to the amount the anticipated Tax Increment, as set forth on Exhibit “B”, exceeds the actual Tax Increment; provided, however, that Redeveloper shall only be obligated to make such payment in lieu of taxes to the extent that the actual Tax Increment is insufficient to meet the current debt service payments on the TIF Promissory Notes; (3) if Redeveloper has monetized the TIF Promissory Note by pledging it to its lender, Redeveloper shall solely be responsible for all payments due such lender; or (4) if Redeveloper is the holder of the TIF Promissory Note described in Section 3.03 above, in the event of a shortfall of annual incremental taxes, Redeveloper agrees to defer receipt of any such shortfall. If Redeveloper is required to defer the receipt of any such shortfall amounts, the Redeveloper shall be entitled to receive reimbursement of any such shortfall payment to the extent TIF Revenues later become available during the TIF Period in an amount in excess of the amount necessary to meet the current debt service payments. Any such shortfall amounts not reimbursed at the end of the TIF Period shall be forgiven.

Section 4.05 No Assignment or Conveyance.

Redeveloper shall not convey, assign or transfer the Project Site, any interest therein, or this Contract prior to the termination of the TIF Period without the prior written consent of the CDA, which shall not be unreasonably withheld and which the CDA may make subject to any terms or conditions it reasonably deems appropriate, except for the following conveyances, which shall be permitted without consent of the CDA:

(a) Any assignment as security for indebtedness previously incurred by Redeveloper or incurred by Redeveloper after the applicable Effective Date for Project costs or any subsequent physical improvements to the Project Site with the outstanding principal amount of all such indebtedness (whether incurred prior to or after the Effective Date) secured by the Project Site which shall have lien priority over the obligations of Redeveloper pursuant to this Redevelopment Contract, or

(b) Any assignment as security for indebtedness any additional or subsequent conveyance as security for indebtedness incurred by Redeveloper for Project costs or any subsequent physical improvements to the Project Site provided that any such conveyance shall be subject to the obligations of Redeveloper pursuant to this Redevelopment Contract.

Section 4.06 Agency Costs.

Redeveloper shall reimburse the Agency and the City, as applicable, for legal fees and costs incurred by the City or the Agency in connection with this Redevelopment Contract and the issuance of the TIF Indebtedness. The total amount to be reimbursed pursuant to this provision shall not exceed \$15,000.00. One-half of said legal fees and costs shall be due and payable by the Redeveloper to the Agency or City, as applicable, upon the City's approval and adoption of this Redevelopment Contract and Redeveloper's receipt of an accounting of such costs from the City or Agency. The balance of said legal fees and costs, not to exceed \$15,000.00 in the aggregate, shall be due and payable by the Redeveloper to the Agency or City, as applicable, at closing of the Agency's issuance of the TIF Indebtedness.

ARTICLE V
FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

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.

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 CDA and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by 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 Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations; provided that, in view of the additional remedies of the CDA 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 CDA.

In the event that:

- (a) Redeveloper, or successor in interest, shall fail to complete the construction of the Project on or before the Completion Date set forth on Exhibit "B", 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 CDA made for such payment within thirty (30) days following written notice from the CDA;
- (c) Redeveloper, successor in interest, or assignee does not maintain an assessed valuation equal to or greater than the Minimum Valuation for the Project Site for the term of this Contract and fails to satisfy the obligations of Section 4.04(b) of this Contract;

- (d) There is, in violation of Section 4.05 of this Redevelopment Contract, 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 CDA; or
- (e) Redeveloper, successor in interest, or assignee, does not, prior to notification to CDA of substantial completion of the Public Improvements and Private Improvements as contemplated under Section 4.01(a) of this Redevelopment Contract, provide CDA with Eligible Project Costs Certifications equal to or exceeding the TIF Indebtedness.

then Redeveloper shall be in default of this Redevelopment Contract. To the extent that a failure results in the fact that the CDA is not able to capture the full amount of the 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. If Redeveloper defaults under Section 6.2(e) of this Section, Redeveloper shall, within fifteen (15) days after receipt of a written demand from the CDA, reimburse the CDA in an amount equal to the difference between the principal and interest of the TIF Indebtedness on the date of the CDA's written demand less the aggregate amount of the Eligible Project Costs Certification(s).

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event Redeveloper fails to perform any other provisions of this Redevelopment Contract (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 CDA, then Redeveloper shall be in default. In such an instance, the CDA may seek to enforce the terms of this Redevelopment Contract or exercise any other remedies that may be provided in this Redevelopment Contract or by applicable law; provided, however, that the default covered by this Section shall not give rise to a right of rescission or termination of this Redevelopment Contract.

Section 6.04 Limitation of Liability; Indemnification.

(a) Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the CDA, the City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The obligation of the CDA on any TIF Indebtedness shall be limited solely to the Tax Increment pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither the City nor the CDA shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. Redeveloper releases the CDA and the City from and agrees that the CDA 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. Provided, however, such release shall not be deemed to include such liability actions as arise directly out of the willful misconduct of the CDA or the City.

(b) Redeveloper agrees to indemnify, defend (at the CDA's and/or the City's option) and hold harmless the CDA, 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 Contract. Such indemnification, hold harmless and defense obligation shall exclude only such liability actions as arise directly out of acts, omissions, or willful misconduct of the CDA or the City. The indemnification and defense obligations set forth herein shall survive the termination of this Redevelopment Contract.

ARTICLE VII MISCELLANEOUS

Section 7.01 Memorandum.

A Memorandum of this Redevelopment Contract in the form attached hereto as Exhibit "E" and incorporated by this reference shall be recorded with the Madison County Register of Deeds subsequent to the City's approval of the replat of the Project Site, as described in Exhibit "A".

Section 7.02 Governing Law.

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

Section 7.03 Binding Effect; Amendment.

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

Section 7.04 No Agency or Partnership.

This Redevelopment Contract is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or

association as between the CDA and the City, on the one hand, and Redeveloper, on the other hand, nor between the CDA 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 Contract 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 Contract.

[Signature and Notary Pages to Follow]

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

“CDA”

COMMUNITY DEVELOPMENT
AGENCY OF THE CITY OF
NORFOLK, NEBRASKA

ATTEST:

By: _____ By: _____
Secretary Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF MADISON)

The foregoing instrument was acknowledged before me this ___ day of _____, 2018, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of the City of Norfolk, Nebraska, a public body corporate and politic, on behalf of the Agency.

Notary Public

EXHIBIT “A”
DESCRIPTION OF PROJECT

The Project shall be undertaken by Redeveloper on the Project Site, which is currently part of Lot 2, Oban’s Cyhawk Addition, as surveyed, platted and recorded in the City of Norfolk, Madison County, Nebraska. Said Lot 2 will be subdivided and replatted so that the Project Site is a separate and distinct lot. The legal description of the Project Site will depend upon subdivision approval and the legal description set forth below shall be confirmed upon final subdivision approval:

All of Lot 2, Oban’s Cyhawk Addition, as surveyed, platted and recorded in the City of Norfolk, Madison County, Nebraska, except approximately the eastern 109 feet of the north 246 feet of Lot 2, together with the north 425 feet of the 60 foot wide Cyhawk Loop right-of-way abutting Lot 2 (the “Project Site”).

The Project shall consist of the following Private Improvements and Public Improvements on the Project Site:

- (a) Private Improvements. The construction of an approximately 85–95 room limited service and extended stay hotel, with a parking lot and associated improvements on the Project Site.
- (b) Public Improvements. The Public Improvements shall consist of site acquisition, site preparation, installation of public street improvements (extension of Cyhawk Loop Road), landscaping, hardscaping and streetscaping, installation and extension of public utilities, façade improvements, and other improvements deemed feasible and necessary in support of the public health, safety and welfare which qualify as eligible expenditures under the Act.

EXHIBIT "B"
TIF INDEBTEDNESS

1. **Principal Amount.** The TIF Indebtedness shall be issued in a TIF Promissory Note. The TIF Indebtedness for the Project shall not exceed Seven Hundred Ninety-Four Thousand Four Hundred and No/100 Dollars (\$794,400.00).
2. **Anticipated Tax Increment:** The principal amount of the TIF Indebtedness for the Project 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 completed valuation of \$4,300,000.00, subject to required debt service coverage, required reserve, and cost of issuance.
3. **Payments.** Semi-annually with interest only until real estate taxes are fully collected for the tax year of the applicable Effective Date in an amount sufficient to fully amortize the TIF Indebtedness together with an interest rate approved by lender on or before the Maturity Date.
4. **Maturity Date.** The Maturity Date shall be December 31 of the year that is fifteen (15) years after the Effective Date.

Exhibit "B"

EXHIBIT "B-1"
TIF PROMISSORY NOTE

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 DEVELOPMENT AGENCY OF THE CITY OF NORFOLK, NEBRASKA, PRIOR TO TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION AN OPINION OF COUNSEL, SATISFACTORY TO THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF NORFOLK TO THE EFFECT THAT REGISTRATION UNDER THE 1933 ACT IS NOT REQUIRED.

No. 1

\$ _____

UNITED STATES OF AMERICA
STATE OF NEBRASKA
THE COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF NORFOLK

COMMUNITY REDEVELOPMENT REVENUE NOTE
(NORFOLK LODGING REDEVELOPMENT PROJECT)
SERIES 2018A

Registered Holder	Principal Amount
Norfolk Extended Lodging, LLC	\$ _____

Maturity Date	Interest Rate	Original Issuance Date
	_____%	

THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF NORFOLK, 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 Norfolk City Treasurer, as Paying Agent and Registrar, from the Original Issuance Date identified above. Interest on this Note shall begin to accrue on an after the Effective Date, as defined in the Redevelopment Agreement between Issuer and Norfolk Extended Lodging via Resolution ____ and incorporated herein by reference. Accrued interest shall be payable in _____ installments due _____; provided, however, that to the extent the Tax Increment is insufficient to pay accrued interest due above, accrued interest shall be capitalized and added to principal. Thereafter, principal and accrued interest shall be payable in thirty (30) equal semi-annual installments due June 30 and December 31 of the year following the year of the Effective Date and each June 30 and December 31

Exhibit "B-1"

thereafter through December 31 of the year fifteen (15) years from the Effective Date, when all principal and accrued interest shall be due and payable. Payments on this Note will be made by check or draft mailed to the Registered Holder in whose name this Note is registered at the close of business on the calendar day next preceding the applicable payment date at his address as it appears on such note registration books. The principal 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 Development Agency of the City of Norfolk, Nebraska Redevelopment Revenue Note (Norfolk Lodging Redevelopment Project), Series 2018A, aggregating _____ and No/100 Dollars (\$_____.00) (the "Note"), which has been issued pursuant to 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 Resolution adopted by the Governing Body of the Issuer (the "Resolution"), 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 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 Project as identified in the Redevelopment Contract by and between the Issuer and the Registered Holder hereof. All such revenue has been duly pledged for that purpose.

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

No recourse shall be had for the payment of the principal on this Note, or for any claim based hereon or upon any obligation, covenant or agreement contained in the Redevelopment Contract 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

Exhibit "B-1"

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 Norfolk, 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 or City 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 his 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 or his duly authorized attorney, together with a purchase letter, 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 provided in the Resolution, 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 Agency reserves the right and option of prepaying principal of this bond, in whole or in part, from any available sources at any time, at the principal amount thereof designated for redemption plus accrued interest to the date fixed for redemption of the principal amount so designated for optional redemption. Notice of any such optional pre-payment shall be given by mail, sent to the registered owner of this bond at said registered owner's address in the manner provided in the Redevelopment Contract. The principal of this bond shall be subject to mandatory optional redemptions made in part on any interest payment date from available Tax Increment (as defined in the Redevelopment Contract) without any requirement for notice.

It is hereby certified and recited that all conditions, acts and things required by law and the Redevelopment Contract 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.

Exhibit "B-1"

This Note shall not be entitled to any benefit under the Redevelopment Contract referred to herein 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.

IN WITNESS WHEREOF, THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF NORFOLK, 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 DEVELOPMENT
AGENCY OF THE CITY OF NORFOLK,
NEBRASKA

ATTEST:

Secretary

By: _____
Chairman

CERTIFICATE OF AUTHENTICATION

This Note is delivered pursuant to the within-mentioned Resolution.

Norfolk City Treasurer,
as Paying Agent and Registrar

By: _____
Authorized Signature

Exhibit "B-1"

EXHIBIT "C"
PROJECTED TIF SOURCES AND USES

1. Assumptions:

Tax Levy	1.968713
Interest Rate	4.50%
Number of Years	15

Property Valuation:

	Assessed Val.	Est. Taxes
Pre-Project	\$449,000	\$8,840
Completed Project	\$4,300,000	\$84,655
Difference	\$3,851,000	\$75,056.99 ¹

2. TIF Calculations:

Annual TIF Amount	\$75,056.99
Total TIF Amount	\$1,125,854.85

3. TIF Uses:

Site Acquisition	\$400,000
Legal	\$24,000
Engineering	\$65,000
Site Prep	\$175,000
Site Utilities	\$145,000
Façade Improvements	\$126,000
Cyhawk Loop Road	\$125,000
Total	\$1,060,000

*All costs are estimates and are subject to final confirmation and adjustment upon construction completion.

**Eligible TIF Uses are projected to be in excess of \$ 794,400, but the TIF Indebtedness is limited to \$ 794,400, which, when factoring in an interest rate of 4.5%, is approximately the sum generated by the projected incremental taxes.

¹ This figure accounts for a one-percent administrative commission collected by the County Treasurer.

**EXHIBIT “D”
CERTIFICATE OF COMPLETION**

The Community Development Agency of the City of Norfolk, Nebraska, a municipal corporation in the State of Nebraska (the “CDA”), hereby makes the conclusive determination and certification that, with regard to the following real property situated in the City of Norfolk, Madison County, Nebraska, to wit:

[Legal description to be inserted after City of Norfolk's approval of replat of Project Site],

(“Redeveloper Property”), all the improvements required to be constructed upon the above-described Redeveloper Property have been satisfactorily completed in accordance with the requirements of the REDEVELOPMENT CONTRACT (Norfolk Lodging Redevelopment Project) by and between the Community Development Agency of the City of Norfolk, Nebraska, a municipal corporation in the State of Nebraska, and Norfolk Extended Lodging, LLC, a Nebraska limited liability company, and its successors and assigns (“Redeveloper”), said Contract dated as of _____, 2018 and a Memorandum of which is recorded as Instrument No. _____, in the office of the Register of Deeds for Madison County, Nebraska.

The CDA further makes the conclusive determination that the Private Improvements (as defined in the Contract) to the above-described Redeveloper Property are presently in conformance with the Contract.

(Signature page follows)

Exhibit “D”

EXHIBIT "E"
MEMORANDUM OF REDEVELOPMENT CONTRACT
(NORFOLK LODGING REDEVELOPMENT PROJECT)

This Memorandum of Redevelopment Contract ("Memorandum") is made this ___ day of _____, 2018 by and between the Community Development Agency of the City of Norfolk, Nebraska ("CDA") and Norfolk Extended Lodging, LLC, a Nebraska limited liability company ("Redeveloper").

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

[Legal description to be inserted after City of Norfolk's approval of
replat of Project Site]

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

3. **Minimum Valuation.** The Redevelopment Contract establishes a minimum taxable real property valuation the Project Site of not less than Four Million Three Hundred Thousand and No/100 Dollars (\$4,300,000.00) (the "Minimum Valuation"). The Redevelopment Contract further provides that neither Redeveloper, nor its successors and assigns, shall: (a) protest the real property valuation of the Project Site to a sum less than the Minimum Valuation; or (b) convey the Project Site, any lot in 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.

4. **Remaining Terms.** The rest and remaining terms of the Redevelopment Contract are hereby incorporated into this Memorandum as if they

EXHIBIT "F"
Form of Investor Letter

_____, 201__

Community Development Agency of the City of Norfolk Nebraska
309 N 5th Street
Norfolk, NE 68701

Re: Tax Increment Revenue Bond (Norfolk Lodging Redevelopment Project)
Series 2018A

Ladies and Gentlemen:

The undersigned is the initial registered owner of the above Bond issued by the Community Development Agency of the City of Norfolk, Nebraska (the "Agency"). The representations and statements made in this letter are made as an inducement to the Agency in connection with the issuance of the above Bond (the "Bond"). The undersigned acknowledges and represents that it has been advised that the Bond is not registered under the Securities Act of 1933, as amended, and that the Agency is not presently required to register under Section 12 of the Securities and Exchange Act of 1934. The undersigned therefore recognizes that if and when the undersigned may wish to resell the Bond as held by it there may not be any available current business and financial information about the Agency or the project being financed by the Bond. Further the undersigned realizes that no trading market presently exists or is expected to exist for the Bond. The undersigned understands that it may need to bear the risks of an investment in the Bond for an indefinite period of time, since any sale prior to maturity of the Bond may not be possible or may be at a price below that which the undersigned is paying for the Bond.

It is understood that the undersigned has undertaken to verify the accuracy and completeness and truth of any statements made or omitted to be made concerning any of the material facts relating to the Bond and the project being financed and transactions relating thereto, including information regarding the operations and financial condition of the redeveloper for said project (the "Redeveloper") and said project. The undersigned has conducted its own investigation and has had discussions with officials of the Agency and the Redeveloper.

In connection with the purchase of the Bond, the undersigned hereby acknowledges and represents that the undersigned is acquiring the Bond for its own account for investment and not with a view to the resale or distribution. The undersigned has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment represented by the purchase of the Bond, has financial resources sufficient to sustain the risks related to holding the Bond and is aware of the intended use of the proceeds and risks involved therein.

THE UNDERSIGNED UNDERSTANDS THAT THE BOND IS A LIMITED OBLIGATION OF THE AGENCY AND IS NOT SECURED BY ANY OBLIGATION OR PLEDGE OF ANY MONIES RECEIVED OR TO BE RECEIVED FROM TAXATION, OTHER THAN TAX INCREMENT REVENUES AS DESCRIBED IN THE RESOLUTION AUTHORIZING THE BOND. THE UNDERSIGNED UNDERSTANDS THAT THE BOND IS NOT AN OBLIGATION OF THE CITY OF NORFOLK, EXCEPT AS TO ITS COMMUNITY DEVELOPMENT AGENCY OF WHICH IT IS A LIMITED OBLIGATION, THAT THE BOND IS

Exhibit "F"

1

NOT AN OBLIGATION OF THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION OF THE STATE OF NEBRASKA OR TAXING AUTHORITY THEREOF, OTHER THAN OF SUCH AGENCY, AND THAT NO RIGHT EXISTS TO HAVE TAXES LEVIED BY THE CITY OF NORFOLK OR THE STATE OF NEBRASKA OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF PRINCIPAL OF OR INTEREST ON SAID BOND, OTHER THAN SAID TAX INCREMENT REVENUES.

The undersigned acknowledges that it has made its own investigation and inquiry concerning the due corporate authorization and execution of all documents executed and delivered by Norfolk Extended Lodging, LLC, a Nebraska limited liability company, as the Redeveloper related to the Bond and has not relied upon the City or its counsel or special bond counsel concerning any such matters.

The undersigned acknowledges that the principal amount of the Bond has been established based upon estimated costs of development under the terms of an agreement between the Redeveloper and the Agency. Such estimates have been established in order to assure the initial registered owner of the Bond with the fullest anticipated potential benefits related to tax increment revenues and the principal amount and interest thereon as set may not prove payable from such revenues. The undersigned acknowledges that the Agency has not undertaken or contracted in any way that such redevelopment will be commenced or completed and that such undertaking is the sole responsibility of the Redeveloper.

The undersigned acknowledges further that the principal amount and interest rate on the Bond have also been established with respect to taxable valuations which are expected to be related to estimated costs and that the final assessment and taxable valuations determined by the appropriate assessing officials may be materially different from such projected assessment and that such principal amount and interest have also been established based upon estimated taxing rates to apply in the future and that such taxing rates could also be materially different from such estimated rates.

The undersigned acknowledges that it has been advised that interest on the Bond is not exempt from Nebraska state or federal income taxes, and that the City and Agency have not provided any assurances with respect to the tax consequences to the undersigned with respect to the transaction described herein. The undersigned further acknowledges that any future transfer of the Bond may only be made to a subsequent transferee registered owner who is able to execute and does execute a letter similar in form and substance to this investment letter, a copy of which shall have been delivered to the Agency.

Very truly yours,

a _____

By: _____
Name: _____
Title: _____