

Agenda Packet

COMMUNITY DEVELOPMENT AGENCY

Monday, October 15, 2018
5:15 p.m.

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Notice of Meeting
Community Development Agency

The Community Development Agency will meet on Monday, October 15, 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 (October 12, 2018)
1 P.O.P.

COMMUNITY DEVELOPMENT AGENCY

AGENDA

October 15, 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 October 1, 2018 Agency meeting. | Motion |
| 6. Consideration of Resolution No. 2018-14 authorizing issuance of up to a \$3,700,000 Tax Increment Revenue Bond for the Channel Road Land, LLC Development Project. | Resolution 2018-14 |

STAFF MEMORANDUM
COMMUNITY DEVELOPMENT AGENCY

October 15, 2018

Call to Order

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3. Roll Call

Action Items/Discussion Items

- | | |
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| 4. Approve Agenda | Motion |
| 5. Approve the minutes of the October 1, 2018 Agency meeting.

See Enclosure 5. | Motion |
| 6. Consideration of Resolution No. 2018-14 authorizing issuance of up to a \$3,700,000 Tax Increment Revenue Bond for the Channel Road Land, LLC Development Project. | Resolution 2018-14 |

At the October 1, 2018 Community Development Agency meeting, the Agency approved the Redevelopment Agreement with Channel Road Land, LLC providing for the issuance of up to \$3,700,000 of tax increment financing (TIF) for the Channel Road Redevelopment Project. Resolution No. 2018-14 authorizes issuance of these TIF bonds.

Normally the Agency authorizes bond issuance after project completion, but HUD is providing the majority of financing for the Project and requests bond authorization up front. The Agency Treasurer expects actual bond issuance at a later date. In any event, no TIF proceeds will be granted to the Redeveloper without documentation that the Redeveloper has paid TIF-eligible expenses equal to the grant amount.

The Agency Treasurer recommends approval of Resolution No. 2018-14 authorizing bond issuance.

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, October 1, 2018, beginning at 5:15 p.m.

In the absence of Chair Josh Moenning, Council President Jim Lange called the meeting to order.

Roll call found the following Agency members present: Jarad Dahlkoetter, Corey Granquist, Gary L. Jackson, Jim Lange, Rob Merrill, Josh Moenning (5:16 p.m.), Thad Murren and Dick Pfeil.

Absent: Dave Fauss.

City staff members present were City Administrator Andy Colvin, City Clerk Beth Deck, Finance Officer Randy Gates, Public Works Director Steve Rames, City Attorney Danielle Myers-Noelle, Police Chief Bill Mizner, and Public Works Director Shane Weidner.

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 Jackson, to approve the agenda as printed. Roll call: Ayes: Dahlkoetter, Granquist, Jackson, Lange, Merrill, Moenning, Murren and Pfeil. Nays: None. Absent: Fauss. Motion carried.

Minutes

(September 4, 2018)

Lange moved, seconded by Jackson to approve the minutes of the September 4, 2018 Agency meeting as printed.

Roll call: Ayes: Dahlkoetter, Granquist, Jackson, Lange, Merrill, Moenning, Murren and Pfeil. Nays: None. Absent: Fauss. Motion carried.

Resolution No. 2018-12

(Legacy Bend Redevelopment Plan Amendment)

Merrill moved, seconded by Granquist to adopt Resolution No. 2018-12 to approve the Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area and authorize forwarding to the City Council for consideration.

Treasurer Randy Gates explained the Redevelopment Plan for the Legacy Bend Redevelopment Area was approved by the City Council on January 16, 2018. The Plan provided for redevelopment of the Legacy Bend Area in multiple phases with each phase requiring an amendment to the Plan. The Redeveloper is moving forward with the next phase and incorporating a significant portion of what was originally anticipated to be Phases II and III into a single Phase II which reduces the total number of anticipated phases from eight to seven. This amendment is considered a substantial plan modification requiring the full hearing process for a new redevelopment plan. The new Phase II will consist of approximately 154 dwelling units (41 single family, 8 townhouses and 105 multi-family dwelling)

compared to a combined total of the original Phases II and III of 131 dwelling units (63 single family, 12 townhouses and 56 multifamily dwelling). Phase II is expected to consist of 6 sub-phases at a total cost of approximately \$20.7 million (\$4.8 million of tax increment financing leveraging more than \$15.9 million of private funds). The Community Development Agency accepted the Plan on September 4, 2018 and forwarded it to the Planning Commission for recommendation. On September 18, 2018 the Planning Commission held a hearing on the Plan and voted 9-0 to recommend approval.

Roll call: Ayes: Dahlkoetter, Granquist, Jackson, Lange, Merrill, Moenning, Murren and Pfeil. Nays: None. Absent: Fauss. Motion carried. Resolution No. 2018-12 was adopted.

Resolution No. 2018-13
(Channel Road Redevelopment Agreement)

Lange moved, seconded by Murren to adopt Resolution No. 2018-13 approving the Redevelopment Agreement with Channel Road Land, LLC.

Treasurer Randy Gates explained the City Council approved the Channel Road Land, LLC Development Redevelopment Plan on September 17, 2018. An updated redevelopment agreement was distributed at the meeting with minor changes, including the following: Section 5, Redevelopment agreement is subordinate to the HUD loan; and Section 13, proper signatory and address for the developer. The agreement provides for Phase One construction of an apartment complex consisting of approximately 160 apartments in 20 apartment buildings with 8 apartments each. The development will include a club house of 3,200 square feet, a pool and eight garage structures. Phase One construction will begin in the spring of 2019. Phase Two is the construction of an approximately 10,000 square foot commercial building anticipated in 2020. Total cost of developing the project is approximately \$26 million (\$3.7 million of tax increment financing leveraging almost \$22.3 million of other funds).

Roll call: Ayes: Granquist, Jackson, Lange, Merrill, Moenning, Murren and Pfeil. Nay: Dahlkoetter. Absent: Fauss. Motion carried. Resolution No. 2018-13 was adopted.

There being no further business, the Chair declared the meeting adjourned at 5:21 p.m.

Josh Moenning, Chair

ATTEST:

Elizabeth A. Deck, Secretary

(S E A L)

RESOLUTION NO. 2018-14

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF NORFOLK, NEBRASKA, ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORFOLK, ACTING AS THE GOVERNING BODY OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF NORFOLK, NEBRASKA; AUTHORIZING THE ISSUANCE OF A TAX INCREMENT REVENUE BOND; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BOND; PLEDGING REVENUES OF THE AGENCY PURSUANT TO THE COMMUNITY DEVELOPMENT LAW; AND AUTHORIZING THE ISSUANCE OF SAID BOND.

BE IT RESOLVED by the Mayor and City Council of the City of Norfolk, Nebraska (the "City"), acting as the governing body of the Community Development Agency of the City of Norfolk, Nebraska (the "Agency"), as follows:

Section 1. The Mayor and City Council of the City hereby find and determine:

(a) that the Mayor and City Council of the City duly created the Agency by ordinance for purposes of assisting with redevelopment of blighted and substandard real estate located within the City; that the Agency has and may exercise all of the powers of a redevelopment authority provided for under the Nebraska Community Development Law, sections 18-2101, et. seq., of the Nebraska Revised Statutes (the "Act"); that there has been prepared a redevelopment plan, entitled "City of Norfolk Redevelopment Plan for the Channel Road Land, LLC Development" (the "Plan") for the redevelopment of the real estate described and referred to in Exhibit A (hereinafter in this Resolution referred to as the "Project Area");

(b) that prior to the recommendation or approval of the Plan an area which includes the Project Area was declared blighted and substandard by action of the Mayor and City Council of the City;

(c) that the City has had in effect its comprehensive plan for the development of the City from the time prior to the preparation of the Plan;

(d) that the Plan was submitted to the Planning Commission of the City and approved and thereafter recommended by the Agency to the Mayor and City Council of the City, as and to the extent required by the Act;

(e) that on the 17th day of September, 2018, the Mayor and City Council of the City held a public hearing on the Plan, for which notice was given by publication prior to such hearing in the *Norfolk Daily News* on August 31, 2018 and September 7, 2018, and, after such hearing, the Mayor and Council gave their approval to the Plan;

(f) that the Plan, among other things, calls for the site preparation and construction of a multi-family residential apartment complex and commercial building, together with the public improvements related thereto, as more particularly described in the Plan;

(g) that Channel Road Land, LLC, a Nebraska limited liability company (hereafter in this

Resolution referred to as the "Redeveloper"), will undertake the redevelopment of the real estate in the Project Area by constructing Phase I and Phase II, as described in the Plan and the redevelopment agreement entered into between Redeveloper and the Agency, dated October 1, 2018, attached hereto as Exhibit B and incorporated herein by reference (the "Redevelopment Contract"), and the City and the Agency have previously communicated willingness to assist such redevelopment in order to encourage employment and economic development of the City as well as for the redevelopment of a blighted and substandard area of the City;

(h) that Redeveloper and the Agency anticipate that, prior to issuance of the Bond (defined below), Redeveloper will submit an amendment to the Redevelopment Contract, as contemplated therein, establishing an "effective date" (as defined in the Act), and specifically identifying that portion of the Project Area redeveloped as part of Phase I (the "Phase I Area"), as generally depicted in the preliminary site plan attached hereto as Exhibit C;

(i) that Redeveloper and the Agency anticipate that, subsequent to the commencement of construction for Phase II, Redeveloper will submit an amendment to the Redevelopment Contract, as contemplated therein, establishing an effective date, and specifically identifying that portion of the Project Area redeveloped as part of Phase II (the "Phase II Area"), as generally depicted in the preliminary site plan attached hereto as Exhibit C;

(j) that Redeveloper has incurred or is expected to incur costs in excess of \$25,961,077 relating to redevelopment of the Project Area (the "Project Costs") pursuant to the Plan and the Redevelopment Contract;

(k) that the Redeveloper and the Agency have agreed in writing to a minimum valuation of the Project Area of \$4,496,400 by January 1, 2020, and \$20,589,600 by January 1, 2021 per Section 3(b) of the Redevelopment Contract;

(l) that the Agency and the City have agreed to assist the Redeveloper with certain grants as set forth in the Redevelopment Contract and in consideration for undertaking the costs of constructing the improvements associated with Phase I and Phase II in the Project Area, and for such purpose it is necessary for the Agency to authorize the issuance of its tax increment revenue bond in an amount not to exceed \$3,700,000 (the "Bond");

(m) that the Redevelopment Contract provides that the Agency will assist the Redeveloper with certain grant assistance and the issuance of the Bond as provided for in this Resolution;

(n) that all ad valorem taxes received by the Agency's Treasurer related to the Project Area shall be allocated to the Bond pursuant to the terms of said Bond; and

(o) that all conditions, acts and things required by law to exist or to be done precedent to the authorizing of the Agency's Bond as provided for in this Resolution do exist and have been done as provided by law, or will be done prior to the Agency's issuance of the Bond to Redeveloper.

Section 2. Contingent upon the satisfaction of Sections 1(h) and 1(o) of this Resolution, the Bond in an amount not to exceed Three Million Seven Hundred Thousand Dollars (\$3,700,000) is hereby ordered issued in accordance with Section 18-2125, R.R.S. Neb. 2012, by the Agency and shall be designated as its "Tax Increment Revenue Bond of the Community Development Agency for City of Norfolk,

Nebraska (Channel Road, LLC Development)," in such series as determined by the Agency. The Bond shall be issued in the single denomination in an amount not to exceed \$3,700,000. The Bond shall be dated as of the date of its delivery ("Dated Date"). The Bond shall bear interest from the Dated Date until maturity (or earlier redemption) at the rate of five percent (5.00%) per annum. The principal of the Bond shall become due on December 31, 2038, provided that such principal amount shall be subject to mandatory redemption from "Available Funds" as described in Section 5 below on June 1 and December 1 of each year. All interest upon the Bond shall be payable on June 1 of the year subsequent to the year of the effective date for Phase I and semiannually thereafter on and June 1 and December 1 of each year until full maturity of the Bond.

The Bond shall be issued in fully registered form. The Agency's Treasurer (the City Treasurer of the City of Norfolk) is hereby designated as paying agent and registrar for the Bond (the "Agent"). The Agent shall serve in such capacities pursuant to the terms of this Resolution. The interest due on each interest payment date prior to maturity shall be payable to the registered owner of record as of the last business day of the calendar month immediately preceding the calendar month in which such interest payment date occurs (the "Record Date"), subject to the provisions of Section 4 hereof. Payments of interest due on the Bond, except for payments due on final maturity date, or other final payment, shall be made by the Agent by mailing or delivering a check or draft in the amount then due for interest on the Bond to the registered owner of the Bond, as of the Record Date for such interest payment date, to such owner's registered addresses as shown on the books of registration as required to be maintained in Section 3 hereof. Payments of principal and interest due at final maturity or other final payment shall be made by the Agent to the registered owner upon presentation and surrender of the Bond to the Agent at the Agency's offices at City Hall in the City of Norfolk, Nebraska. The Agency and the Agent may treat the registered owner of the Bond as the absolute owner of the Bond for the purpose of making payments thereon and for all other purposes and neither the Agency nor the Agent shall be affected by any notice or knowledge to the contrary, whether the Bond or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of the Bond in accordance with the terms of this Resolution shall be valid and effectual and shall be a discharge of the Agency and the Agent, in respect of the liability upon the Bond or claims for interest to the extent of the sum or sums so paid.

Section 3. The Agent shall keep and maintain for the Agency books for the registration and transfer of the Bond at the Agency's offices at City Hall in Norfolk, Nebraska. The name and registered address of the registered owner of the Bond shall at all times be recorded in such books. The Bond may be transferred pursuant to its provisions at the Agency's offices by surrender of such Bond for notation of transfer, accompanied by a written instrument of transfer, in form satisfactory to the Agent, duly executed by the registered owner in person or by such owner's duly authorized agent, and thereupon the Agent on behalf of the Agency will register such transfer upon its books and make notation thereof on the Bond and deliver the Bond at its office to the transferee owner (or send it by registered mail to the transferee owner thereof at such transferee owner's expense). Any transfers of the Bond shall be upon the basis of a private placement and each proposed transferee registered owner shall furnish the Agent with assurances in form satisfactory to the Agent that such Bond is being purchased for investment purposes only, without view to redistribution and upon the independent credit judgment and investigation of the proposed transferee. The Agency and the Agent shall not be required to transfer the Bond during any period from any Record Date until its immediately following interest payment date or to transfer the Bond when called for redemption, in whole or in part, for a period of 15 days next preceding any date fixed for redemption or partial redemption.

Section 4. In the event that payments of interest or for mandatory partial redemption due on the

Bond on any interest payment date are not timely made, such interest or redemption price shall cease to be payable to the registered owner as of the Record Date for such interest payment date and shall be payable to the registered owner of the Bond as of a special date of record for payment of such defaulted interest or redemption price as shall be designated by the Agent whenever monies for the purpose of paying such defaulted interest or redemption price become available.

Section 5. At any time, the Agency shall have the option of prepaying in whole or in part principal of the Bond. Any such optional prepayment of principal shall be accompanied by an amount equal to all accrued but unpaid interest on the principal amount being prepaid. Notice of any optional redemption for the Bond shall be given at the direction of the Agency by the Agent by mail not less than 15 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of the Bond at said owner's registered address. Notice of call for redemption may be waived in writing by any registered owner. In the event of prepayment in whole the Bond shall be cancelled. The determination of the amount and timing of any optional redemption of the Bond shall be in the absolute discretion of the Agency. The Bond shall also be subject to mandatory partial redemption, without notice, on each interest payment date from all funds to be available in the Bond Payment Account (as hereinafter established and defined in section 7 of this resolution), including all amounts, if any, from investment earnings for such fund, rounded down to the nearest one hundred dollars, after payment of all accrued but unpaid interest on each interest payment date (which funds are referred to in this Resolution as "Available Funds"). Available Funds shall be applied to the prepayment of principal on each interest payment date and shall be remitted to the registered owner of the Bond with interest payments. The Agent shall mark the Agent's records with respect to each mandatory partial principal prepayment made from Available Funds and it shall not be necessary for the registered owner to present the Bond for notation of such prepayment. The records of the Agent shall govern as to any determination of the principal amount of the Bond outstanding at any time and the registered owner shall have the right to request information in writing from the Agent at any time as to the principal amount outstanding upon the Bond.

Section 6. The Bond shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF MADISON**

**TAX INCREMENT REVENUE BOND OF
THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF NORFOLK,
NEBRASKA (CHANNEL ROAD LAND, LLC DEVELOPMENT)
SERIES _____**

Dated Date: _____

Principal Amount

Interest Rate Per Annum

Final Maturity Date

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Development Agency for the City of Norfolk, Nebraska (the "Agency"), hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to the registered owner designated on the reverse hereof, or registered assigns, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate per annum set forth above. Said interest shall be payable on June 1 of the year subsequent to the year of the "effective date" (as defined in the Nebraska Community Development Law) for "Phase I" as defined in the "Plan" (defined below) and semiannually thereafter on June 1 and December 1 of each year.

The payment of principal and interest due upon the final maturity is payable upon presentation and surrender of this bond to the Treasurer of the Agency, as Paying Agent and Registrar for the Agency, at the offices of the Agency, at City Hall, in Norfolk, Nebraska. The payments of interest and of mandatory redemptions of principal on each interest payment date (other than at final payment) will be paid when due by a check or draft mailed or delivered by said Paying Agent and Registrar to the registered owner of this bond, as shown on the books of record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the record date such interest was payable, and shall be payable to the person who is the registered owner of this bond on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

This bond is the sole bond of its series of the total principal amount of _____ Dollars (\$ _____) issued by the Agency for the purpose of paying a portion of the costs of redevelopment of certain real estate as described in the Redevelopment Contract (as defined in the Resolution) and as designated in that Redevelopment Plan recommended by the Agency and approved by the Mayor and City Council of the City of Norfolk, Nebraska, on September 17, 2018 (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2012, as amended, and has been duly authorized by resolution passed and approved by the Mayor and Council of the City of Norfolk, acting as the governing body of the Agency (the "Resolution").

The conditions for the issuance and purchase of this bond are set forth in the "Redevelopment Contract" (as defined in the Resolution) and the terms and conditions of the Redevelopment Contract are incorporated herein by reference.

The Agency, however, 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 prepayment 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 Resolution. The principal of this bond shall be subject to mandatory optional redemptions made in part on any interest payment date from "Available Funds" (as defined in the Resolution) without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the Resolution.

A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT AND REGISTRAR. THE REGISTERED OWNER OR ANY TRANSFEREE OR ASSIGNEE OF SUCH REGISTERED OWNER MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED BY THE RECORDS OF THE PAYING AGENT AND REGISTRAR IN THE MANNER PROVIDED IN THE RESOLUTION.

This bond constitutes a limited obligation of the Agency payable exclusively from that portion of the ad valorem real estate taxes mentioned in Section 18-2147, R.R.S. Neb. 2012, as levied, collected and apportioned from year to year with respect to certain real estate described in the Redevelopment Contract and located within the "Project Area" (as defined in the Resolution) for all taxes received by the Agency's Treasurer attributable to the Project Area which are received by said Treasurer as of and from and after May 1 of the year subsequent to the year of the "effective date" (as defined in a subsequent amendment to the Redevelopment Contract) with respect to the "Phase I Area" and "Phase II Area" (as defined in the Resolution) and which are attributable to valuation increases of the real estate described in the Redevelopment Contract and within the Project Area based on any increase in the taxable value determined as of the effective date for the Phase I Area and Phase II Area.

Pursuant to the Resolution and Sections 18-2124 and 18-2150, R.R.S. Neb. 2012, said portion of taxes has been pledged for the payment of this bond, both principal and interest as the same fall due or become subject to mandatory redemption. This bond shall not constitute a general obligation of the Agency and the Agency shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. **This bond shall not constitute an obligation of the State of Nebraska or of the City of Norfolk (except for such receipts as have been pledged pursuant to said Sections 18-2124 and 18-2150 R.R.S. Neb. 2012) and neither the State of Nebraska nor the City of Norfolk shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged as described above in this paragraph).** Neither the members of the Agency's governing body nor any person executing this bond shall be liable personally on this bond by reason of the issuance hereof.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this bond for notation of transfer

as provided on the reverse hereof and subject to the conditions provided for in the Resolution. The Agency, the Paying Agent and Registrar and any other person may treat the person whose name this bond is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not. THIS BOND, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

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

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Agency, including this bond, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, the Mayor and City Council of the City of Norfolk, Nebraska, as the governing body of the Agency have caused this bond to be executed on behalf of the Agency by being signed by the Mayor and City Clerk, all as of the Dated Date shown above.

Dated this ____ day of _____, 2018.

COMMUNITY DEVELOPMENT AGENCY
FOR THE CITY OF NORFOLK, NEBRASKA

ATTEST:

By: _____ (Sample – Do Not Sign)
Chairperson

(Sample – Do Not Sign)
Secretary

PROVISION FOR REGISTRATION

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

Date of Registration	Name of Registered Owner	Signature of Paying Agent and Registrar
_____, 20__	Channel Road Land, LLC	(Sample – Do Not Sign)

Section 7. The effective date (as defined in the Act) with respect to the Phase I Area and Phase II Area shall be set forth in amendments to the Redevelopment Contract, as contemplated therein. Redeveloper shall submit such an amendment to the Agency for the Phase I Area prior to issuance of the Bond. After the effective date for each phase, ad valorem taxes on real property located within the area associated with such phase are to be apportioned pursuant to Section 18-2147, R.R.S. Neb. 2012, as amended. As of and from May 1 of the year subsequent to the year of the effective date with respect to the Phase I Area and Phase II Area, that portion of the ad valorem taxes collected on the real estate located within the Phase I Area and Phase II Area, as applicable, which is described in subdivision (1)(b) of Section 18-2147, R.R.S. Neb. 2012, as amended, and which ad valorem taxes received by the Agency's Treasurer attributable to the Phase I Area and Phase II Area, as applicable, which are attributable to valuation increases determined as of the effective dates for the Phase I Area and Phase II Area (the "Project Area Tax Receipts"), shall be paid into a special fund of the Agency to be designated as the "Community Development Agency — Channel Road, LLC Project Fund" (the "Bond Payment Account") to be held by the Agent for application to payments on the Bond.

The Agency hereby pledges for the payment of the Bond both principal and interest as the same fall due, equally and ratably, all Project Area Tax Receipts associated with the real estate described in the Redevelopment Contract and so paid into the Bond Payment Account as a prior and first lien upon said receipts for the security and payment of the Bond. Monies held in the Bond Payment Account shall be invested to the extent practicable and investment earnings on such monies shall be applied in the same manner as all other funds held in the Bond Payment Account.

Section 8. The Bond shall be executed on behalf of the Agency by the Chairperson (Mayor) and Secretary (City Clerk). Upon execution, the Bond shall be registered by the Agent in the name of the Redeveloper or its designee as the initial registered owner and shall be delivered in consideration of the performance by the Redeveloper (and certain of its predecessors) in accordance with the Plan. The Redeveloper may request notation of a pledge interest in the Bond on the records of the Agent. The initial purchaser (and any pledgee) of the Bond shall be required to deliver an investment representation letter to the Agent. Such letter shall be satisfactory in form to the officers of the Agency, or any one or more of them, as advised by the Agency's attorneys.

Section 9. If the date for payment of the interest or principal on the Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Norfolk, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 10. The Secretary of the Agency shall make and certify one or more copies of the transcripts of the proceedings of the Agency precedent to the issuance of the Bond one of which copies shall be delivered to the Agency.

Section 11. The Chairperson (Mayor) and Secretary (City Clerk) or any one of them are hereby authorized to take any and all actions, and to execute any and all documents deemed by them necessary to effect the transactions authorized by this Resolution.

Section 12. The authorization for the Bond provided for in this Resolution is based upon expectations as to completion of construction, valuation and proposed tax rates suggested by and/or agreeable to the Redeveloper. The Agency has given and hereby gives no assurances that such

expectations will in fact be fulfilled.

Section 13. Interest on the Bonds shall be subject to taxation for both federal and Nebraska state income taxes, as and to the extent provided by law, and no information report shall be filed with the Internal Revenue Service under Section 149(e) of the Code.

Section 14. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 15. This Resolution shall be in force and take effect from and after its adoption as provided by law.

Passed and Approved this ___ day of _____, 2018.

(SEAL)

Chairperson (Mayor)

ATTEST:

Secretary (City Clerk)

Exhibit "A"

Legal Description of the Project Area

A tract of land lying wholly in the Northwest 1/4 of the Southwest 1/4 of Section 25, Township 24 North, Range 1 West of the 6th P.M. Madison County, Nebraska which is more particularly described as follows:

Beginning at a point which is 393.0 feet South of the West 1/4 corner of said Section 25; thence South along the West line at said Section 25 to the Southwest corner of the NW1/4SW1/4 of said Section 25; thence East along the South line of said NW1/4SW1/4 of said Section 25, to the Southeast corner of said NW1/4SW1/4 of said Section 25; thence North along the East line of said NW1/4SW1/4 of said Section 25, to the point where said East line intersects with the Southwesterly right-of-way line of U.S. Highway 275; thence in a Northwesterly direction, along said Southwesterly right-of-way line to a point on said right-of-way line which is 598.6 feet directly East of the point of beginning; thence West 598.6 feet to the point of beginning; EXCEPT part conveyed to the State of Nebraska Department of Roads for highway purposes.

Exhibit "B"
Redevelopment Contract

(See attached)

**REDEVELOPMENT AGREEMENT
FOR THE
CITY OF NORFOLK
REDEVELOPMENT PLAN FOR THE
CHANNEL ROAD LAND, LLC DEVELOPMENT**

This Redevelopment Agreement (“**Redevelopment Agreement**”) is made and entered into as of the 1st day of October, 2018, by and between the Community Development Agency of the City of Norfolk, Nebraska (the “**Agency**”) and Channel Road Land, LLC, a Nebraska limited liability company (“**Redeveloper**”). The Agency and/or Redeveloper may be referred to hereinafter as the “**Party**” or collectively as the “**Parties**”.

WITNESSETH:

WHEREAS, the Mayor and Council of the City of Norfolk, Nebraska (the "City") has adopted and approved a plan entitled “City of Norfolk Redevelopment Plan for the Channel Road Land, LLC Development,” as may be amended and supplemented (the “**Plan**”), for the real estate described on Exhibit “A” hereto attached and by such reference incorporated herein (the “**Redevelopment Project Area**”), which is located in the City, and which has previously been declared blighted and substandard or otherwise eligible for redevelopment by the Mayor and Council of the City; and

WHEREAS, the Agency has encouraged and induced Redeveloper to engage in certain development activities and construct improvements in the Redevelopment Project Area and Redeveloper is not willing to incur the substantial investment necessary for such redevelopment of the Redevelopment Project Area without the assistance of tax-increment financing (“**TIF**”) provided by the Agency to Redeveloper in this Redevelopment Agreement; and

WHEREAS, Redeveloper pursuant to the Plan is undertaking the phased construction of a 160-apartment multifamily housing development and a commercial building within the Redevelopment Project Area, all as more particularly described in the Plan (collectively, said improvements are referred to in this Redevelopment Agreement as the “**Redevelopment Project**”); and

WHEREAS, “**Phase One**” of the Redevelopment Project includes the construction of approximately 160 apartments in 20 apartment buildings with 8 apartments each, a clubhouse of approximately 3,200 square feet, a pool, and eight garage structures covering an additional 16,000 square feet, all as more particularly described in the Plan, Exhibit “B” and Exhibit “C”, attached hereto and incorporated herein; and

WHEREAS, “**Phase Two**” of the Redevelopment Project includes the construction of an approximately 10,000 square foot commercial building, as more particularly described in the Plan, Exhibit “B” and Exhibit “C”; and

WHEREAS, the real property within the Redevelopment Project Area, other than easements for public utilities, is to be privately owned by Redeveloper; and

WHEREAS, the Agency proposes to authorize the issuance of a tax increment revenue bond (the “**Bond**”), to provide for eligible costs relating to the Phase One and Phase Two of redevelopment of the Redevelopment Project Area, as shall be more specifically described in a resolution to be adopted by the governing body of the Agency (the “**Resolution**”); and

WHEREAS, Phase One will occur within a portion of the Redevelopment Area, as shown on Exhibit "B", attached hereto and incorporated herein; and

WHEREAS, Phase Two will occur within a portion of the Redevelopment Area, as shown on Exhibit "B";

WHEREAS, Redeveloper seeks the assistance of the Agency for the costs of the eligible improvements for the Redevelopment Project and therefore is willing to agree to the conditions herein set forth as an inducement to the Agency to issue the Bond as provided in the Resolution;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, the Agency and Redeveloper do hereby agree, covenant and warrant as follows:

Section 1. Representations, Warranties and Covenants of Redeveloper.

Redeveloper hereby represents, covenants and warrants as follows:

- (a) Redeveloper is a Nebraska limited liability company duly organized and existing under the laws of the State of Nebraska, is not in violation of any provisions of its Articles of Organization or operating agreement(s), is authorized to enter into and perform its obligations under this Redevelopment Agreement and, to the best of the knowledge of Redeveloper, is not in violation of the laws of the State of Nebraska.
- (b) Throughout the term of this Redevelopment Agreement, Redeveloper will reasonably endeavor to construct, operate and maintain the Redevelopment Project in accordance with the terms of this Redevelopment Agreement and the Plan, or amendments thereof, and all applicable local, state and federal laws and regulations (including, without limitation, environmental, zoning, building code and public health laws and regulations). Throughout the term of this Redevelopment Agreement and subject to the provisions of Section 19 of this Redevelopment Agreement, in the event of any casualty damage to the Redevelopment Project, as and to the extent owned by Redeveloper, Redeveloper agrees to repair and reconstruct such damaged portion or portions of the Redevelopment Project so that such reconstructed real property has a taxable value at least equal to the value as most recently determined prior to the event or events of casualty loss. Redeveloper agrees to substantially effect such repair and reconstruction whether or not insurance proceeds are sufficient or available for such purposes.

- (c) Redeveloper shall endeavor in good faith to complete Phase One on or before December 31, 2020, at an estimated cost of \$23,461,077.
- (d) Redeveloper shall endeavor in good faith to complete Phase Two on or before December 31, 2021, at an estimated cost of \$2,500,000.
- (e) Redeveloper has not received notices or communications from any local, state or federal official or body that the activities of Redeveloper respecting the Redevelopment Project Area or the construction of the Redevelopment Project thereon may be or will be in violation of any law or regulation.
- (f) Redeveloper will use its best efforts to obtain or to cause others to obtain, in a timely manner, all required permits, licenses and approvals and to meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met for the Redevelopment Project to be lawfully constructed, occupied or operated.
- (g) The execution and delivery of this Redevelopment Agreement, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Redevelopment Agreement are not prevented or limited by and will not conflict with or result in a breach (i) of any provision of any evidence of indebtedness, agreement or instrument of whatever nature to which Redeveloper is now a party or by which it is bound; or (ii) of any past, pending or threatened litigation, court order, or administrative proceeding, by which Redeveloper is or might become bound.
- (h) To the best of the knowledge of Redeveloper, Redeveloper is not aware of any hazardous waste or other significant environmental pollution condition or hazard existing on or within the Redevelopment Project Area.
- (i) Redeveloper acknowledges and agrees that neither the Agency nor the City shall be obligated to pay any costs related to the Redevelopment Project other than costs to be paid from available grant monies, if any, and Redeveloper hereby undertakes and agrees to pay any and all such cost. All costs (both public and private) of the Redevelopment Project shall be paid in full and there are and shall be no construction liens unpaid against the Redevelopment Project Area or any of the improvements thereon. Redeveloper agrees to provide for the construction of both the Redevelopment Project public and private improvements located within the Redevelopment Project Area as described in the Plan or as described in this Redevelopment Agreement, except to the extent that the Agency or the City shall agree otherwise by separate written agreement with Redeveloper.
- (j) Redeveloper agrees and covenants for itself, its successors and assigns that as long as the Bond 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 Redevelopment Project. Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Redevelopment Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance. Redeveloper will comply with all applicable federal, state and local laws related to the Redevelopment Project.

- (k) Redeveloper agrees that any contractor providing services related to the Redevelopment Project will utilize the federal immigration verification system, as defined in Section 4-114, *Neb. Rev. Stat.* 2012, to determine the work eligibility status of new employees physically performing services on the Redevelopment Project.
- (l) Redeveloper owns or has contracted to purchase the Redevelopment Project Area, in fee simple and free from any liens, encumbrances, or restrictions which would prevent the performance of this Redevelopment Agreement by Redeveloper.
- (m) Any general contractor chosen by Redeveloper or Redeveloper itself shall obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate, and a penal bond as required by the Act and section 9 of this Redevelopment Agreement. The Agency, the City and Redeveloper shall be named as additional insureds on each such policy. Any contractor chosen by Redeveloper or Redeveloper itself, as an owner, shall be required to purchase and maintain property insurance upon the Redevelopment Project to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include "All Risk" insurance for physical loss or damage. The contractor with respect to any specific contract or Redeveloper shall also carry insurance on all stored materials. The contractor or Redeveloper, as the case may be, shall furnish the Agency and the City with a certificate of insurance evidencing policies as required above. Such certificates shall state that the insurance companies shall give the Agency and the City prior written notice in the event of cancellation of or material change in any of the policies.
- (n) At all times during the term of this Redevelopment Agreement, Redeveloper shall maintain policies insuring the improvements located within the Redevelopment Project Area in an amount equal to at least ninety percent (90%) of their full insurable value.
- (o) Upon full execution of this Redevelopment Agreement, Redeveloper shall reimburse the Agency for special counsel fees in the amount of \$10,000 (less any amounts already paid by Redeveloper to Agency), payable to the Agency or Agency's special counsel, for fees incurred in relation to the Plan and this

Redevelopment Agreement. Special counsel fees incurred by the Agency in relation to the Bond shall be reimbursed in the manner prescribed under Section 8.

Section 2. Incorporation of Plan; Agency to Issue Bond.

This Redevelopment Agreement hereby incorporates the Plan by this reference. The Agency and Redeveloper anticipate that the Redevelopment Project and related construction will be undertaken and constructed in two (2) phases. The Parties anticipate that a total of one (1) bond will be issued for the Redevelopment Project (i.e., one bond encompassing both phases). Each phase of the Redevelopment Project will specifically identify the specific lots within the Redevelopment Project Area that will be developed in that phase. Each phase will have a different "**effective date**" (as defined in the Act) for the division of ad valorem taxes along with a new increment period. The increment for each phase will end after the applicable 15 year period or at the maturity date of the Bond, whichever occurs first. The applicable effective dates will be established by Redevelopment Agreement Amendments (defined below).

In accordance with Section 18-2147 of the Act and the terms of the Resolution, the Agency hereby provides that any ad valorem tax on any lot or lots located in the Redevelopment Project Area which is/are properly identified from time to time by the Redeveloper (such Lot or Lots being referred to herein as a "**Phase**") for the benefit of any public body be divided as set forth below. The Redeveloper shall identify such lot or lots in the form of a written notice from the Redeveloper to the Agency in substantially the form attached hereto as Exhibit "D" (each, a "**Redevelopment Agreement Amendment Notice**"). The applicable ad valorem tax shall be divided for a period of fifteen (15) years (for each Phase), or less as set forth herein and/or in such notice, after the effective date set forth in the applicable Redevelopment Agreement Amendment Notice and reflected in a Redevelopment Agreement Amendment, consistent with the Redevelopment Plan.

In order to provide for payment of some of the public improvements for the Redevelopment Project set forth in the Plan and this Redevelopment Agreement, as described in Exhibit "C", attached hereto and incorporated herein (the "**Public Improvements**"), the Agency shall proceed to issue the Bond on a form approved by the Agency, in the principal amount not to exceed Three Million Seven Hundred Thousand Dollars (\$3,700,000), under the Resolution with such terms and conditions as the Agency reasonably determines appropriate under the circumstances to be set forth in the Resolution.

The Bond shall constitute a limited obligation of the Agency payable exclusively from that portion of the incremental ad valorem real estate taxes generated from the Redevelopment Project pursuant to section 18-2147 of the Act and collected for a period not to exceed fifteen (15) years from the effective date of each Phase. Upon receipt, the Agency shall deposit the proceeds of the Bond with the City Treasurer of the City, pursuant to the Resolution, and said Treasurer shall disburse said proceeds to the holder of the Bond (but only from available grant monies) to provide for reimbursement of all or a portion of the costs of the Public Improvements, as identified and allocated on Exhibit "C" ("**Eligible Costs**"), to the extent paid by Redeveloper, as evidenced by paid invoices or other evidence acceptable to the Agency; each such

reimbursement shall be and constitute a grant to Redeveloper made under the terms of this Redevelopment Agreement and the Act.

Unless otherwise determined by the governing body of the Agency, the proceeds of the Bond shall be applied to the costs described above. Unless otherwise determined appropriate by the Agency, the Bond shall be issued on the basis of interest which is includable in income for both federal and Nebraska State income taxes; provided, however, the Parties may agree that any grant paid hereunder to the Redeveloper as reimbursement for the cost of the Public Improvements are for the benefit of the City and the public and are granted pursuant to the contract provisions described herein and that such grant funds are not under the dominion and control of the Redeveloper and should not be construed as income to the Redeveloper under the Internal Revenue Code Section 61 (I.R.C. § 61).

Provided that Redeveloper is then in compliance with the terms and conditions of this Redevelopment Agreement and applicable law, the Agency shall be obligated to execute the appropriate Redevelopment Agreement Amendments and otherwise comply with the terms of this Section for the capture of the tax increment for the applicable portion of the Redevelopment Project Area. Specifically, provided a Redevelopment Agreement Amendment Notice (together with a **“Redevelopment Agreement Amendment”**, as defined below) is delivered to the Agency no later than July 1 of the calendar year of the effective date of such Phase (or later if allowed in the sole discretion of the Agency; but in no event later than July 20th of such year), the Agency shall: (a) execute the Redevelopment Agreement Amendment, and (b) file before August 1 of such year a “Notice to Divide Tax for Community Redevelopment Project” for such Phase with the office of the Madison County Assessor, without requirement of additional hearings or public notice.

A **“Redevelopment Agreement Amendment”** shall mean an amendment to this Redevelopment Agreement, in form and substance acceptable to the Agency, executed pursuant to a Redevelopment Agreement Amendment Notice delivered by the Redeveloper as provided above, all prepared in accordance with this Redevelopment Agreement and the Act, establishing the legal description of the Lots in such Phase, and including the effective date for such Phase, the base year valuation, and such other provisions as may be deemed necessary by the Agency including usual and customary representations.

Section 3. Covenants With Respect to Taxation of Redevelopment Project Area.

Redeveloper agrees with respect to the Redevelopment Project as follows:

- (a) Until the termination of this Redevelopment Agreement (as described in Section 18 hereof), the Redevelopment Project shall be operated for the use substantially similar to that contemplated in the Plan and no sale or conveyance of such property shall be made to any person or entity for ownership or use which would cause the real property within the Redevelopment Project Area to be eligible for exemption from ad valorem taxes under Section 77-202 R.R.S. Neb. 2009, as now existing or hereafter amended, or any successor provision thereto, and that it will

not make application for any structure, or any portion thereof, to be taxed separately from the underlying land of any lot.

- (b) Redeveloper intends to create a taxable real property valuation of the Redevelopment Project Area of not less than \$4,496,400 by January 1, 2020, and \$20,589,600 by January 1, 2021.
- (c) If Redeveloper has monetized the Bond by pledging it to its lender, Redeveloper shall solely be responsible for all payments due to such lender; or if Redeveloper is the holder of the Bond, 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, Redeveloper shall be entitled to receive reimbursement of any such shortfall payment to the extent incremental ad valorem taxes later become available during the fifteen (15) year period prescribed by the Act (for each Phase) in an amount in excess of the amount necessary to meet the current debt service payments. Redeveloper shall forgive any such shortfall amounts not reimbursed at the end of the fifteen (15) year period prescribed by the Act (for each Phase).
- (d) Redeveloper, its successors and assigns, including subsequent purchasers of land within the Redevelopment Project Area, further agree as follows:
 - (i) to pay all local ad valorem real estate taxes for the Redevelopment Project Area as levied and assessed before the same become delinquent; and
 - (ii) not to seek any administrative review or judicial review of the applicability or validity of any tax statute relating to taxation of the Redevelopment Project or to raise such inapplicability or invalidity as a defense in any administrative or judicial proceedings; and
 - (iii) not to seek any tax deferral or tax abatement with respect to local ad valorem taxes, either as presently or prospectively authorized under any law of the State of Nebraska or federal law with respect to the Redevelopment Project; and
 - (iv) to pay or cause to be paid, when due and before any fine, penalty, interest or cost may be added thereto for the non-payment thereof, all water and sewer rates and charges, occupancy tax, special assessments and other governmental levies and charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, which are assessed, levied, confirmed, imposed or become payable with respect to the Redevelopment Project; provided, however, that any special assessments levied for water, sewer or paving improvements shall be permitted to be paid as the same fall delinquent and may bear interest from the date of levy or other appropriate date set by the levying body; and

- (v) to retain copies of all supporting documents (as defined under section 18-2119(4) of the Act) actually generated and received by Redeveloper in relation to the Redevelopment Project or Plan until the expiration of three years following the end of the last fiscal year in which ad valorem taxes were divided in relation to the Redevelopment Project.

Section 4. Release and Indemnification.

Redeveloper hereby releases from and covenants and agrees that the Agency and the City, together with their governing body, officers, agents, including their independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purpose of this Section 4, collectively the “**Indemnified Parties**”) shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect arising from the Redevelopment Project or within the Redevelopment Project Area. Provided, however, such release shall not be deemed to include such liability actions as arise directly out of the willful misconduct of the Agency or the City.

Additionally, the Indemnified Parties shall not have any pecuniary obligation or monetary liability under this Redevelopment Agreement. The obligation of the Indemnified Parties on the Bond or any indebtedness contemplated hereunder shall be limited solely to the incremental ad valorem taxes generated from the Redevelopment Project pledged as security for such indebtedness. Specifically, but without limitation, the Indemnified Parties shall not be liable to Redeveloper or any other third party for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder.

Section 5. Covenants to Run with the Land; Easement; Recording of Redevelopment Agreement.

Redeveloper and Agency agree and acknowledge that this Redevelopment Agreement and the undertakings of Redeveloper and the Agency as herein provided for shall be considered as and constitute covenants running with the land binding upon Redeveloper and the Agency and their successors and assigns and upon each successive owner of the Redevelopment Project Area or any portion thereof. Redeveloper hereby acknowledges and agrees that by the terms of this Redevelopment Agreement it is binding and obligating any and all of its interest in the Redevelopment Project Area, now or hereafter acquired, and hereby covenants and warrants for the benefit of the Agency and the registered owner of the Bond that Redeveloper shall defend such interest in the Redevelopment Project Area against the claims and interests of any and all persons. Redeveloper and the Agency agree and acknowledge that a memorandum of this Redevelopment Agreement, in substantially the same form attached as Exhibit "E", shall be recorded at the expense of Redeveloper against all real estate located in the Redevelopment Project Area and shall remain of record until the Bond has been paid in full or matured. The Agency shall have the authority to execute such memorandum(s) without additional public determinations or meetings. As and to the extent that this Redevelopment Agreement does not have priority by order of recording over each and every mortgage or other instrument securing

indebtedness of Redeveloper, Redeveloper hereby agrees to obtain the written agreement in recordable form from each mortgagee or other encumbrancer having any such priority, which written form acknowledges and agrees to the terms of this Redevelopment Agreement. Notwithstanding the foregoing, the Agency and Redeveloper agree that any loan or grant received by Redeveloper from the U.S. Department of Housing and Urban Development ("HUD") for the Redevelopment Project shall be superior to and have priority over this Redevelopment Agreement, and the Agency and Redeveloper shall enter into a subordination, non-disturbance and attornment agreement with respect to any such loan or grant if required by HUD. Redeveloper agrees to provide the Agency with a title report or other evidence as to the status of title to the Redevelopment Project Area after the recording of this Redevelopment Agreement and before the issuance of the Bond. After the Bond has been paid in full, Redeveloper or any successor or assign of Redeveloper shall have the right to request in writing and the Agency shall, upon such request, execute and deliver an appropriate instrument evidencing the termination of this Redevelopment Agreement and of the covenants and undertakings herein provided. The Agency shall have the right, from time to time in its sole and reasonable discretion, to release specific parcels or lots located within the Redevelopment Project Area from any or all of the specific provisions of this Redevelopment Agreement.

Section 6. Default and Remedies upon Default.

Redeveloper and Agency agree with respect to any defaults or failures of performance by Redeveloper or Agency as follows:

- (a) The following shall constitute “**Events of Default**” under the terms of this Redevelopment Agreement:
 - (i) failure by Redeveloper or Agency to observe timely or perform timely any covenant, condition, obligation or agreement on its part to be observed or performed under this Redevelopment Agreement;
 - (ii) any representation or warranty made herein by Redeveloper or Agency proves untrue in any respect reasonably deemed to be material by the Agency or Redeveloper;
 - (iii) an event of default or material breach by or attributable to Redeveloper or Agency relating to the Redevelopment Project or any portion thereof, including, without limitation, breach of the terms of any agreement or other instrument relating to the financing or construction thereof; or
 - (iv) Redeveloper makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt or petitions for an order for relief, petitions or applies to any tribunal for the appointment of any receiver or any trustee or a debtor in possession of Redeveloper or any part of its property or commences any proceeding related to Redeveloper under any reorganization, arrangement, readjustment of debt, dissolution or liquidation act, code, law or statute of any jurisdiction,

whether now or hereafter in effect, or if there is commenced against Redeveloper any such proceedings and Redeveloper by any act indicates its consent or approval of or acquiescence in any such proceeding or the appointment of any receiver or any trustee or debtor in possession for Redeveloper or any part of its property or suffers any such receivership or trusteeship.

- (b) Whenever an Event of Default occurs, in addition to all other remedies available to the Agency or Redeveloper at law or in equity, the Agency or Redeveloper may take such action at law or in equity as the Agency or Redeveloper reasonably deem appropriate, including specific performance or injunction to enforce or compel performance of the provisions of this Redevelopment Agreement; provided that the remedy of specific performance against Redeveloper shall not include or be construed to include the covenant to build or construct private improvements, Public Improvements, or the Redevelopment Project.
- (c) If at any time during the term of this Redevelopment Agreement an Event of Default shall occur and remain continuing and uncured for a period of more than thirty (30) days after written notice from the Agency to Redeveloper of such Event of Default, the City or Agency shall have the right, but not the obligation, to cure such breach on behalf of Redeveloper with respect to the construction of the TIF-eligible Public Improvements. If the City or Agency elects to cure a breach of Redeveloper, Redeveloper shall reimburse the City or Agency for the documented and reasonable costs of curing Redeveloper's breach within 30 days of demand from City or Agency given to Redeveloper. If Redeveloper's breach can be cured by the payment of Eligible Costs, the City or Agency may cure such defect and obtain reimbursement, without notice to Redeveloper, via a set off to the principal amount of the Bond equal to the Eligible Costs expended by the City or Agency. The Eligible Costs expended by the City or Agency must be certified by the City or Agency to the holder of the grant proceeds and all subsequent distributions of grant proceeds shall be distributed to the City or Agency, as applicable, until such Eligible Costs expended by the City or Agency have been reimbursed in full. Interest shall accrue on the amount expended by the City or Agency at the rate provided in the Bond and such interest shall commence from the date that the Agency gives notice to Redeveloper of Redeveloper's Event of Default.
- (d) If at any time during the term of this Redevelopment Agreement an Event of Default shall occur and remain continuing and uncured for a period of more than sixty (60) days after written notice from the Agency to Redeveloper of such Event of Default, the aggregate amount of all grants paid to Redeveloper (including principal and interest) for improvements shall stand forfeited and Redeveloper shall be required to repay the same to the Agency within thirty (30) days' written demand thereof.

- (e) No remedy herein conferred upon or reserved to the Agency or the registered owner of the Bond is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Redevelopment Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
- (f) If any provision of this Redevelopment Agreement is breached by a Party and thereafter waived by the other Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.
- (g) Anything in this Section 6 to the contrary notwithstanding, none of the events described in subsection 6(a)(iv) above shall constitute an Event of Default after Redevelopment Project has been completed and the proceeds of the Bond have been disbursed in full.

Section 7. Status of Agency and City.

Neither the Agency nor the City is or shall be regarded as the partner, joint venturer or other jointly acting party with Redeveloper for any purpose whatsoever and the undertakings and agreements on the part of the Agency herein provided for are undertaken solely pursuant to the provisions of sections 18-2101 to 18-2150 of the Act and for the limited governmental purposes of promoting and encouraging redevelopment of a blighted and substandard area. Redeveloper acknowledges that Redeveloper or its successors and assigns are and shall remain in control of the Redevelopment Project for all purposes provided that Redeveloper acknowledges and agrees that the City is and shall be the owner of and shall be in control of all public street, sewer and water improvements constituting a part of or serving the Redevelopment Project.

Section 8. Manner of Sale of Bond.

Redeveloper agrees either to purchase the Bond for the principal amount thereof or to find a purchaser for the Bond upon terms and conditions acceptable to the Agency. Neither the Agency nor the City under the terms of this Redevelopment Agreement undertakes any responsibility with respects to the sale or placement of the Bond. Any such sale or placement of the Bond shall be by means of a private placement to a financial institution or other institutional buyer capable of evaluating the risks of investment in the Bond or to Redeveloper. Any such purchaser, including Redeveloper, shall provide to the Agency an investment letter setting forth the understanding as to purchase for investment and not for any further distribution, in substantially the same form as Exhibit "F". The loan to be accomplished by this section, and the obligation of the Agency to remit the TIF revenues for the Redevelopment Project as debt service on the Bond, may be accomplished by offset so that no bankable currency is exchanged between the Parties at closing of the Bond, notwithstanding other payments required hereunder.

If the Agency so requests, Redeveloper shall, from time to time, furnish the Agency with satisfactory evidence as to the use and application of the TIF revenues.

Prior to issuance of the Bond, Redeveloper shall reimburse the Agency for its legal fees incurred in relation to the Redevelopment Project in the amount of \$15,000, less any such payments previously made by Redeveloper to the Agency or its special counsel. Such reimbursement shall be payable directly to the Agency or Agency's special counsel, at the direction of the Agency.

Section 9. Indemnification and Penal Bond

Redeveloper hereby agrees to indemnify and save the Agency and City harmless for any payment or liability to which the Agency or City may become subject for carrying out of any contract entered into by Redeveloper with respect to the Redevelopment Project. Redeveloper agrees to provide to the Agency evidence that there is in effect a bond for the payment costs as required under Section 18-2151 of the Act.

Section 10. Additional Parties Added as Redeveloper.

The Parties specifically agree that additional parties or entities may be admitted to and included within the meaning of the term "Redeveloper" upon the mutual written consent of both Parties.

Section 11. Redevelopment Agreement Binding Upon Successors and Assigns.

This Redevelopment Agreement is made for the benefit of Redeveloper, the Agency and the registered owners from time to time of the Bond as third party beneficiaries. This Redevelopment Agreement shall be binding upon the Agency and Redeveloper, and any successors or assigns thereof. Redeveloper may assign its interest in the Redevelopment Project only upon receipt of prior written consent from the Agency. The Agency and Redeveloper acknowledge and agree that, in the event Redeveloper assigns its rights and obligations under this Redevelopment Agreement, in whole or in part, to any assignee, Redeveloper and the assignee shall both be bound by the terms of the Plan and this Redevelopment Agreement (as and to the extent of any such assignment with respect to the Assignee). No assignment by Redeveloper to the Assignee shall be effective until a written instrument binding the Assignee under the terms of the Plan and this Redevelopment Agreement (as and to the extent of such assignment), duly acknowledged and in recordable form, has been executed and delivered by the Assignee and recorded in the real estate records of Madison County, Nebraska, with respect to the Redevelopment Project Area.

Section 12. Titles of Sections.

Any titles of the several Sections of this Redevelopment Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions hereof.

Section 13. Notices.

Except as otherwise specified herein, all notices hereunder shall be in writing and shall be given to the relevant Party at its address set forth below, or such other address as such Party may hereafter specify by notice to the other given by United States mail or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

- (a) in the case of Redeveloper, if mailed to or delivered personally to:

Channel Road Land, LLC
Attn: Robert J. Furley, Manager
11506 Nicholas Street, Ste 100
Omaha, NE 68154

With a copy to:

Michael L. Bacon
Bacon & Vinton, LLO
P.O. Box 208
Gothenburg, NE 69138

- (b) in the case of Agency, if mailed to or delivered personally to:

Norfolk City Clerk
309 N 5th St
Norfolk, NE 68701

With a Copy to:

Norfolk City Attorney
202 N 7th St
Norfolk, NE 68701

Each such notice, request or other communication shall be effective (i) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (ii) if given by any other means, when delivered at the addresses specified in this Section 13 or at any such other address with respect to any such Party as that Party may, from time to time, designate in writing and forward to the other Party as provided in this section.

Section 14. Severability.

If any provision of this Redevelopment Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case, for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative and

unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained, invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, sections or paragraphs in this Redevelopment Agreement shall not affect the remaining portions of this Redevelopment Agreement or any part thereof.

Section 15. Counterparts.

This Redevelopment Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 16. Law Governing.

The Parties agree that this Redevelopment Agreement shall be governed and construed in accordance with the laws of Nebraska.

Section 17. Time of the Essence.

Time shall be of the essence of this Redevelopment Agreement.

Section 18. Termination.

This Redevelopment Agreement shall commence as of the date first above written and shall terminate upon the earlier of fifteen years after the effective date for the final Phase of the Redevelopment Project as set forth in Section 2 of this Redevelopment Agreement or payment of all principal and interest owed toward the Bond.

Section 19. Force Majeure Event.

Neither Redeveloper nor the Agency shall be considered in breach of, or in default in its obligations with respect to any of the obligations under this Redevelopment Agreement in the event that an enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, caused by a Force Majeure Event, which is defined herein as any failure or delay in performance by a Party that is proximately caused by acts of God, or wars or insurrections; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of Redeveloper or the Agency, as the case may be, shall be extended for the period of the enforced delay as determined by the mutual agreement of Redeveloper and the Agency; provided, that Redeveloper or the Agency, as the case may be, shall, within twenty (20) days after the beginning of any such enforced delay, have notified Redeveloper or the Agency (as applicable) in writing of the cause or causes thereof, and requested an extension for the period of the enforced delay.

Section 20. Effect of Redevelopment Agreement.

This Redevelopment Agreement (including the Plan as incorporated by reference) constitutes the entire understanding by and between the Parties concerning the subject matter hereof, and supersedes and replaces all prior agreements. No other prior or contemporaneous representations, inducements, promises or agreements, oral or otherwise, between or among the Parties relating to the subject matter hereof and not embodied in this Redevelopment Agreement shall be of any force and effect.

(The remainder of this page is intentionally left blank)

CHANNEL ROAD LAND, LLC, a Nebraska
limited liability company

By: Robert J Furley

Name: Robert J Furley

Title: 10-4-18 Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF Douglas)

The foregoing instrument was acknowledged before me this 4th day of October, 2018, by Robert J. Furley, Manager of Channel Road Land, LLC, a Nebraska limited liability company, on behalf of the company.

Donna L Christian
Notary Public

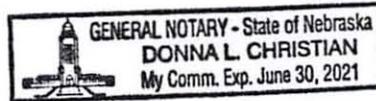


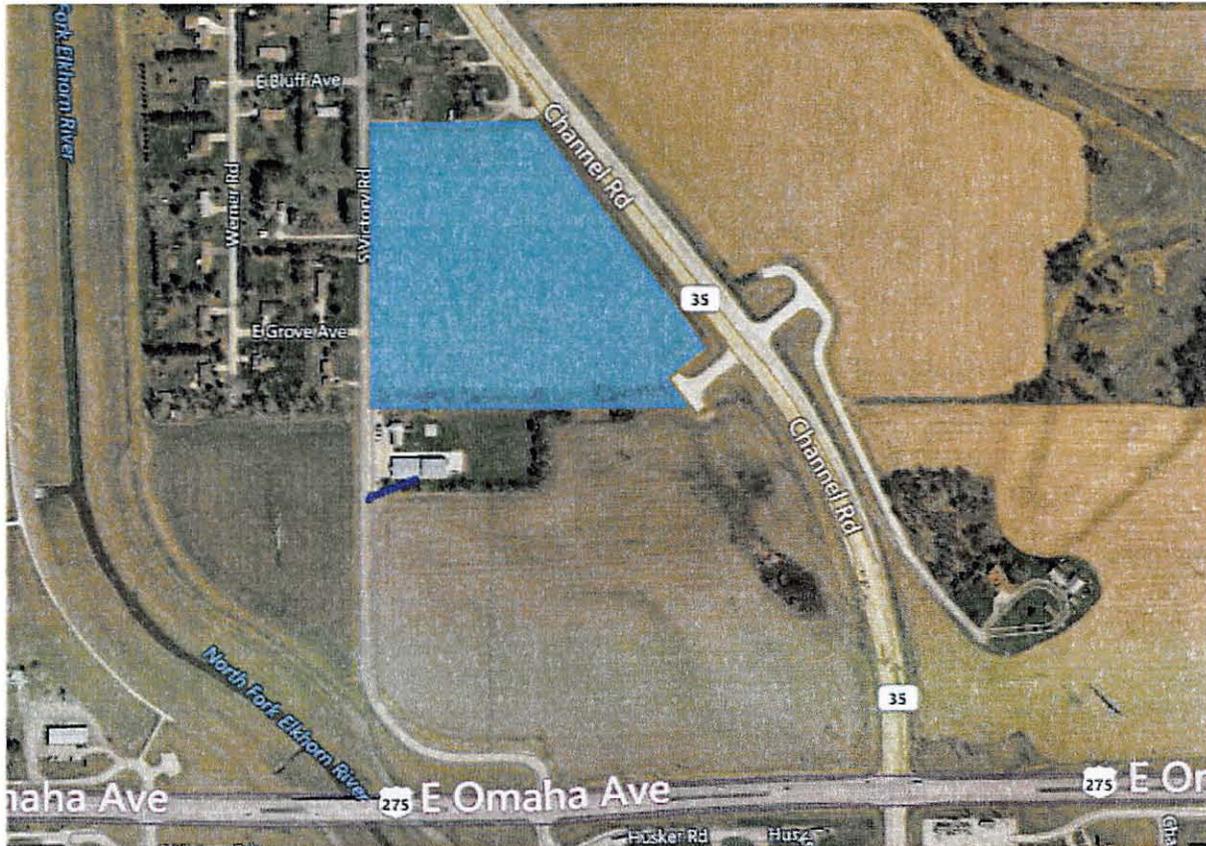
Exhibit "A"
Redevelopment Project Area

Legal Description:

A tract of land lying wholly in the Northwest 1/4 of the Southwest 1/4 of Section 25, Township 24 North, Range 1 West of the 6th P.M. Madison County, Nebraska which is more particularly described as follows:

Beginning at a point which is 393.0 feet South of the West 1/4 corner of said Section 25; thence South along the West line at said Section 25 to the Southwest corner of the NW1/4SW1/4 of said Section 25; thence East along the South line of said NW1/4SW1/4 of said Section 25, to the Southeast corner of said NW1/4SW1/4 of said Section 25; thence North along the East line of said NW1/4SW1/4 of said Section 25, to the point where said East line intersects with the Southwesterly right-of-way line of U.S. Highway 275; thence in a Northwesterly direction, along said Southwesterly right-of-way line to a point on said right-of-way line which is 598.6 feet directly East of the point of beginning; thence West 598.6 feet to the point of beginning; EXCEPT part conveyed to the State of Nebraska Department of Roads for highway purposes.

Depiction:



- Redevelopment Project Area shaded in blue
- Redeveloper intends to replat the Redevelopment Project Area as part of the Redevelopment Project. The legal description(s) for the Redevelopment Project Area derived from any such replat approved by the City shall supersede the legal description provided above.
- Any discrepancies between the above legal description and depiction should be decided in favor of the legal description.

Exhibit "A"

Exhibit "B" Redevelopment Project Conceptual Site Plan



Conceptual Site Plan
 Channel Road & S. Victory Road | Norfolk, Nebraska
 May 15, 2018 | 017-2251

* Phase 2 outlined in red

** The above is a preliminary site plan and is subject to change.

Exhibit "B"

DOCS/2138416.5

10/15/2018

Enclosure 6
Page 38 of 50

Preliminary Floor Plans for Multi-Unit Dwellings:

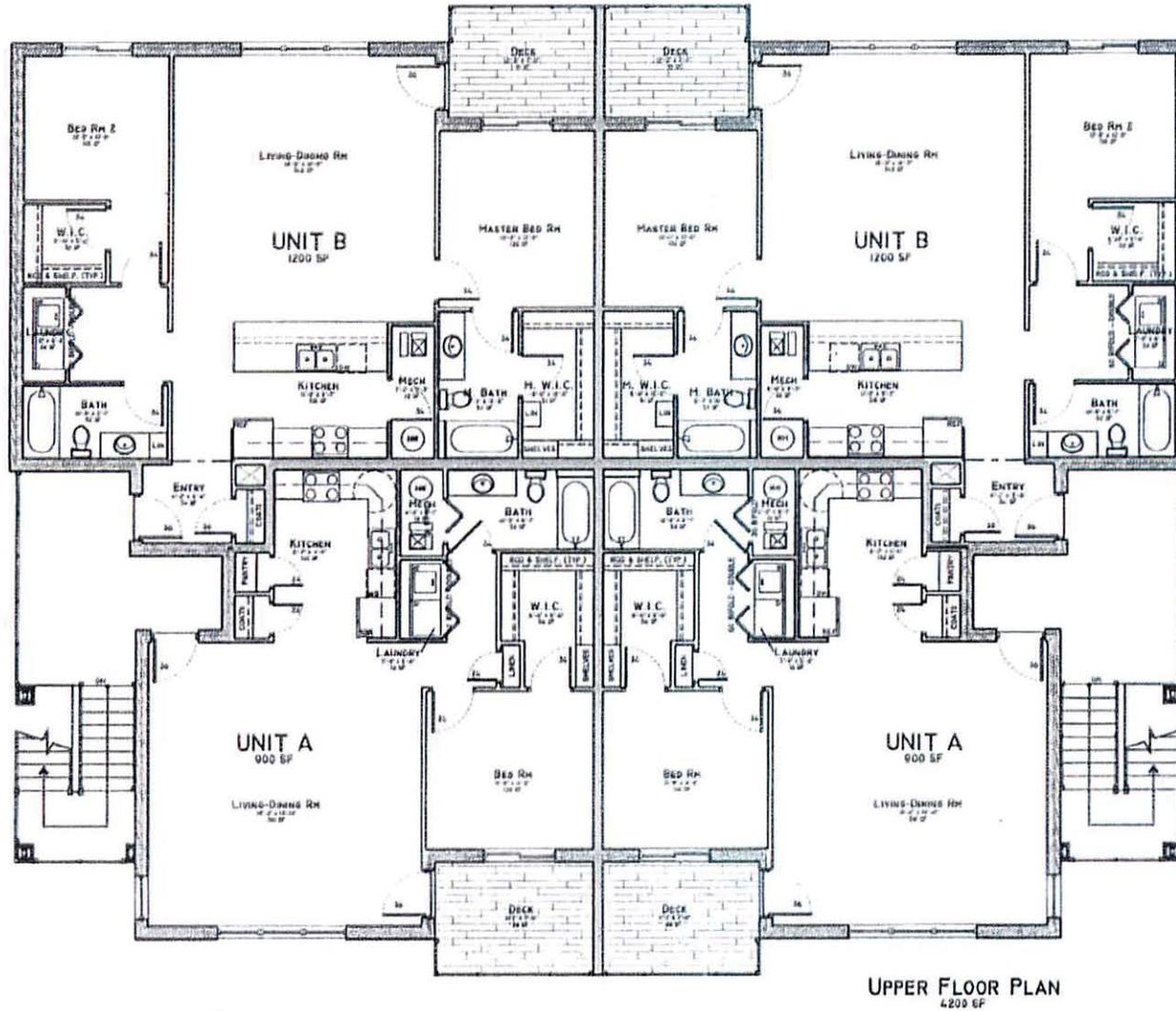


Exhibit "B"

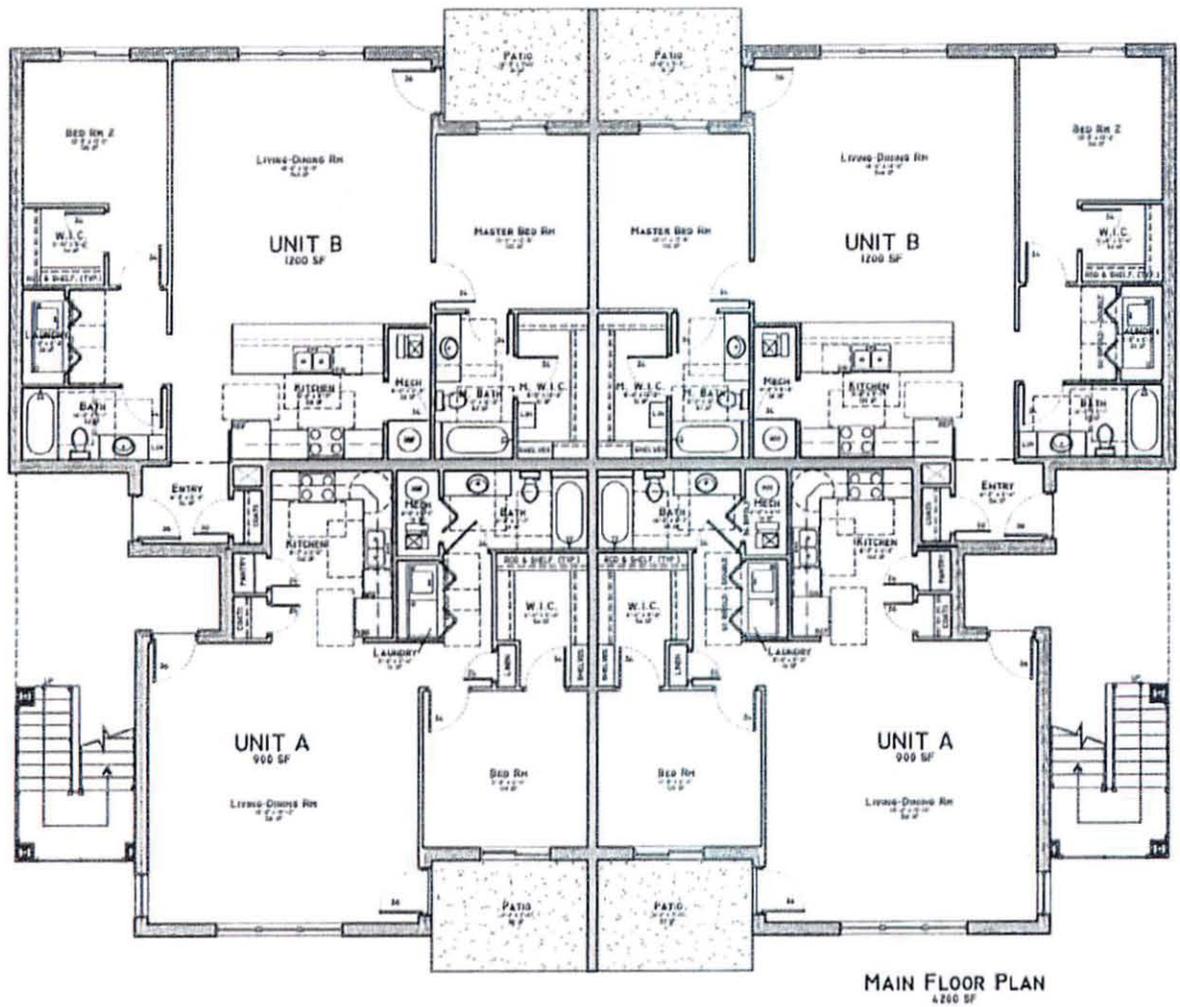


Exhibit "B"

Exhibit "C"

Redevelopment Project Description and Projected TIF Sources and Uses

Phase One of the Redevelopment Project will consist of the construction of approximately 160 apartments in 20 apartment buildings with 8 apartments each, a clubhouse of approximately 3,200 square feet, a pool, and eight garage structures covering an additional 16,000 square feet.

Phase Two of the Redevelopment Project includes the construction of an approximately 10,000 square foot commercial building.

Phase One and Phase Two will require the construction of Public Improvements detailed below, as shown on Exhibit "B" and detailed in the Plan.

Projected Sources and Assumptions:

Estimated 2018 assessed value:	\$ 104,000
Estimated 2019 assessed value:	\$ 4,496,400
Estimated 2020 & after assessed value	\$ 20,589,600
Increment value	\$ 20,485,600
Annual Increment	
2019 increment	\$ 85,609
2020 & after increment	\$ 399,269
Total Increment	\$ 5,675,384
TIF Bond issue	\$ 3,700,000

* The above figures are projections and subject to change.

Projected TIF Uses:

Site Acquisition, Survey and Title	\$ 345,000
Public Streets, Infrastructure and Right-of-Way Improvements	\$ 3,540,993
Site Preparation	\$ 584,889
Architecture, Engineering & Planning	\$ 210,000
Legal and Appraisal	\$ 120,000
Planning and Permitting	\$ 160,000
Capitalized Interest	\$ 278,051
City legal costs	\$ 15,000

TOTAL \$5,253,993

* The above figures are only estimates of the Eligible Costs and such actual costs will be reflected in the cost certifications required under Section 2 of the Redevelopment Agreement.

** Eligible Costs are projected to be in excess of \$3,700,000, but the Bond is limited to \$3,700,000, which is approximately the sum generated by the projected incremental ad valorem real property taxes collected in relation to the Redevelopment Project (including interest paid on

the Bond). Under no circumstances shall the principal and interest paid on the Bond exceed the Eligible Costs actually expended and evidenced by Redeveloper.

*** All Eligible Costs contemplated in the Plan and not otherwise specified herein shall be included as Eligible Costs for purposes of this Redevelopment Agreement under this Exhibit "C".

Exhibit "C"

Exhibit "D"
Form of Redevelopment Agreement Amendment Notice

Notice is hereby given by Channel Road Land, LLC, a Nebraska limited liability company ("Redeveloper"), to the Community Development Agency of the City of Norfolk, Nebraska ("Agency"), pursuant to Section 2 of that certain Redevelopment Agreement between Redeveloper and Agency dated _____, 2018 ("Redevelopment Agreement") as follows:

Amendment: Redeveloper hereby presents to Agency a proposed amendment to the Redevelopment Agreement ("Redevelopment Agreement Amendment"), which is attached hereto and incorporated herein by this reference.

Notice: As required in the Redevelopment Agreement, Redeveloper hereby gives notice to Agency of the following information related to such Redevelopment Agreement Amendment (capitalized terms used herein and not defined have the same meaning as set forth in the Redevelopment Agreement):

(a) The Redevelopment Agreement Amendment incorporates a new Phase of the Redevelopment Project which shall include the following lot(s) in the Redevelopment Project Area:

[identification of such lot(s) including the legal description of each]

- (b) The effective date of the Redevelopment Agreement Amendment shall be _____, 20__;
- (c) The effective date for the applicable Phase shall be _____, 20__; and a proposed Notice to Divide Taxes, on Form No. 96-252-2006 of the Nebraska Department of Revenue, is attached hereto and incorporated herein by this reference.
- (d) The base year valuation for such Phase shall be the year 20__.

CHANNEL ROAD LAND, LLC, a Nebraska
limited liability company

By: _____

Name: _____

Title: _____

Exhibit "D"

Exhibit "E"
Form of Redevelopment Agreement Memorandum for Recording

City of Norfolk, 309 N 5th St, Norfolk, NE 68701

MEMORANDUM OF REDEVELOPMENT AGREEMENT

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

1. **Redevelopment Agreement.** Agency and Redeveloper have entered into that certain Redevelopment Agreement dated as of _____, 2018 ("Redevelopment Agreement"), describing the public and private improvements being made by the Redeveloper in the Redevelopment Project Area, including the real property owned by Redeveloper and legally described as:

A tract of land lying wholly in the Northwest 1/4 of the Southwest 1/4 of Section 25, Township 24 North, Range 1 West of the 6th P.M. Madison County, Nebraska which is more particularly described as follows: Beginning at a point which is 393.0 feet South of the West 1/4 corner of said Section 25; thence South along the West line at said Section 25 to the Southwest corner of the NW1/4SW1/4 of said Section 25; thence East along the South line of said NW1/4SW1/4 of said Section 25, to the Southeast corner of said NW1/4SW1/4 of said Section 25; thence North along the East line of said NW1/4SW1/4 of said Section 25, to the point where said East line intersects with the Southwesterly right-of-way line of U.S. Highway 275; thence in a Northwesterly direction, along said Southwesterly right-of-way line to a point on said right-of-way line which is 598.6 feet directly East of the point of beginning; thence West 598.6 feet to the point of beginning; EXCEPT part conveyed to the State of Nebraska Department of Roads for highway purposes.

Notwithstanding the above legal description, Redeveloper intends to replat the Redevelopment Project Area as part of the Redevelopment Project. The legal description(s) for the Redevelopment Project Area derived from any such replat approved by the City of Norfolk, Nebraska, shall supersede the legal description provided above.

2. **Tax Increment Financing.** The Redevelopment Agreement provides for the capture of the tax-increment financing ("TIF") revenues by the Agency of the improvements to be made by the Redeveloper for a period not to exceed fifteen (15) years after the effective date

Exhibit "E"

Exhibit "F"
Form of Investor Letter

_____, 20__

Community Development Agency
Offices of the City of Norfolk
Attention: City Treasurer
309 N 5th St
Norfolk, NE 68701

Re: Tax Increment Revenue Bond (Channel Road Land, LLC), Series 20__

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 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 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

Exhibit "F"

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, NEBRASKA, EXCEPT AS TO ITS COMMUNITY DEVELOPMENT AGENCY OF WHICH IT IS A LIMITED OBLIGATION, THAT THE BOND IS 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 Channel Road Land, LLC, a Nebraska limited liability company, as 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 amount of the Bond has been established based upon estimated costs of development under the terms of an agreement between 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 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

Exhibit "F"

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 of Norfolk, Nebraska, 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,

CHANNEL ROAD LAND, LLC, a Nebraska
limited liability company

By: _____

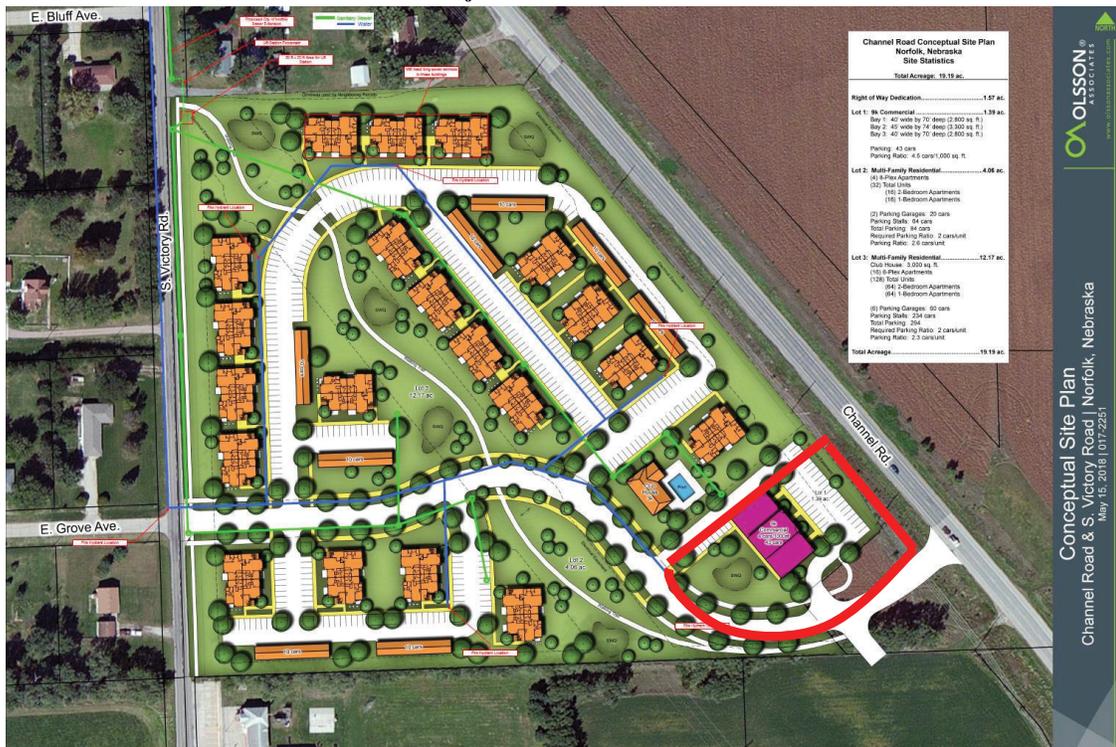
Name: _____

Title: _____

Exhibit "F"

Exhibit "C"

Project Area Site Plan



* Phase 2 outlined in red

** The above is a preliminary site plan and is subject to change.