

Agenda Packet

COMMUNITY DEVELOPMENT AGENCY

**Tuesday, January 03, 2017
5:15 p.m.**

Created 12/30/2016 9:06 AM

Notice of Meeting
Community Development Agency

The Community Development Agency will meet on Tuesday, January 03, 2017 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 (December 30, 2016)
1 P.O.P.

COMMUNITY DEVELOPMENT AGENCY

AGENDA

January 03, 2017

Call to Order

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

Action Items/Discussion Items

- | | |
|---|--------------------------|
| 4. Approve Agenda | Motion |
| 5. Approve the minutes of the December 5, 2016 Agency meeting. | Motion |
| 6. Consideration of Resolution No. 2017-1 recommending approval of the Skyline Apartments Redevelopment Plan to the City Council. | Resolution 2017-1 |

STAFF MEMORANDUM
COMMUNITY DEVELOPMENT AGENCY

January 03, 2017

Call to Order

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Action Items/Discussion Items

- | | |
|---|--------------------------|
| 4. Approve Agenda | Motion |
| 5. Approve the minutes of the December 5, 2016 Agency meeting. | Motion |
| See Enclosure 5. | |
| 6. Consideration of Resolution No. 2017-1 recommending approval of the Skyline Apartments Redevelopment Plan to the City Council. | Resolution 2017-1 |

On December 5, the Agency accepted the Skyline Apartments Redevelopment Plan and forwarded it to the Planning Commission for recommendation. On December 20, the Planning Commission reviewed the Plan and recommended approval.

The Plan included in the agenda packet is different from the Plan forwarded to the Planning Commission and recommended by the Commission for approval, in that it clarifies the division date for property tax is expected to be January 1, 2019 with the base valuation expected to be January 1, 2018. These changes are reflected in the first paragraph on page 7 of the Plan as well as in Exhibit B to the Plan. This is the only change to the Plan other than various wording changes that do not affect the substance of the Plan.

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, December 5, 2016, beginning at 5:15 p.m.

Chair Sue Fuchtman called the meeting to order.

Roll call found the following Agency members present: Sue Fuchtman, Shane Clausen, Dave Fauss, Corey Granquist, Jim Lange, Rob Merrill, Josh Moenning, Thad Murren and Dick Pfeil. Absent: None.

City staff members present were City Administrator Shane Weidner, City Attorney Clint Schukei, City Clerk Beth Deck, Public Works Director Dennis Smith, Finance Officer Randy Gates and Economic Development Director Andy Colvin.

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

Minutes

Lange moved, seconded by Fauss to approve the minutes of the July 18, 2016 Agency meeting as printed. Roll call: Ayes: Fuchtman, Clausen, Fauss, Granquist, Lange, Merrill, Murren, Moenning and Pfeil. Nays: None. Absent: None. Motion carried.

Skyline Apartments Redevelopment Plan

Merrill moved, seconded by Fauss to accept the Skyline Apartments Redevelopment Plan and forward to the Norfolk Planning Commission for recommendation.

Andy Colvin provided information to Agency members. The Redevelopment Plan is the next step in the process to provide a program of building revitalization to enhance the safety and functionality of housing for residents in the Skyline Apartments. An additional impact of the rehabilitation is to prevent further site deterioration and spread of blighted conditions in the area.

Roll call on the motion: Ayes: Fuchtman, Clausen, Fauss, Granquist, Lange, Merrill, Murren, Moenning and Pfeil. Nays: None. Absent: None. Motion carried.

There being no further business, the Chair declared the meeting adjourned at 5:19 p.m.

Josh Moenning, Chair

ATTEST:

Elizabeth A. Deck, Secretary

(S E A L)

**COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF NORFOLK, NEBRASKA**

RESOLUTION NO. 2017-1

**A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT
PLAN OF THE CITY OF NORFOLK, NEBRASKA; RECOMMENDING
APPROVAL OF A REDEVELOPMENT PROJECT OF THE CITY OF NORFOLK,
NEBRASKA; APPROVING A COST BENEFIT ANALYSIS FOR SUCH
PROJECT; AND APPROVAL OF RELATED ACTIONS**

WHEREAS, the Mayor and Council of the City of Norfolk, Nebraska (the “**City**”), upon the recommendation of the Planning Commission of the City of Norfolk, Nebraska (the “**Planning Commission**”), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), duly declared the redevelopment area legally described on **Exhibit A** attached hereto (the “**Redevelopment Area**”) to be blighted and substandard and in need of redevelopment; and

WHEREAS, pursuant to and in furtherance of the Act, a Redevelopment Plan (the “**Redevelopment Plan**”), has been prepared and submitted to the Agency by Odd Fellow Housing Associates LP, a Nebraska limited partnership (the “**Redeveloper**”), in the form attached hereto as **Exhibit B**, for the purpose of redeveloping Redevelopment Area legally described on **Exhibit A**, referred to herein as the Project Area (the “**Project Area**”); and

WHEREAS, pursuant to the Redevelopment Plan, the Agency would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Plan (the “**Project**”), in accordance with and as permitted by the Act; and

WHEREAS, the Agency has conducted a cost benefit analysis of the Project (the “**Cost Benefit Analysis**”) pursuant to Section 18-2113 of the Act, a which is included in the Redevelopment Plan; and

WHEREAS, the Agency has made certain findings and pursuant thereto has determined that it is in the best interests of the Agency and the City to approve the Redevelopment Plan and approve the Redevelopment Project and to approve the transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF NORFOLK, NEBRASKA AS FOLLOWS:

Section 1. The Agency has determined that the proposed land uses and building requirements in the Redevelopment Plan for the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan of the City, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and communitive facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

Section 2. The Agency has conducted a Cost Benefit Analysis for the Project, included in the Redevelopment Plan, in accordance with the Act, and has found and hereby finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not occur in the Project Area without the use of tax increment financing, and the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services, have been analyzed and have been found to be in the long term best interests of the community impacted by the Project.

Section 3. In compliance with section 18-2114 of the Act, the Agency finds and determines as follows: (a) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Agency and the Agency shall receive no proceeds from disposal to the Redeveloper; (b) the estimated cost of project acquisition and the estimated cost of preparation for redevelopment including site work, onsite utilities and related costs are described in detail in Exhibit B attached hereto; (c) the method of acquisition of the real estate shall be by private contract by the Redeveloper and not by condemnation; and (d) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued in the approximate amount of \$415,000, the proceeds of which are estimated to be \$400,000 which shall be granted to the Redeveloper and from additional funds provided by the Redeveloper. No families will be displaced from the Redevelopment Project Area as a result of the project. During rehabilitation of the Redevelopment Project tenants will be relocated within the Redevelopment Project pursuant to a relocation plan provided by the Redeveloper that complies or exceeds the requirements of the Relocation Assistance Act.

Section 4. The Agency hereby recommends to the City approval of the Redevelopment Plan and the Redevelopment Project described in the Redevelopment Plan.

Section 5. All prior resolutions of the Agency in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 6. This resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED this 3rd day of January, 2017.

**COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF NORFOLK NEBRASKA**

ATTEST:

By: _____
Chairman (Mayor)

By: _____
Secretary (Clerk)

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

* * * * *

Beginning at the SE corner of Lot 5, Davenport's Subdivision; Thence Northerly 120 feet to the NE corner of said lot, also known as the SE corner of Lot 4, of said subdivision; Thence continuing Northerly 98 feet to the NE corner of lot of said lot all along the Western boundary line of North Twelfth Street; Thence Westerly 128.15 feet along the Northern boundary line of Lot 4; Thence Northerly 20 feet; Thence Westerly 49 feet to the Western line of Lot 4 of said subdivision, also known as the eastern line of Lot 2, Block 6 Haase's Suburban Lots; Thence Northerly 10 feet to the NE corner Lot 2, Block 6 Haase's Suburban Lots; Thence Westerly 55 feet to the SW corner E 55 feet N 120 feet W $\frac{1}{2}$ Lot 2, Block 6, Haase's Suburban Lots; Thence continuing Westerly 122.15 feet to the NW corner, also known as the Northern boundary line of S 248 feet W $\frac{1}{2}$ Lot 2 & S 248 feet Lot 3 & E 46.2 feet S $\frac{1}{2}$ Lot 4, Block 6, Haase's Suburban Lots; Thence S 64 feet along the Western boundary line of that portion of said Lot 3; Thence Westerly 46.20 feet to the NW corner of the E 46.2 feet S $\frac{1}{2}$ Lot 4, Block 6, of said suburban lots; Thence S 184 feet to the SW corner of said lot, also known as the Northern boundary line of Norfolk Avenue and Southern boundary line of said lot; Thence Easterly along said boundary lines 223.50 feet to the SE corner of said lot, also known as the SW corner of Lot 7, Davenport's Subdivision; Thence Easterly 177.15 feet, also known as the Northern boundary line of Norfolk Avenue and Southern boundary line of said subdivision to the point of beginning.

EXHIBIT B
REDEVELOPMENT PLAN

**CITY OF NORFOLK
REDEVELOPMENT PLAN FOR THE
SKYLINE APARTMENTS**

I. INTRODUCTION.

The City of Norfolk, Nebraska, recognizes that blight is a threat to the continued stability and vitality of the City as it relates to safe and affordable housing. This is especially true for low income special needs and elderly citizens. Skyline Apartments (f/k/a Odd Fellow Manor) is 44 years old and has deep capital needs. This facility provides housing for a vulnerable population. However, this aging facility presents challenges due to age, original design and construction materials. Therefore, this redevelopment plan is initiated to provide a program of building revitalization whose goal is to enhance the safety and functionality of housing for these vulnerable citizens. An additional impact of the rehabilitation of the facility will be the elimination of a blighted and substandard residential building, the prevention of further site deterioration and the spread of blighting conditions in the area.

The site consists of Skyline Apartments with 92 apartments serving low income special needs and elderly tenants. The structure was built in the 1970s and is currently occupied. The building has been subject to deterioration that naturally occurs over the years. Additionally, asbestos was used in the original construction and requires removal. No fire sprinkler system exists in the facility. The building also requires (1) a new fire alarm system; (2) relocation of the main electrical panel to meet current safety codes; (3) hardwired smoke detectors; (4) emergency lighting; (5) elevator rehabilitation; (6) window replacement as current windows are mounted in asbestos panels (current residents use the windows to climb out onto exterior ledges); (7) updates to meet ADA and UFAS code; and (8) rehabilitation of all stair railings to bring up to code.

Odd Fellow Housing Associates LP, a Nebraska limited partnership (the "Redeveloper") seeks to preserve the building and its existing tenants. The planned rehabilitation would be implemented one or two half floors at a time. The Redeveloper will create vacancies for this work prior the start of construction and move existing tenants into the newly rehabbed units to create additional vacancies to perform the work. Construction will begin in the fall of 2017.

The Redeveloper will purchase the Community Redevelopment Area from Odd Fellow Manor, LLC, a Nebraska limited liability company, in accordance with the terms of the Purchase and Sales Agreement – Odd Fellow Manor, as amended (Exhibit "D").

In order to continue offering affordable rents to special needs and elderly tenants, the Redeveloper seeks a tax increment financing (TIF) grant from the Community Development Agency of the City of Norfolk. Total acquisition and rehabilitation project costs including soft costs will exceed \$13,000,000. In order to achieve this investment goal, the Redeveloper will seek to leverage TIF with Home funds, National Housing Trust Funds, Federal Home Loan Bank Affordable Housing Program (FHLB AHP) Loan proceeds, Low Income Housing Tax Credit equity, and private

commercial loans. This complex capital stack is dependent on a TIF grant from the Community Development Agency of the City.

This Redevelopment Plan will impact the following real estate in the City of Norfolk.

The West 59.05 feet of the South 248 feet of Lot 2; the South 248 feet of Lot 3, and the East 46.2 feet of the South 184 feet of Lot 4, all in Block 6 of Haase's Suburban Lots to Norfolk, Madison County, Nebraska. Lots 4, 5, 6 and 7 of Davenport's Subdivision of Lots 1 and part of Lot 2 in Block 6 of Haase's Suburban Lots to Norfolk, Madison County, Nebraska, less a tract of the Southeast corner thereof 165 feet East and West and 184 feet North and South. ("Community Redevelopment Area")

The building has a ground floor square footage of 6,886 feet. The building contains 9 floors. The Community Redevelopment Area was declared blighted and substandard by the Norfolk City Council on November 21, 2016. The Community Redevelopment Area has been determined, through the blight and substandard resolution, to be in need of revitalization and strengthening to ensure that it will contribute to the economic and social wellbeing of the City. All available evidence suggests that the area has not had the private investment necessary to contribute to the wellbeing of the community, nor would the area be reasonably anticipated to be developed without public action.

To encourage private investment in the Community Redevelopment Area, this Redevelopment Plan has been prepared to set forth the Skyline Apartment Redevelopment Project ("Redevelopment Project"), which is considered to be of the highest priority in accomplishing the goal of revitalizing and strengthening the Community Redevelopment Area.

The Community Development Agency of the City of Norfolk does not have significant experience in utilizing TIF for rehabilitation expenditures. Both the state constitution in Article VIII, Section 12 and the Community Development Law in section 18-2103(12)(f) R.R.S. 2012 provides that TIF may be used for rehabilitation of Redevelopment Projects. Section 18-2147 of the Community Development Law provides that TIF may be used to finance "redevelopment projects". Section 18-2103(12)(f)) R.R.S. 2012 defines redevelopment project to mean a work "(f) to carry out plans for a program of voluntary or compulsory repair, **rehabilitation, or demolition of buildings** or other improvements in accordance with the redevelopment plan". 18-2103(12)(f) R.R.S. 2012 (emphasis supplied). This project is clearly in line with the intent of the Community Development Law.

II. EXISTING SITUATION.

This section of the Redevelopment Plan examines the existing conditions within the designated Community Redevelopment Area. This section is divided into the following subsections: existing land use, existing zoning, existing public improvements, and existing building condition/blighting influences.

A. Existing Land Use. The Community Redevelopment Area contains the Skyline apartment building consisting of 92 apartments on 9 floors.

B. Existing Zoning. The Community Redevelopment Area is zoned R-3 Multi Family. The intent of the R-3 District is to provide for multifamily apartments.

C. Existing Public Improvements. There is no internal street network or system constructed within the Community Redevelopment Area.

D. Existing Building Conditions/Blighting Influences. Northeast Nebraska Economic Development District conducted a study entitled “City of Norfolk blight and Substandard Determination Study” for the City of Norfolk dated October 7, 2016 (“Blight Study”). The evaluation and subsequent findings of the Blight Study were based upon the criteria outlined in the Nebraska Community Development Law (Neb. Rev. Stat. § 18-2101 et seq.). The Blight Study determined that the study area exhibited a number of deficiencies applicable to the consideration of a “substandard and blight” designation including the existence of conditions which endanger life or property by fire or other causes and dilapidation/deterioration. The City Council declared the Community Redevelopment Area blighted and substandard and eligible for a redevelopment project on November 21, 2016, by Resolution No. 2016-59. The Blight Study is incorporated herein by this reference. A copy of the Blight Study is available at the City of Norfolk Clerk’s Office.

III. FUTURE SITUATION.

This section of the Redevelopment Plan examines the future conditions within the Community Redevelopment Area. This section is divided into the following subsections:

- A. Proposed Land Use Plan
- B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations
- C. Relationship to Local Objectives
- D. Building Requirements and Standards after Redevelopment
- E. Proposed Changes and Actions
- F. Cost-Benefit Analysis
- G. Proposed Cost and Financing
- H. Procedure for Changes in the Approved Redevelopment Plan
- I. Relocation Plan

A. Proposed Land Use Plan. The land use plan for the Community Redevelopment Area remains unchanged and is conceptually shown on Exhibit “A”, which is attached hereto and incorporated herein by this reference. The land use plan shows a proposed Redevelopment Project including approximately 60,336 square feet on nine floors of existing multifamily use to be rehabilitated. The Redevelopment Project land use and site plan shown on Exhibit “A” is for illustrative purposes only.

The Community Development Agency of the City intends to negotiate a specific redevelopment agreement with the Redeveloper, outlining the proposed Redevelopment Project, and contributions from TIF which are necessary from the Community Development Agency of the City of Norfolk. The written redevelopment agreement would include a site plan,

Redevelopment Project description, specific funding arrangements, and specific covenants and responsibilities of the Community Development Agency of the City and the Redeveloper to implement the Redevelopment Project. The Redeveloper is a limited partnership, which has a nonprofit, Norfolk based, partner.

B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations. In accordance with Nebraska State Law, the Redevelopment Plan described in this document has been designed to conform to "The Comprehensive Development Plan for Norfolk, Nebraska" as prepared by RDG Crose Gardner Shukert dated August 2001, the "Norfolk Comprehensive Plan Update Transportation Plan 2030" prepared by The Schemmer Associates & HNTB Corporation dated July, 2006, and the "Comprehensive Development Plan Energy Element" dated January, 2015, collectively hereinafter designated the "Comp Plan". The City Council finds that this redevelopment plan is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Community Development Law.

C. Relationship to Local Objectives. The proposed Community Redevelopment Area is described as:

The West 59.05 feet of the South 248 feet of Lot 2; the South 248 feet of Lot 3, and the East 46.2 feet of the South 184 feet of Lot 4, all in Block 6 of Haase's Suburban Lots to Norfolk, Madison County, Nebraska. Lots 4, 5, 6 and 7 of Davenport's Subdivision of Lots 1 and part of Lot 2 in Block 6 of Haase's Suburban Lots to Norfolk, Madison County, Nebraska, less a tract of the Southeast corner thereof 165 feet East and West and 184 feet North and South.

The Redevelopment Plan has been developed on the basis of the goals, policies and actions adopted by the City for the community as a whole and for the Skyline Apartments area. General goals, policies and actions relating to the community as a whole and for the Redevelopment Area are contained in the Comp Plan.

D. Building Requirements and Redevelopment Standards. The redevelopment of the Community Redevelopment Area should generally achieve the following requirements and standards:

1. Population Density. There are 92 apartment dwelling units currently located within the Community Redevelopment Area. After rehabilitation there is no change proposed for the population density within the Community Redevelopment Area.
2. Land Coverage and Building Density. There are two existing buildings located within the Community Redevelopment Area. There is no intention to remove or add to the existing buildings. The building containing the 92 apartment dwelling units is approximately 6,886 square feet on the ground floor.

3. General Environment. Provide for the redevelopment and rehabilitation of a nine story apartment building dedicated to special needs and elderly low income tenants.

Provide for the rehabilitation of 92 apartments with significant life safety upgrades with the goal of providing safe and affordable housing to a vulnerable population.

4. Building Heights and Massing. Building heights and massing currently comply with the R-3 zone.

5. Off-Street Loading, Service and Emergency Facilities. Provide for consolidated off-street loading and service facilities, with access to be provided (where feasible) from public service alleys and drives connected appropriately with the street system.

Provide for emergency vehicle access in a manner compatible with established design and environmental objectives.

E. Proposed Changes and Actions. The Community Redevelopment Area is intended to continue to function as an apartment facility after significant rehabilitation. This section describes the proposed changes needed, if any, to the zoning ordinances or maps, street layouts, street levels or grades, and building codes and ordinances, and actions to be taken to implement this Redevelopment Plan.

1. Zoning, Building Codes and Ordinances. The entire Community Redevelopment Area is zoned R-3 Multifamily. No additional changes to the City's Zoning Ordinances, Building Codes, or other local ordinances are contemplated to implement this Redevelopment Plan.

2. Traffic Flow, Street Layout and Street Grades. The only street adjacent to the Community Redevelopment Area is Norfolk Avenue. The existing driveway access into the Community Redevelopment Area will remain in place, and no improvements to the streets are anticipated.

3. Public Redevelopments, Improvements, Facilities, Utilities and Rehabilitations. In order to support the land uses in the Community Redevelopment Area, no public right of way improvements, facilities, utilities or rehabilitation are contemplated.

4. Site Preparation and Demolition. Demolition of certain interior areas of the building is contemplated with substantial building rehabilitation and life safety improvements being provided, including, but not limited to, fire sprinklers in each apartment and commons areas.

5. Private Redevelopment, Improvements, Facilities and Rehabilitation. The private improvements anticipated within the Community Redevelopment Area, include necessary interior and facade demolition and renovation and life safety improvements to include fire sprinklers in all apartments and commons areas.

F. Cost-Benefit Analysis. A City of Norfolk Redevelopment Project TIF Statutory Cost Benefit Analysis is incorporated herein by this reference (“Cost-Benefit Analysis”) and is shown on Exhibit “B”. The Cost-Benefit Analysis complies with the requirements of the Community Development Law in analyzing the costs and benefits of the Redevelopment Project, including costs and benefits to the economy of the community and the demand for public and private services.

G. Proposed Costs and Financing; Statements. The Community Development Agency of the City will negotiate with the Redeveloper of the Community Redevelopment Area on a specific written redevelopment agreement. The written redevelopment agreement would include a site plan, project description, specific funding arrangements, and specific covenants and responsibilities of the Community Development Agency of the City and the Redeveloper to implement the Redevelopment Project.

Estimated Redevelopment Project costs are limited to rehabilitation costs and are shown below:

POTENTIAL ELIGIBLE PRIVATE IMPROVEMENTS

Life safety improvements:

Fire Alarm	\$ 45,000
Fire Sprinkler	130,000
Electrical equipment relocation	45,000
Hard wired smoke detectors	15,000
Emergency lighting	5,000
Elevator rehabilitation	400,000
New windows	1,000,000
Abatement of hazardous materials	<u>250,000</u>
Total life safety	\$1,890,000
Apartment and building rehabilitation	<u>5,264,568</u>
Total private improvements	\$7,154,568

The figures above are estimates. Final figures are subject to a specific site plan, design specifications, Community Development Agency of the City approval and public regulations.

The Eligible Private Improvements will exceed the amount of funds available from the tax-increment financing indebtedness that the Community Development Agency of the City may elect to issue generated by improvements to Redevelopment Area. A projected sources and uses of the entire project is attached hereto as Exhibit “C”.

The public will fund as much of the above Potential Eligible Private Improvements as needed to the extent necessary to meet the public purpose and community goals, policies and standards. The Community Development Agency of the City will not fund improvements that exceed the amount of funds available from tax-increment financing indebtedness on Redevelopment Project that the Community Development Agency of the City may elect to issue pursuant to § 18-2147 to §18-2151 of the Community Development Law, unless the Redeveloper and/or Community Development Agency of the City are able to secure and fund additional monies and such funds are identified in a written redevelopment agreement. The amount of the available proceeds for tax-increment financing from Redevelopment Project is estimated at approximately \$400,000 assuming that rehabilitation will generate a property valuation of approximately \$2,000,000 over the estimated property valuation base of \$1,300,000. The Redeveloper has applied for an allocation of low income housing tax credits under section 42 of the Internal Revenue Code from the Nebraska Investment Finance Authority and expects an award of such credits in 2017. The Redevelopment Project base year assessed valuation is projected to be calculated pursuant to *Neb. Rev. Stat. §77-1333*, resulting in an estimated property valuation base of \$1,300,000. The base year for calculation of the incremental valuation is intended to be 2018. Although an investment of more than \$7,000,000 in addition to the acquisition costs and other soft costs will be required, the taxable valuation will not increase to that level due to the formula used to determine valuation of a rent restricted facility under *Neb. Rev. Stat. §77-1333*. The division date for ad valorem taxes pursuant to *Neb. Rev. Stat. §18-2147* is expected to be January 1, 2019.

Any ad valorem tax levied upon the real property in a Redevelopment Project for the benefit of any public body shall be divided, for a period not to exceed fifteen (15) years after the effective date of such provision to be established in the bond resolution providing for the issuance of TIF indebtedness or the redevelopment contract related to the project. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the Redevelopment Project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and

b. That portion of the ad valorem tax on real property in the Redevelopment Project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Community Development Agency of the City to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, a Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the Agency shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a Redevelopment Project shall be paid into the funds of the respective public bodies.

The Redevelopment Project is within the corporate boundaries of the City.

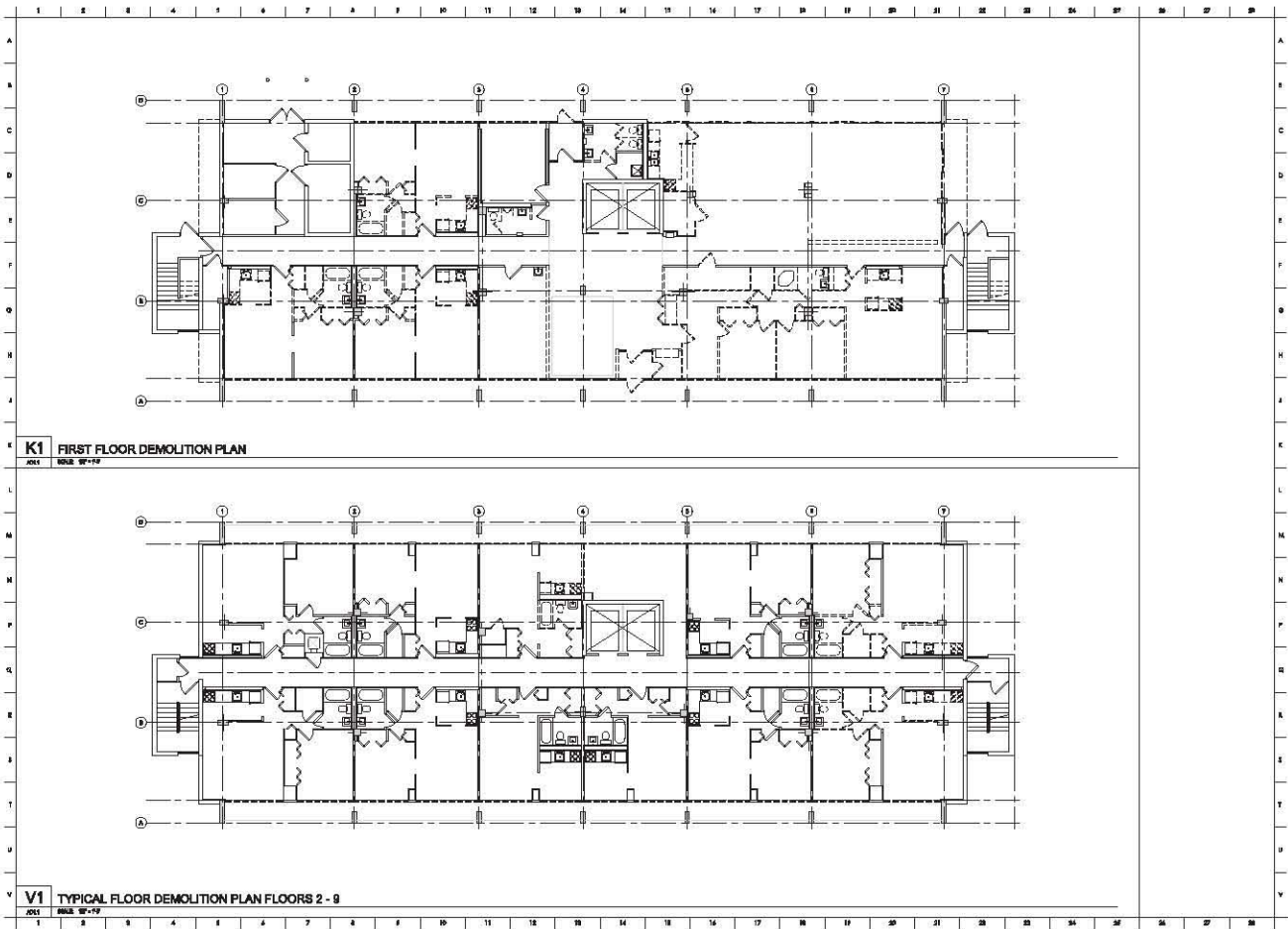
Because the redevelopment plan proposes to use tax-increment financing funds as authorized in § 18-2147 of the Community Development Law, the City Council sitting as the Community Development Agency of the City of Norfolk finds as follows:

- a. the Redevelopment Project in the plan would not be economically feasible without the use of tax-increment financing;
- b. the Redevelopment Project would not occur in the community redevelopment area without the use of tax-increment financing; and
- c. the costs and benefits of the Redevelopment Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and been found to be in the long term best interest of the community impacted by the Redevelopment Project.

H. Procedure for Changes in the Approved Redevelopment Plan. If the Community Development Agency of the City of Norfolk desires to modify this Redevelopment Plan, it may do so after holding a public hearing on the proposed change in accordance with applicable state and local laws. A redevelopment plan which has not been approved by the governing body when recommended by the Community Development Agency of the City may again be recommended to it with any modifications deemed advisable. A redevelopment plan may be modified at any time by the Community Development Agency of the City, provided, that if modified after the lease or sale of real property in the Redevelopment Project Area, the modification must be consented to by the Redeveloper or Redevelopers of such property or his successor, or their successors, in interest affected by the proposed modification. Where the proposed modification will substantially change the redevelopment plan as previously approved by the governing body the modification must similarly be approved by the governing body.

I. Relocation Plan. The Redeveloper has developed a comprehensive relocation plan for tenants that meets or exceeds URA requirements. This plan will provide for in facility relocation during construction.

Exhibit "A"
[attach architects rendering]



Odd Fellow Manor Apartments

1804 Norfolk Avenue
Norfolk, NE 68701



ALLEY-FOYNER MACCHIETTO

1614 Cuming Street
Omaha, NE 68102
 PH: 402.341.1844
 FX: 402.341.4230
 afoynerm.com

COORDINATE

CIVIL: ALLEY-FOYNER
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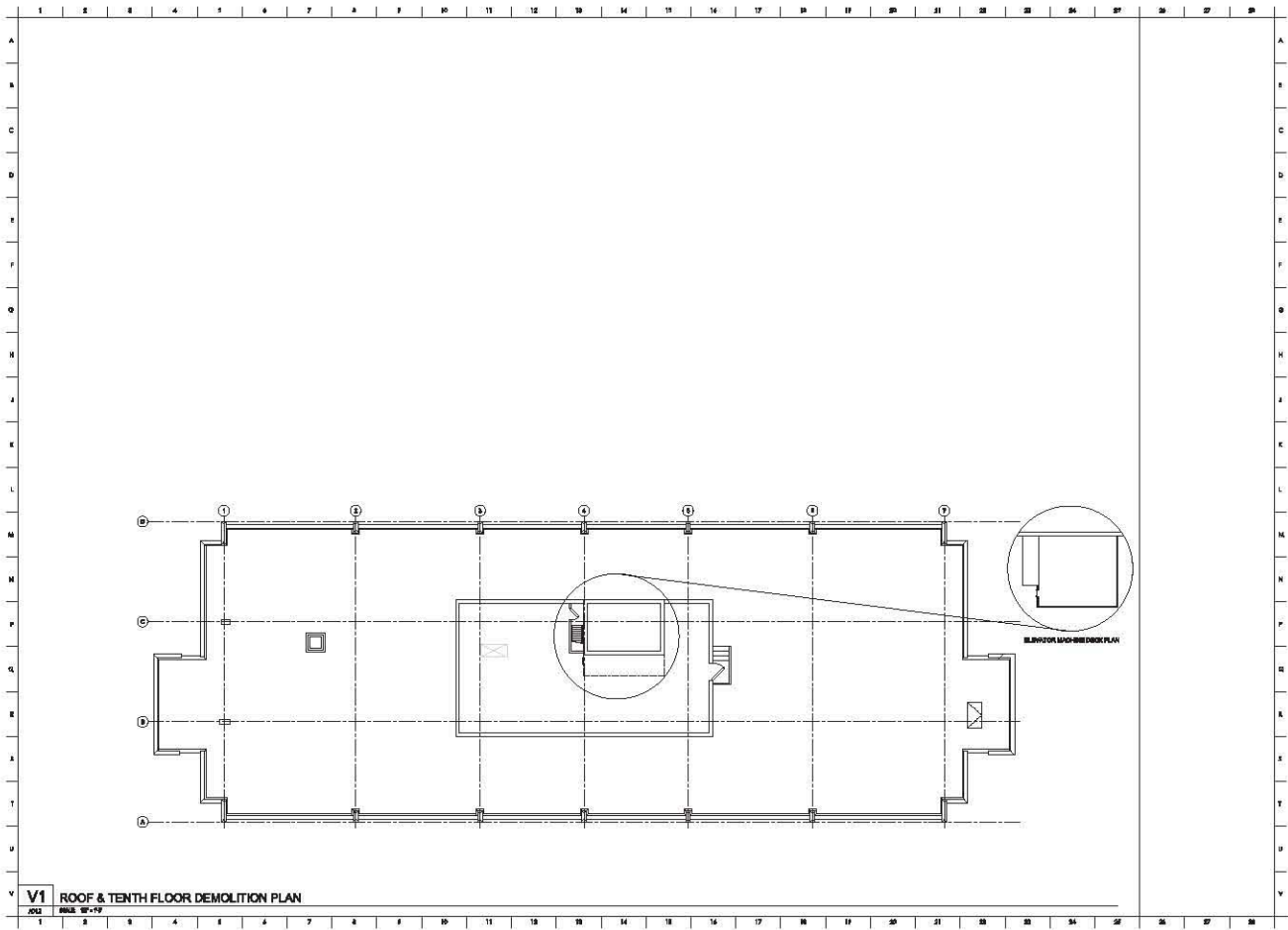
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AD1.1



Odd Fellow Manor Apartments
 1201 North Avenue
 Norfolk, NE 68701



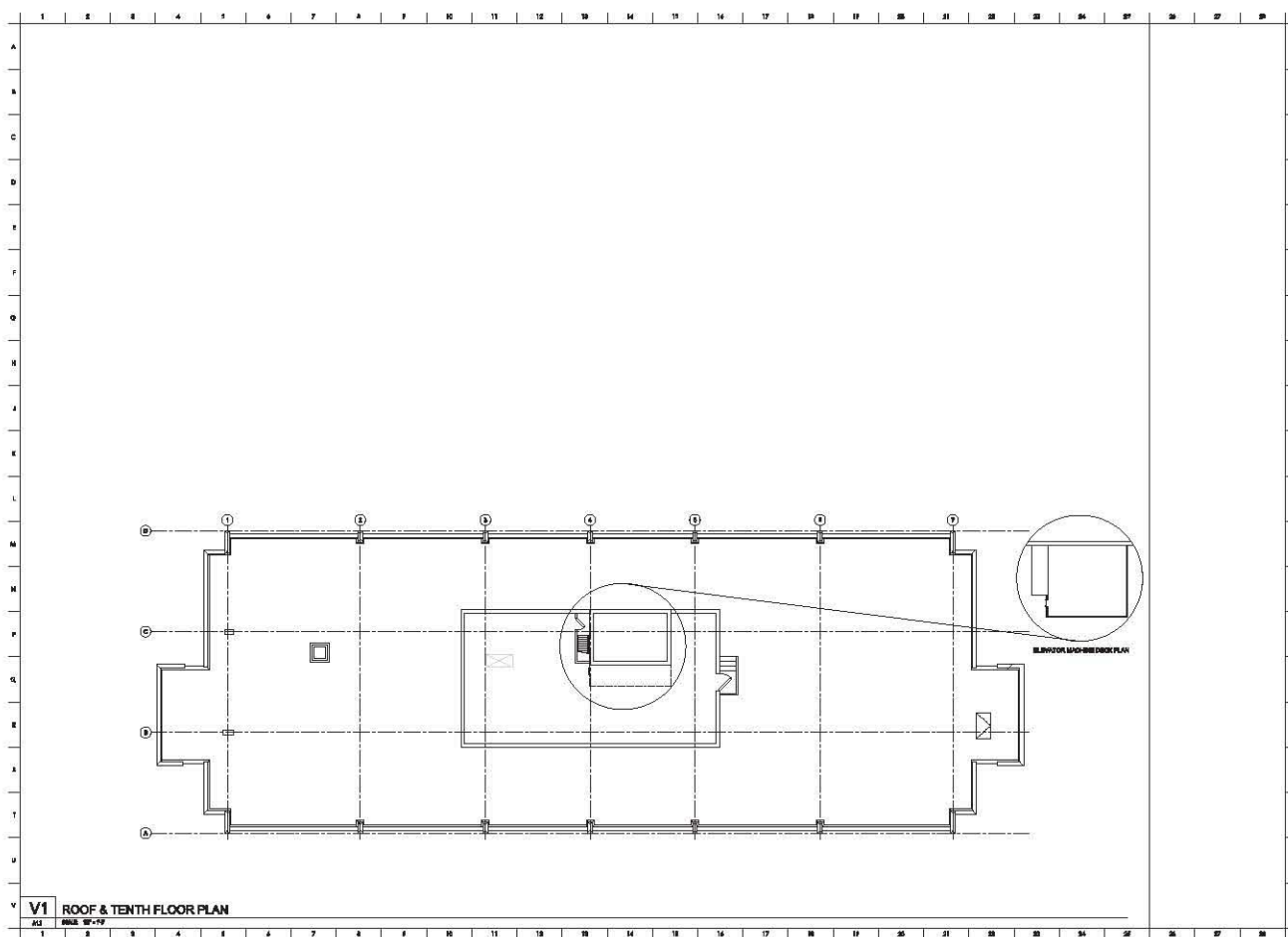
ALLEY-POYNER MACCHIETTO
 1611 Curlew Street
 Omaha, NE 68102
 PH: 402.341.1244
 FX: 402.341.4230
 alleyponer.com

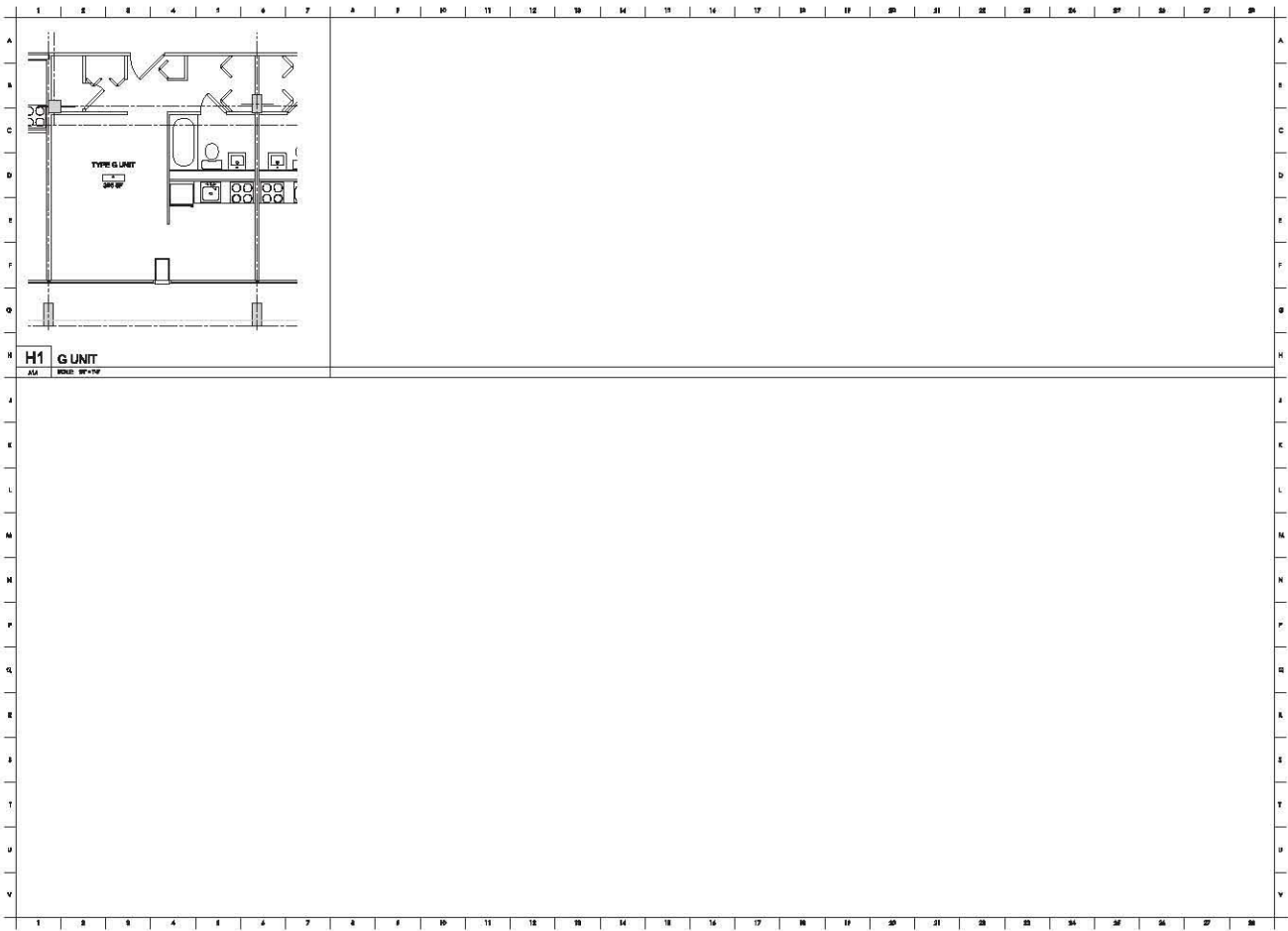
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REVISION **DATE**
 PROJECT NUMBER: 14-01
 DATE: 04/04/14
 COPY TO: 100
 NINTH FLOOR DEMOLITION PLAN
 ROOF & TENTH FLOOR
 DEMOLITION PLAN

AD1.2





Odd Fellow Manor Apartments

1204 Norfolk Avenue
Norfolk, NE 68701



ALLEY-FOYNER MACCHIETTO

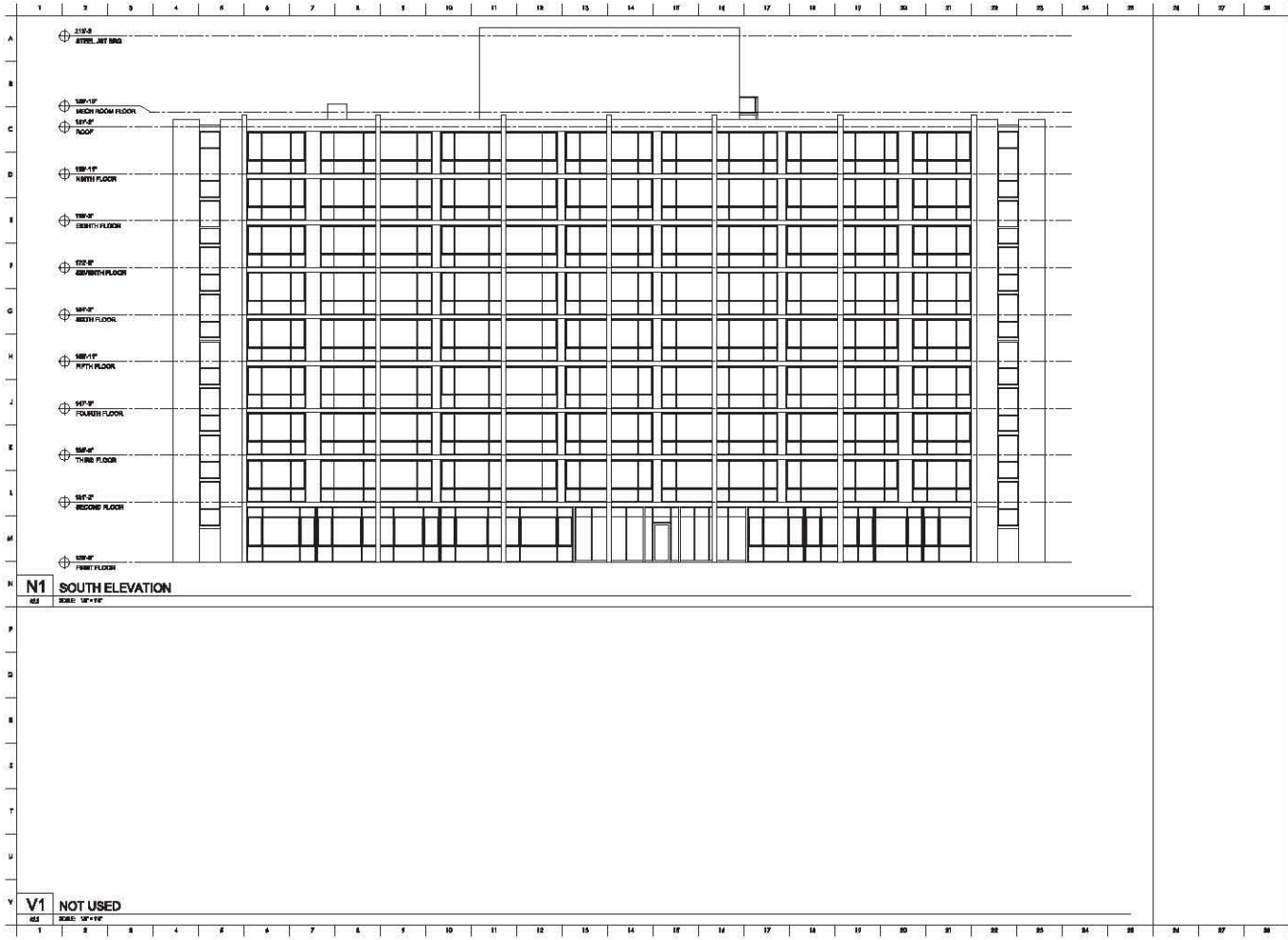
1611 Cuming Street
Omaha, NE 68102
PH: 402.341.1244
FAX: 402.341.4230
afoynerm.com

CONTRACTS
 CIVIL ENGINEER
 CEA, INC.
 1000 S. 10th Street
 Omaha, NE 68102
 PH: 402.341.1244
 FAX: 402.341.4230
 afoynerm.com



REVISION **DATE**
 PROJECT NUMBER: 14-01
 DATE: 01/03/2017
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ENLARGED UNIT PLANS
A1.4



**Odd Fellow
Manor
Apartments**
1304 Norfolk Avenue
Norfolk, NE 68701



**ALLEY+POYNER
MACCHIETTO**
1516 Cuming Street
Omaha, NE 68102
Ph: 402.541.1544
Fax: 402.541.4033
alleyponer.com

- CONSULTANT
- ARCHITECT
- ENGINEER
- MECHANICAL ENGINEER
- ELECTRICAL ENGINEER
- PLUMBING ENGINEER
- STRUCTURAL ENGINEER
- LANDSCAPE ARCHITECT
- INTERIOR DESIGNER
- EXTERIOR DESIGNER
- PAINTING CONTRACTOR
- CONCRETE CONTRACTOR
- GLASS CONTRACTOR
- IRONWORK CONTRACTOR
- STEEL ERECTOR
- WELDING CONTRACTOR
- ROOFING CONTRACTOR
- FOUNDATION CONTRACTOR
- SEWER CONTRACTOR
- WATER CONTRACTOR
- HEATING CONTRACTOR
- Cooling CONTRACTOR
- INSULATION CONTRACTOR
- FINISHES CONTRACTOR
- PAVING CONTRACTOR
- LANDSCAPE CONTRACTOR
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- SEWER CONTRACTOR
- WATER CONTRACTOR
- HEATING CONTRACTOR
- Cooling CONTRACTOR
- INSULATION CONTRACTOR
- FINISHES CONTRACTOR
- PAVING CONTRACTOR
- LANDSCAPE CONTRACTOR



REVISION **DATE**

NO.	DESCRIPTION	DATE
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2	DATE: 10/20/14	
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SOUTH ELEVATION

A2.3

EXHIBIT “B”
STATUTORY COST BENEFIT ANALYSIS
SKYLINE APARTMENTS REDEVELOPMENT PROJECT

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the Community Development Agency of the City of Norfolk has analyzed the costs and benefits of the proposed Skyline Apartments, Redevelopment Project, including:

Project Sources and Uses. Approximately \$400,000 in public funds from tax increment financing provided by the Community Development Agency of the City of Norfolk will be required to complete the proposed rehabilitation. This investment by the Community Development Agency of the City will leverage approximately \$13,490,000 in other investment and financing; an investment of \$33.70 for every Community Development Agency City dollar investment.

Use of Funds. A full schedule of proposed sources and uses of funds is attached as Exhibit “C” to the Redevelopment Plan.

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2018, valuation of approximately \$1,300,000. It is anticipated that the assessed value will increase by approximately \$2,000,000 as a result of the renovation and rehabilitation of the Project. This renovation will result in a tax increase of over \$39,000 annually based on the 2016 levy. The tax increment from this Redevelopment Project area would not be available for use as city general tax revenues, but would be used for eligible private improvements to enable this project to be realized.

Estimated 2018 assessed value:	\$1,300,000
Estimated value after completion	\$3,300,000
Increment value	\$2,000,000
Annual incremental taxes	\$ 39,000
TIF bonds proceeds available to project	\$ 400,000

Public Infrastructure and Community Public Service Needs. The Project is currently served by sanitary sewer and potable water by the City. No street improvements are required as a part of the Redevelopment Project.

Employment Within the Project Area. Employment within the Project Area is expected to increase from 2 to 3 persons after rehabilitation.

Employment in the City Outside the Project Area. The latest available labor statistics show that the Madison County unemployment rate is approximately 2.6%. The Project is not expected to impact employment outside of the Redevelopment Area.

Other Impacts. This Project Area tax will require substantial purchases of materials during rehabilitation. Those purchases will result in local sales tax which will benefit the City of

Norfolk. Additionally, construction employment for the project will increase for the 12 month construction period. In as much as the nature of the apartment building will not change, no other negative impacts have been identified.

Exhibit "C"

SOURCES AND USES SUMMARY

SOURCES OF FUNDS

Assumed Debt	\$ -
First Mortgage- Part A	\$2,903,493.00
Home Funds	\$ 848,000.00
TIF Grant	\$ 400,000.00
LIHTC Equity (Federal)	\$7,570,305.00
National Housing Trust	
Fund	\$ 500,000.00
Interim Income	\$ 95,099.00
FHLB Loan	\$ 920,000.00
US Bank Grant	\$ 500.00
NHDC Grant	\$ 500.00
Financing Gap (Deferred	
Fee)	\$ 252,347.00

TOTAL SOURCES \$ 13,490,244.00

USES OF FUNDS

Acquisition Related Costs	\$ 2,518,080.00
Construction Related Costs	\$ 7,154,568.00
Softs Costs	\$ 909,129.00
Carrying Costs	\$ 310,313.00
First Mortgage Costs	\$ 98,535.00
Equity & LIHTC Related Costs	\$ 226,659.00
Other Financing Costs	\$ 20,000.00
Reserves & Escrow	\$ 759,905.00
Developer Fees	\$ 1,493,051.00
Miscellaneous	\$ 4.00

TOTAL USES OF FUNDS \$13,490,244.00

EXHIBIT "D"

PURCHASE AND SALES AGREEMENT – ODD FELLOW MANOR

DOCS/1786204.3

PURCHASE AND SALE AGREEMENT
Odd Fellow Manor

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is made by and between **ODD FELLOW MANOR LLC**, a Nebraska limited liability company (“**Seller**”), and **ODD FELLOW HOUSING ASSOCIATES LP**, a Nebraska limited partnership, or its assignee (“**Purchaser**”).

In consideration of the mutual covenants and representations herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1.
PURCHASE AND SALE

1.1 **Purchase and Sale**. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, all of the Seller’s assignable and transferable right, title and interest in and to the following described property (collectively, the “**Property**”):

(a) **Land**. That certain tract of land (the “**Land**”) located in Norfolk, Madison County, Nebraska, being more particularly described on **Exhibit A** attached hereto and made a part hereof.

(b) **Easements**. All easements, if any, benefiting the Land or the Improvements (as defined below) or both.

(c) **Rights and Appurtenances**. All rights and appurtenances pertaining to the Land, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way.

(d) **Improvements**. All improvements and related amenities known as “Odd Fellow Manor” (the “**Improvements**”), a 92-unit subsidized housing development having an address of 1204 W. Norfolk Ave., Norfolk, Nebraska 68701.

(e) **Leases**. All leases (the “**Leases**”) of space on the Land or in the Improvements, concession leases, and all tenant security deposits and accrued interest thereon held by Seller on the Closing Date (as defined in **Section 6.1** of this Agreement).

(f) **Tangible Personal Property**. All appliances, fixtures, equipment, machinery, tools, automobiles and other motorized vehicles, furniture, carpet, drapes and other personal property, if any, owned by Seller and located on or about the Land and the Improvements (the “**Tangible Personal Property**”), all of which are listed and described on **Exhibit B** attached hereto.

(g) **Contracts**. To the extent assignable, all contracts between the Seller and any third party or parties pertaining to or necessary for the operation of the Land or

Improvements (including, but not limited to any agreements that encumber or benefit the Land or Improvements, agreements with vendors or service providers, equipment leases, utility contracts, mortgages, or regulatory or other agreements with governmental authorities) (the “**Contracts**”), all of which are listed and described on **Exhibit C** attached hereto. The foregoing notwithstanding, however, Purchaser shall acquire and assume only those Contracts deemed acceptable and desirable by Purchaser at Closing.

(h) **Intangible Property**. All intangible property (the “**Intangible Property**”), if any, owned by Seller and pertaining to the Land, the Improvements, or the Tangible Personal Property including, without limitation, transferable utility contracts, transferable telephone exchange numbers, plans and specifications, intellectual property, engineering plans and studies, floor plans and landscape plans.

(i) **Housing Assistance Contracts**. To the extent assignable, any and all contracts regarding or providing for housing assistance payments from any state or federal agency or instrumentality, including, but not limited to, Seller’s existing Housing Assistance Payment Contract pursuant to Section 8 of the U.S. Housing Act, together with all consents that may be required for the assignment of any such contracts.

2.

PURCHASE PRICE

2.1 **Purchase Price**. The purchase price (the “**Purchase Price**”) for the Property shall be an amount equal to the sum of TWO MILLION FIVE HUNDRED THOUSAND and No/100 DOLLARS (\$2,500,000.00) which Purchase Price shall be paid by wire transfer at Closing in accordance with wire transfer instructions to be provided by Seller.

3.

EARNEST MONEY DEPOSIT

3.1 **Earnest Money Deposit**. There shall be no earnest money deposited.

4.

CONDITIONS TO CLOSING

The satisfaction of all of the following shall be conditions precedent to Purchaser’s obligations under this Agreement:

4.1 **Seller’s Obligations**.

(a) On or before the expiration of fifteen (15) days following the Effective Date, Seller shall deliver to Purchaser copies of all documents and materials listed and described on **Exhibit E** attached hereto (the “**Existing Due Diligence Materials**”). In the event that any of the materials listed and described on **Exhibit E** are not available, Seller shall promptly provide written notification to Purchaser. In the event that any of the materials listed and described on **Exhibit E** will take longer than fifteen (15) days to produce (the “**Additional Days**”), Seller shall promptly provide written notification to Purchaser setting forth the Additional Days necessary for each of the materials.

(b) On or before the expiration of thirty (30) days following the Effective Date, Seller shall deliver to Purchaser one or more executed consent instruments in form and substance satisfactory to Purchaser confirming that Seller is and has been duly authorized by its members to execute this Agreement and consummate the transaction contemplated hereby ("**Seller's Membership Consents**").

4.2 **Purchaser's Due Diligence**. During the ninety (90) day period commencing on the Effective Date (the "**Due Diligence Period**"), Purchaser shall be entitled to conduct such due diligence as purchaser shall deem appropriate, and the following matters shall be conditions precedent to Purchaser's obligations under this Agreement:

(a) Purchaser's satisfaction in Purchaser's sole discretion that the Property is suitable for Purchaser's intended uses;

(b) Purchaser's satisfaction in Purchaser's sole discretion with a Commitment for Owner's Policy of Title Insurance and the satisfaction of Purchaser's Lender with a Lender's Policy of Title Insurance (the "**Title Commitment**") with respect to the Property, to be ordered by Purchaser and issued by the Escrow Agent, together with legible copies of any restrictive covenants, easements, and other items listed as title exceptions therein.

(c) Purchaser's satisfaction in Purchaser's sole discretion with the results of any and all investigations of any kind and nature pertaining to the Property, including, but not limited to soil testing, environmental investigations, surveys, site inspections, zoning, title investigations, and any other inspections, investigations and inquiries deemed appropriate by Purchaser; and

(d) Purchaser's satisfaction in Purchaser's sole discretion with the items listed above, including the information reflected therein.

After the end of the Due Diligence Period, provided that this Agreement has not been terminated, Purchaser may continue to perform additional due diligence investigations without limitation. Purchaser shall be entitled to have Seller's current survey updated and re-certified for this transaction (or have a new survey prepared) (the "**Survey**"), any time during the Due Diligence Period. Purchaser's satisfaction with the current Survey shall also be a condition precedent to Purchaser's obligations under this Agreement. If Purchaser is not satisfied in its sole discretion as to the suitability of the Property for Purchaser's intended uses or any of the items listed above or results of investigations, Purchaser may give notice thereof to Seller on or before the expiration of the Due Diligence Period, whereupon this Agreement shall terminate, and upon such termination, Purchaser shall be entitled to the immediate return of the Earnest Money Deposit, and neither party shall have any further obligation hereunder except for the Surviving Obligations.

4.3 **Title Commitment and Survey**.

(a) In the event (i) that the Survey shows any easement, right-of-way, encroachment, conflict, protrusion or other matter affecting the Property that is unacceptable to Purchaser, or (ii) any exceptions appear in the Title Commitment that are

unacceptable to Purchaser, Purchaser shall on or before the expiration of the Due Diligence Period notify Seller in writing of such objections (“**Purchaser’s Objections**”). In the event Seller is unable or unwilling to eliminate or modify all of Purchaser’s Objections to the satisfaction of Purchaser, Purchaser may (as its sole and exclusive remedy) terminate this Agreement by delivering notice thereof in writing to Seller by the earlier to occur of (i) the Closing Date or (ii) thirty (30) days after the date of Seller’s written notice to Purchaser of Seller’s intent to not cure one or more of such Purchaser’s Objections, in which event, the Earnest Money Deposit and all accrued interest thereon will be immediately returned to Purchaser, and neither party shall have any obligations hereunder other than the Surviving Obligations.

(b) The term “**Permitted Encumbrances**” as used herein refers only to easements, rights of way, encroachments, liens, encumbrances, restrictions, conditions, covenants, or exception matters with respect to the Property that are reflected or addressed on the Survey or the Title Commitment and which are deemed acceptable by Purchaser and not included within Purchaser’s Objections.

4.4 **Inspection.** Purchaser may inspect, test, and survey (a) the Property, (b) all financial records pertaining to the operation of the Property, and (c) photocopies of all Leases and Contracts, at any reasonable time during business hours at any time prior to Closing, with reasonable notice to Seller.

4.5 **Seller’s Cooperation.** Seller shall undertake commercially reasonable efforts to cooperate with Purchaser’s efforts to conduct due diligence and gather information prior to Closing and to secure all lender and governmental approvals necessary to consummate this transaction.

4.6 **Allocation of 9% LIHTC.** The Purchaser’s obligation to close on this transaction is conditioned on the receipt of an allocation of 9% low income housing tax credits (LIHTCs) in an amount substantially equal to the amount requested from NIFA. In the event that the Purchaser (or its assigns) is unsuccessful in receiving an allocation, the Purchaser may terminate this Agreement and receive a full refund of any Earnest Money Deposits. The right to terminate shall not be impaired by the expiration of any Due Diligence Period or other passage of time.

5.

REPRESENTATIONS AND WARRANTIES

5.1 **Seller’s Representations and Warranties.** Seller hereby represents and warrants to Purchaser as follows:

(a) Seller is and shall be on the Closing Date a limited liability company duly organized and validly existing under the laws of the State of Nebraska.

(b) Seller has and shall have on the Closing Date full power and authority to execute and perform this Agreement and all company action necessary to confirm such authority shall have and has been duly and lawfully taken. Upon execution hereof, this Agreement shall constitute a valid and legally binding obligation of Seller. Neither the

execution nor performance of this Agreement will violate the terms or provisions of Seller's Operating Agreement, if any, or any note, loan agreement, commitment agreement, lease, or other material contract or agreement to which Seller is a party.

(c) Seller represents and warrants that it is not a foreign person, foreign partnership, foreign corporation, or foreign trust, as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and will deliver to Purchaser valid and authorized certificates to such effect at or prior to Closing (the "**Nonforeign Status Certificate**").

(d) This Agreement has been duly executed and validly delivered by Seller and is a valid and binding obligation of Seller enforceable against Seller in accordance with its terms; and Seller has all necessary capacity and authority to own the Property, to enter into and perform this Agreement, and to convey the Property to Purchaser.

(e) Neither Seller nor any member of Seller is in bankruptcy or subject to any bankruptcy-related laws, orders, decrees, discharges or other restrictions.

(f) The execution and delivery of this Agreement and the fulfillment of all the terms and conditions of this Agreement by Seller will not (a) conflict with the certificate or operating agreement or other governing instrument of Seller, or (b) violate, result in a breach of or constitute a default under any agreement, instrument, statute, regulation, rule, judgment, order or decree to which Seller is a party, is bound or may be subject.

(g) Seller has good and marketable title to the Property, free and clear of all liens, claims, mortgages, encumbrances, privileges, pledges, leases, security interests, conditional sales agreements, retention agreements and encumbrances of every kind, nature or description, other than the Permitted Encumbrances. Seller has the right to sell and transfer the Property to Purchaser hereunder, and upon transfer of the Property to Purchaser hereunder, Purchaser will acquire title to the Property, free and clear of all liens, claims, mortgages, encumbrances, privileges, pledges, leases, security interests, conditional sales agreements, retention agreements and encumbrances of every kind, nature or description other than the Permitted Encumbrances.

(h) There are no actions, suits, claims, administrative actions, proceedings or investigations (whether or not purportedly on behalf of or against Seller) pending or threatened against or by or affecting Seller, or any of the Property, at law, in equity or bankruptcy, or before or by any governmental authority, and Seller has not received any notice of any alleged violation of any applicable building or other similar code or ordinance.

(i) Seller is in full compliance with and not in default under, any Contracts, except as specifically set forth on **Exhibit C**.

(j) Also included on **Exhibit C** are descriptions of all oral or written understandings with any third person affecting the Property or the transfer of the Property, or pertaining in any manner to its operation. Seller does not have any oral or

written understanding with any third persons that would affect the Property or the transfer of the Property to Purchaser in a manner adverse to the interests of Purchaser.

(k) Seller has all licenses, permits and other regulatory approvals from any governmental authority that are necessary in connection with the operation of the Property.

(l) The Property has been owned and operated in compliance with all applicable laws and regulations. No notice or threatened notice of any violation of any governmental authority has been received by Seller. No events or circumstances have occurred that may result in a violation of any such law or regulation of any governmental authority.

(m) All returns and reports concerning income, profits, sales, use, occupation, employment, property, excise, franchise and other taxes ("**Taxes**"), and other reports required to have been filed by Seller relating to the Property pursuant to any law or regulation have been or will be timely filed with the appropriate governmental authority; and all Taxes, interest and penalties that are due by Seller to any governmental authority, with respect to any tax period previously ended or through the Closing Date, have been fully paid or arrangements have been made to pay the same when due subsequent to the Closing Date.

(n) Seller, together with its advisors, possesses such knowledge and experience in tax, financial and business matters to evaluate the merits and risks of the sale of the Property.

(o) Prior to the Closing Date, Seller has maintained an occurrence based policy of liability insurance insuring the Business prior to and including the Closing Date, with minimum limits of not less than \$1,000,000 per occurrence and aggregate.

(p) No broker has been engaged or consulted by Seller in connection with the transaction contemplated by this Agreement. Seller hereby agrees to indemnify and hold Purchaser harmless against and with respect to any such obligation or liability, or claim of liability, based in any way on any agreements, arrangements or understandings claimed to have been made or actually made by Seller with any third party, which obligation shall be the sole obligation of Seller.

(q) With respect to all applicable local, state or federal environmental laws and regulations (the "**Environmental Laws**"), (i) Seller has all environmental permits necessary for the lawful ownership and operation of the Property; (ii) Seller is in material compliance with the terms and conditions of all such environmental permits; (iii) Seller has timely made all required filings or applications for issuance or renewal of such environmental permits; (iv) to Seller's actual knowledge, no hazardous substances (as defined in any Environmental Law) have ever been released, generated, transported, treated, stored, or disposed of on, over the surface of, or under, any of the Property; (v) Seller has never transported or disposed or caused or permitted any person to transport or dispose of any hazardous wastes other than in accordance with all Environmental Laws;

(vi) to Seller's actual knowledge, or except as otherwise disclosed to Purchaser, Seller has never violated any of the Environmental Laws and has not received written notice of, and is not subject to, any actions, causes of action, claims, investigations, demands or notices by any person or governmental authority alleging liability under or noncompliance with any Environmental Laws relating to the Property; and (vii) to Seller's actual knowledge, there are no decisions, orders or decrees of any court or governmental authority relating to Environmental Laws applicable to the Property or Seller's operation of the Property.

(r) No representation or warranty by Seller in this Agreement, no certification furnished to Purchaser by Seller under this Agreement, and no exhibit or other instrument previously furnished or to be furnished to Purchaser pursuant to this Agreement or in connection with the transaction contemplated hereunder contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary to make the statements contained therein not misleading.

5.2 Purchaser's Representations and Warranties. Purchaser hereby represents and warrants to Purchaser as follows:

(a) Purchaser is a limited partnership validly existing under the laws of the State of Nebraska, and Purchaser (or its assignee) shall on the Closing Date be qualified to transact business and in good standing under the laws of the State of Nebraska.

(b) Purchaser shall have on the Closing Date full power and authority to execute and perform this Agreement and all corporate or other action necessary to confirm such authority shall have been duly and lawfully taken. Upon execution hereof, this Agreement shall constitute a valid and legally binding obligation of Purchaser. Neither the execution nor performance of this Agreement will violate the terms or provisions of Purchaser's organic documents, or any note, loan agreement, commitment agreement, lease, or other material contract or agreement to which Purchaser is a party.

(c) No broker has been engaged or consulted by Purchaser in connection with the transaction contemplated by this Agreement. Purchaser hereby agrees to indemnify and hold Seller harmless against and with respect to any such obligation or liability, or claim of liability, based in any way on any agreements, arrangements or understandings claimed to have been made or actually made by Purchaser with any third party, which obligation shall be the sole obligation of Purchaser.

(d) No representation or warranty by Purchaser in this Agreement contains or will contain any untrue statement of material fact, or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

5.3 Survival of Representations and Warranties. All representations and warranties contained in this Section 5 shall survive the Closing of this transaction.

6.
CLOSING

6.1 **Closing**. The Closing (the “**Closing**”) shall be held at the offices of **First American Title Insurance Co.**, (the “**Title Company**”) at 13924 Gold Cir., Omaha, NE 68144, on a date designated by Seller and Purchaser, but in no event later than April 15, 2016 (the “**Closing Date**”), as may be extended pursuant to the terms of this Agreement. Purchaser shall have the right to extend the Closing Date for two (2) additional periods of forty-five (45) days each upon delivering to Seller written notice of Purchaser’s election to extend the Closing Date on or before the originally scheduled Closing. Notwithstanding the foregoing, nothing in this paragraph shall diminish the Buyer’s rights to terminate this agreement and receive a full refund of any Earnest Money Deposit in the event of Seller default or in the event that the conditions to closing in Section 4.6 are not met.

6.2 **Possession**. Possession of the Property shall be delivered to Purchaser at the Closing.

6.3 **Prorations**. All rents, other amounts payable by the tenants under the Leases and collected prior to the Closing Date, and all utilities and all other operating expenses with respect to the Property for the month in which the Closing occurs, and all real estate and personal property taxes and other assessments with respect to the Property for the year in which the Closing occurs, shall be prorated as if Purchaser owns the Property on the Closing Date. All rents and other income collected on or after the Closing Date shall be the property of Purchaser.

(a) If the Closing shall occur before the tax rate or the assessed valuation of the Property is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. Subsequent to the Closing, when the tax rate and the assessed valuation of the Property is fixed for the year in which the Closing occurs, the parties agree to adjust the proration of taxes and, if necessary, to refund or repay such sums as shall be necessary to effect such adjustment.

(b) If the Closing shall occur before the actual amount of utilities and all other operating expenses with respect to the Property for the month in which the Closing occurs are determined, the apportionment of such utilities and other operating expenses shall be upon the basis of an estimate by Seller of such utilities and other operating expenses for such month. Subsequent to the Closing, when the actual amount of such utilities and other operating expenses with respect to the Property for the month in which the Closing occurs are determined, the parties agree to adjust the proration of such utilities and other operating expenses and, if necessary, to refund or repay such sums as shall be necessary to effect such adjustment. All such adjustments shall be made within seven (7) months of the Closing Date.

The agreements of Seller and Purchaser set forth in this Section 6.3 shall survive the Closing.

6.4 **Closing Costs**. Except as otherwise expressly provided herein, Purchaser shall pay, on the Closing Date, the premium attributable to any title insurance for the Property, the cost of the Survey, all recording costs, all transfer taxes and fees associated with the transfer of the

Property, and one-half (1/2) of any escrow fees and customary charges of the Title Company. Except as otherwise expressly provided herein, Seller shall pay, on the Closing Date one-half (1/2) of any escrow fees and customary charges of the Title Company. Except as otherwise provided herein, each party shall pay its own attorneys' fees.

6.5 Seller's Obligations at the Closing. At the Closing, or at such other time as indicated below, Seller shall deliver to Purchaser the following:

(a) **Evidence of Authority.** Such organizational and authorizing documents of Seller as shall be reasonably required by the Title Company to evidence Seller's authority to consummate the transactions contemplated by this Agreement.

(b) **Foreign Person.** An affidavit of Seller certifying that Seller is not a "foreign person," as defined in the federal Foreign Investment in Real Property Tax Act of 1980, and the 1984 Tax Reform Act, as amended.

(c) **Leases and Deposits.** The originals of all of the Leases and all security deposit accounts, which accounts shall include the original security deposit plus accrued interest, if any, in the possession of Seller on the Closing Date.

(d) **Contracts.** The originals of all of the Contracts to the extent accepted by Purchaser, if any, in the possession of Seller, together with such notices to all parties to such Contracts as shall be necessary or desirable to cause all such Contracts to be transferred to Purchaser, in the form attached hereto as **Exhibit F.**

(e) **Deed.** Warranty Deed (the "**Deed**") conveying the Land and the Improvements to Purchaser in the form attached hereto as **Exhibit G.**

(f) **Assignment.** Bill of Sale, Assignment and Assumption of Personal Property, Service Contracts, Warranties and Leases (the "**Assignment**") in the form attached hereto as **Exhibit H.**

(g) **Updated Rent Roll.** A rent roll for the Property, updated as of the Closing Date, together with a certification signed by Seller certifying that the rent roll is complete and accurate in all respects.

(h) **Personal Property.** An updated list of all furniture, fixtures, equipment and other personal property owned by Seller and used in connection with the Property, together with a certification signed by Seller certifying that the list is complete and accurate in all respects.

(i) **Warranties and Service Contracts.** A list of all warranties, service contracts and other Contracts to which Seller or any affiliate is a party and which pertain to the Property, which list shall signed by Seller certifying that the list is complete and accurate in all respects, together with copies of all such Contracts.

(j) **Transfer Notices.** Such notices to service providers, manufacturers of equipment and personal property transferred pursuant to this transaction, and utility

companies providing utility services to the Property, and any party to any other Contract (to the extent required by any such Contract or deemed appropriate by Purchaser) as shall be necessary or desirable to cause all applicable warranties and Contracts to be transferred to Purchaser, in the form attached hereto as **Exhibit I**.

(k) **Certifications**. Seller shall furnish a certification that all representations and warranties of Seller contained in this Agreement remain true and correct as of the Closing Date, in the form attached hereto as **Exhibit J**.

(l) **Restricted Cash Accounts**. All restricted cash accounts, including, but not limited to, tenant security deposits, all of which will be fully funded by Seller.

(m) **Tenant Notices**. Signed statements or notices to all tenants of the Property, in the form attached hereto as **Exhibit K**, notifying such tenants that the Property has been transferred to Purchaser and that Purchaser is responsible for security deposits (specifying the amounts of such deposits).

(n) **Other Documents**. Such other and further documents and instruments, to be signed by Seller, as Purchaser may reasonably deem necessary in order to carry out the transaction contemplated by this Agreement.

6.6 Purchaser's Obligations at the Closing. At the Closing, Purchaser shall deliver to Seller the following:

(a) **Purchase Price**. The Purchase Price by wire transfer of immediately available funds, subject to adjustments as provided for in this Agreement.

(b) **Evidence of Authority**. Such organizational and authorizing documents of Purchaser as shall be reasonably required by Seller and/or the Title Company authorizing Purchaser's acquisition of the Property pursuant to this Agreement and the execution of this Agreement and any documents to be executed by Purchaser at the Closing.

6.7 Documents to be Executed by both Seller and Purchaser. At the Closing, both Seller and Purchaser shall execute the Tenant Notices referred to above and the Assignment.

7.

RISK OF LOSS

7.1 Condemnation. If, prior to the Closing, action is initiated to take a material portion of the Property by eminent domain proceedings or by deed in lieu thereof, Purchaser may either at or prior to Closing (a) terminate this Agreement, in which event the Earnest Money Deposit shall be refunded to Purchaser, and neither party shall have any further right or obligation hereunder other than the Surviving Obligations, or (b) consummate the Closing, in which latter event all of Seller's assignable right, title and interest in and to the award of the condemning authority shall be assigned to Purchaser at the Closing and there shall be no reduction in the Purchase Price.

7.2 **Casualty.** Seller assumes all risks and liability for damage to or injury occurring to the Property by fire, storm, accident, or any other casualty or cause until the Closing has been consummated. If the Property, or any part thereof, suffers any substantial damage prior to the Closing from fire or other casualty, which Seller does not elect to repair, Purchaser may either at or prior to Closing (a) terminate this Agreement, in which event the Earnest Money Deposit shall be refunded to Purchaser, and neither party shall have any further right or obligation hereunder other than the Surviving Obligations, or (b) consummate the Closing, in which latter event all of Seller's right, title and interest in and to the proceeds of any insurance covering such damage shall be assigned to Purchaser at the Closing in form and substance acceptable to Purchaser.

8. **DEFAULT**

8.1 **Breach by Seller.** If Seller fails to comply materially with any of the terms, conditions or obligations of this Agreement, Purchaser may (a) terminate this Agreement, and neither party shall have any further right or obligation hereunder other than the Surviving Obligations, or (b) pursue all remedies available to Purchaser at law or in equity, including without limitation the remedy of specific performance of Seller's obligations under this Agreement.

8.2 **Breach by Purchaser.** If Purchaser fails to comply materially with any of the terms, conditions or obligations of this Agreement, Seller may terminate this Agreement.

9. **OPERATIONS PRIOR TO CLOSING**

9.1 **Affirmative Covenants.** Between the Effective Date and the Closing, Seller shall:

- (a) conduct its business at the Property only in the ordinary course of business;
- (b) except as otherwise directed by Purchaser in writing, and without making any commitment on Purchaser's behalf, use its best efforts to preserve intact the Property and the goodwill of the Property, and maintain good relations and goodwill with tenants, creditors, employees, agents and others having business relationships with the Property or Seller;
- (c) confer with Purchaser prior to implementing operational decisions of a material nature;
- (d) otherwise report periodically to Purchaser concerning the status of its business, operations and finances;
- (e) confer with Purchaser prior to making any material changes in management personnel;
- (f) maintain the Property in a state of good repair consistent with the requirements and normal conduct of Seller's business operations at the Property, and maintain and preserve all apartment units in rentable condition;

(g) keep in full force and effect, without amendment, all of the Contracts and Commercial Leases and enter into no new Contract that cannot be terminated with thirty (30) days notice or less;

(h) comply with all applicable laws and contractual obligations applicable to the Property and Seller's operations at the Property;

(i) continue in full force and effect the insurance coverage under the policies described in this Agreement;

(j) maintain all books and records relating to the Property in a complete and accurate manner;

(k) insure that new Leases are entered into only with tenants who are income eligible under Section 42 of the Internal Revenue Code and the regulations promulgated thereunder; and

(l) report to Purchaser any change in circumstances or any occurrences that cause any of Seller's representations or warranties contained in this Agreement to no longer be true, correct or accurate, or that cause Seller to no longer be in compliance with any of Seller's covenants contained in this Agreement.

9.2 **Negative Covenants.** Between the date of this Agreement and the Closing Date, Seller shall not, without the prior written consent of Purchaser, (a) take any affirmative action, or fail to take any reasonable action within its control which would result in breach of any representation, warranty or covenant of Seller set forth in this Agreement; (b) make any modification to any Contract or Lease; (c) make any capital improvement (including, but not limited to, any expenditure for repairs or purchases outside the ordinary course of business or requiring an expenditure of more than \$5,000); (d) sell, transfer or otherwise dispose of all or any portion of the Property; or (e) accept any prepayment of rent for more than one (1) month in advance.

10.

MISCELLANEOUS

10.1 **Notices.** All notices, demands and requests which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective either: (a) on the date personally delivered to the address below, as evidenced by written receipt therefore, whether or not actually received by the person to whom addressed; (b) on the third (3rd) business day after being sent, by certified or registered mail, return receipt requested, addressed to the intended recipient at the address specified below; (c) on the first (1st) business day after being deposited into the custody of a nationally recognized overnight delivery service such as Federal Express Corporation, Emery or Purolator, addressed to such party at the address specified below, or (d) on the first (1st) business day after the date delivered by facsimile to the respective numbers specified below. For purposes of this Section 10.1, the addresses of the parties for all notices are as follows (unless changed by similar notice in writing given by the particular person whose address is to be changed):

If to Seller: Odd Fellow Manor LLC
3 Canal Plaza, Suite 501
Portland, ME 04101
Attention: Bryan Shumway
Email: bryan.shumway@wishrockgroup.com

If to Purchaser: Odd Fellow Housing Associates LP
131 S. Higgins Ave., Unit P-1
Missoula, MT 59802
Attention: Mike Bouchee
Email: mike.bouchee@wishrockgroup.com

with a copy to: Woods & Aitken, LLP
10250 Regency Circle, Suite 525
Omaha, NE 68114
Attention: Michael D. Matejka, Esq.
Telephone: (402) 898-7400
Fax: (402) 898-7401
Email: mmaketjka@woodsaitken.com

If to Title Company or Escrow Agent: First American Title Insurance Co.
13924 Gold Cir.
Omaha, NE 68144
Attention: Debbie Saxton
Telephone: (402) 697-4649
Fax: (402) 333-1098
Email: dsaxton@firstam.com

10.2 **Entire Agreement.** This Agreement embodies the entire agreement between the parties relative to the subject matter hereof and supersedes all prior oral or written communications or understandings between the parties.

10.3 **Amendment.** This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

10.4 **Headings.** The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.

10.5 **Time of Essence.** Time is of the essence of this Agreement; however, if the final date of any period which is set out in any provision of this Agreement falls on a Saturday, Sunday or legal holiday under the laws of the United States or the State of Nebraska, then, in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

10.6 **Governing Law.** This Agreement shall be governed by the laws of the State of Nebraska and the laws of the United States pertaining to transactions in such State.

10.7 **Successors and Assigns; Assignment**. This Agreement shall bind and inure to the benefit of Seller and Purchaser and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns. Purchaser may assign Purchaser's rights under this Agreement without the prior written consent of Seller.

10.8 **Invalid Provision**. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

10.9 **Attorneys' Fees**. In the event it becomes necessary for either party hereto to file suit to enforce this Agreement or any provision contained herein, the party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, as provided herein, reasonable attorneys' fees incurred in such suit.

10.10 **Multiple Counterparts**. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart with each party's signature.

10.11 **Effective Date**. As used herein the term "Effective Date" shall mean January 26, 2015.

[Signatures on Following Page]

The parties hereto execute this Purchase and Sale Agreement as of the Effective Date.

SELLER:

Odd Fellow Manor LLC, a Nebraska limited liability company

Date of Execution
by Seller: 1/23/2015

By: **Wishrock Investment Group II LLC**, a Maine limited liability company, its Sole Member

By: **Wishcamper Housing Partners LLC**, a Maine limited liability company, its Authorized Member

By: 
Bryan J. Shumway, Member

PURCHASER:


Odd Fellow Housing Associates LP, a Nebraska limited partnership

Date of Execution
by Purchaser:

By: **Tarpon Realty LLC**, a Nebraska limited liability company, its General Partner

By: **Wishrock Investment Group II LLC**, a Maine limited liability company, its sole Member

By: **Rocky Mountain Development Group VI, LLC**, a Montana limited liability company, its Authorized Member

By: 
Mike Bouchee, Member

December 20, 2016

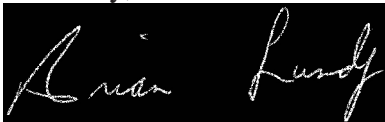
Dear Members of the Community Development Agency:

The Norfolk Planning Commission reviewed the Skyline Apartments Redevelopment Plan on December 20, 2016. The plan seeks to rehabilitate the apartment building located at 1204 W Norfolk Avenue, and preserve the function as housing for low income, special needs and elderly citizens.

The redevelopment plan identifies several structural and safety issues requiring improvement. The planned rehabilitation would be implemented in phases of vacant apartments set aside so as not to displace current tenants.

The Planning Commission recommends approval of the Redevelopment Plan for the Skyline Apartments with an 8-0 vote.

Sincerely,



Brian Lundy, Chair
Norfolk Planning Commission