

Agenda Packet

COMMUNITY DEVELOPMENT AGENCY

Monday, July 17, 2017
5:15 p.m.

Created 7/13/2017 12:13 PM

Notice of Meeting
Community Development Agency

The Community Development Agency will meet on Monday, July 17, 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 (July 14, 2017)
1 P.O.P.

COMMUNITY DEVELOPMENT AGENCY

AGENDA

July 17, 2017

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 July 3, 2017 Agency meeting. | Motion |
| 6. Consideration of approval of Resolution No. 2017-9 approving Amendment No. 2 to the McIntosh Family, L.L.C. Redevelopment Contract incorporating Phase I, Sub-Phase 2 to the project with an effective date of January 1, 2017 for the division of taxes on six lots included in this sub-phase. | Resolution 2017-9 |
| 7. Consideration of ratifying approval of an Assignment from McIntosh Family L.L.C., a Nebraska limited liability company, to Whitecliff Development, Inc., a Nebraska corporation, of the Meadow Ridge Phase II Redevelopment Contract. | Motion |

STAFF MEMORANDUM
COMMUNITY DEVELOPMENT AGENCY
July 17, 2017

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 July 3, 2017 Agency meeting. | Motion |

See Enclosure 5.

- | | |
|---|--------------------------|
| 6. Consideration of approval of Resolution No. 2017-9 approving Amendment No. 2 to the McIntosh Family, L.L.C. Redevelopment Contract incorporating Phase I, Sub-Phase 2 to the project with an effective date of January 1, 2017 for the division of taxes on six lots included in this sub-phase. | Resolution 2017-9 |
|---|--------------------------|

The McIntosh Family, L.L.C. Redevelopment Contract provides for construction of 53 housing units in two phases with each phase including multiple sub-phases. Each sub-phase will have its own effective date allowing for the division of taxes in accordance with Section 18-2147 of Statutes for up to 15 years. As of January 1, 2017 the assessor had improvement value on six additional houses in the Project. The Redeveloper, in accordance with Section 3.01 of the Redevelopment Contract, filed a Redevelopment Contract Amendment Notice on June 30, 2017 requesting taxes on these six lots be divided effective January 1, 2017. This allows incremental taxes on these six lots to go to the Agency to pay debt service on the tax increment bonds to be issued for certain Project Costs.

Resolution No. 2017-9 also authorizes the Agency Treasurer to sign the Notice to Divide Tax (Exhibit A to the Amendment) and forward it to the Madison County Assessor on or before August 1, 2017.

The Agency Treasurer recommends approval of Resolution No. 2017-9.

See Enclosure 6.

7. Consideration of ratifying approval of an Assignment from McIntosh Family L.L.C., a Nebraska limited liability company, to Whitecliff Development, Inc., a Nebraska corporation, of the Meadow Ridge Phase II Redevelopment Contract. **Motion**

On June 22, 2017, the Community Development Agency approved the Assignment of the Meadow Ridge Phase II Redevelopment Contract to Whitecliff Development Inc. However, Exhibit "A" (the Redevelopment Contract for McIntosh Family, LLC, dated 3-16-2015) was not attached to the Assignment and was not included in the agenda packet. Also, at the time the Redevelopment Contract for McIntosh Family, LLC was filed and recorded, the Madison County Register of Deeds requested the minor, inconsequential changes to the legal description, e.g. "IV" changed to "4" and adding the wording An Addition to the City of Norfolk, Madison County, Nebraska.

See Enclosure 7.

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, July 3, 2017, beginning at 5:15 p.m.

Chair Josh Moenning called the meeting to order.

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

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

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

Minutes June 22, 2017

Merrill moved, seconded by Granquist to approve the minutes of the June 22, 2017 Agency meeting as printed. Roll call: Ayes: Clausen, Fauss, Granquist, Jackson, Lange, Merrill, Moenning, Murren, and Pfeil. Nays: None. Absent: None. Motion carried.

Resolution No. 2017-8 (Fountain Point Redevelopment Plan)

Merrill moved, seconded by Granquist to adopt Resolution No. 2017-8 approving the Fountain Point Redevelopment Plan and forwarding to the City Council for consideration.

Colvin provided information to Agency members. The Redevelopment Plan being

considered is different from what the CDA approved on June 5, 2017, and different from what the Planning Commission recommended for approval on June 20, 2017. The Plan now includes an additional 25 housing units and a club house. Colvin also noted a date on the Redevelopment Plan adopted by the Planning Commission needed to have the date changed to reflect that the area was declared blighted and substandard in October 2016 and October 2017.

Roll call: Ayes: Clausen, Fauss, Granquist, Jackson, Lange, Merrill, Moenning, Murren, and Pfeil. Nays: None. Absent: None. Motion carried. Resolution No. 2017-8 was adopted.

Redevelopment Plan
(Medelman's Lake)

Pfeil moved, seconded by Fauss, to accept the Redevelopment Plan for Medelman's Lake Redevelopment Area and forward to the Planning Commission for recommendation.

Colvin provided information to Agency members. Colvin said the Medelman's Lake Redevelopment Plan contains several errors that need to be corrected: (1) the legal description is incorrect; and (2) the map of the redevelopment area is not accurate. Colvin said the issues "would be cleaned up before the Planning Commission meeting in two weeks" and requested CDA approval of the Plan to keep the project moving forward at this time.

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

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. 2017-9

WHEREAS, Members of the Community Development Agency of the City of Norfolk (the Agency) have previously entered into a Redevelopment Contract (the Contract) with McIntosh Family, L.L.C. (the Redeveloper) on March 16, 2015; and

WHEREAS, the Section 3.01 of the Contract provides the Redeveloper may deliver to the Agency a Redevelopment Contract Amendment Notice (Notice) by July 1 of the calendar year of the effective date of such Notice along with a Redevelopment Contract Amendment (Amendment) providing for a Sub-Phase of the Project and specifying the specific lots to be included in the Sub-Phase and the effective date for the division of ad valorem taxes for that Sub-Phase; and

WHEREAS, the Redeveloper provided the attached Notice to the Agency on June 30, 2017 along with required Amendment and with the Notice to Divide Tax for the Redevelopment Project attached to the Amendment as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Community Development Agency of the City of Norfolk, Nebraska,

Section 1. The Amendment is hereby approved and the Chairperson and Secretary are hereby authorized to execute such Amendment.

Section 2. The Agency Treasurer is hereby authorized to sign the Notice to Divide Tax (Exhibit A to the Amendment) providing for property taxes for Phase I, Sub-Phase 2 of the McIntosh Family, L.L.C. Redevelopment Project Area be divided as provided in Section 18-2147 R.R.S. Neb. 2012 from and after January 1, 2017 for a period not to exceed 15 years and forward the Notice to Divide Tax to the Madison County Assessor on or before August 1, 2017.

PASSED AND APPROVED this _____ day of _____, 2017.

Chairperson (Mayor)

ATTEST:

Secretary (City Clerk)

(S E A L)

REDEVELOPMENT CONTRACT AMENDMENT NOTICE

Notice is hereby given by McIntosh Family L.L.C., a Nebraska limited liability company ("Redeveloper") to the Community Development Agency of the City of Norfolk, Nebraska ("Agency"), pursuant to Section 3.01 of that certain Redevelopment Contract between Redeveloper and Agency dated March 16, 2015, as follows:

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

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

(a) The Redevelopment Contract Amendment incorporates a new Sub-Phase to Phase 1 (Sub-Phase 2) of the Project which shall include the following Lots in the Project area:

(1.) Lot 2A, Block 1 , Meadow Ridge Phase 4, 2nd Addition to the City of Norfolk, Madison County, Nebraska;

(2.) Lot 2B, Block 1, Meadow Ridge Phase 4, 2nd Addition to the City of Norfolk, Madison County, Nebraska;

(3.) Lot 1A, Block 3, Meadow Ridge Phase 4, 2nd Addition to the City of Norfolk, Madison County, Nebraska;

(4.) Lot 1B, Block 3, Meadow Ridge Phase 4, 2nd Addition to the City of Norfolk, Madison County, Nebraska;

(5.) Lot 4, Block 4 , Meadow Ridge Phase 4, 2nd Addition to the City of Norfolk, Madison County, Nebraska;

(6.) Lot 1, Block 5, Meadow Ridge Phase 4, 2nd Addition to the City of Norfolk, Madison County, Nebraska.

(b) The effective date of the Redevelopment Contract Amendment shall be January 1, 2017.

(c) The division date for the applicable Sub-Phase shall be January 1, 2017; and a proposed form of Notice of Division is attached hereto and incorporated herein by this reference.

(d) The base year valuation for such Sub-Phase shall be the year 2016.

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

AMENDMENT TO REDEVELOPMENT CONTRACT
Amendment No. 2

This Amendment to Redevelopment Contract (this "Amendment") is made and entered into as of the _____ day of _____, 2017, by and between the Community Development Agency of the City of Norfolk, Nebraska ("Agency"), and McIntosh Family, L.L.C., a Nebraska limited liability company ("Redeveloper").

RECITALS

WHEREAS, Agency and Redeveloper entered into a Redevelopment Contract, dated as of March 16, 2015 (the "Contract");

WHEREAS, the Contract intended to implement the redevelopment plan entitled "McIntosh Family L.L.C. Redevelopment Plan Norfolk, Nebraska", provides for the redevelopment of lots and lands located in a blighted and substandard area of the City of Norfolk, Nebraska;

WHEREAS, in order to account for various Sub-Phases within the Project, the Contract provides for periodic amendments thereto; and

WHEREAS, pursuant to Section 3.01 of the Contract the parties desire to amend the Contract on the terms set forth herein and this Amendment shall constitute a "Redevelopment Contract Amendment" as defined in the Contract.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Agency and Redeveloper do hereby agree to amend the Contract as follows:

1. **Definitions.** All capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the Contract.

2. **Amendment – New Phase.** This Amendment incorporates a new Phase to the Project entitled Phase I, Sub-Phase 2.

(a) **Lots.** This new Phase shall include the following Lot(s) to the Redevelopment Project Area:

- (1.) Lot 2A, Block 1 , Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska;
- (2.) Lot 2B, Block 1, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska;
- (3.) Lot 1A, Block 3, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska;
- (4.) Lot 1B, Block 3, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska;
- (5.) Lot 4, Block 4, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska;
- (6.) Lot 1, Block 5, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska.

(b) **Effective Date.** The effective date of the Amendment shall be January 1, 2017.

(c) **Division Date.** The division date for the applicable Phase shall be January 1, 2017; and a proposed form of the "Notice to Divide Tax for Community Redevelopment Project" applicable to such Phase is attached hereto as Exhibit A and incorporated herein by this reference.

(d) **Base Year Valuation.** The base year valuation for such Phase shall be 2016.

(e) **Minimum Assessed Valuation.** Upon completion of the improvements, the minimum assessed valuation for such Phase shall be \$900,000.00, (\$135,000.00 for each attached single family lot and \$180,000.00 for each detached single family lot).

3. **Miscellaneous Provisions.**

(a) **Effectiveness.** This Amendment shall become effective when and only when counterparts of this Amendment have been duly executed by both Agency and Redeveloper.

(b) **Ratification of Contract.** Except as amended by this Amendment, the Amendment adopted by the Agency on July 18, 2016, and the Addendum on June 22, 2017, the Contract shall remain in full force and effect and is hereby ratified and confirmed in all respects. Each party acknowledges and agrees to all terms of the Contract, as amended, and makes and restates each representation and warranty set forth therein as if made on the date of this Agreement

Enclosure 6
Page 13 of 37

Notice to Divide Tax for Community Redevelopment Project Tax Increment Financing (TIF) Project

This section must be completed by the City or Community Redevelopment Authority (CRA).

County Name

Madison

City Where TIF Project is Located

Norfolk

Name of TIF Project

McIntosh Family, L.L.C. Redevelopment Plan Phase I, Sub-Phase 2

Provide a brief description of the TIF project.

The project encompasses: 1) constructing access to Benjamin Avenue; 2) constructing adequate water and sewer systems to service the Redevelopment Project Area and to merge into the infrastructure already in place in the surrounding area; 3) site preparation to include filling and grading the site; 4) construction of public streets to access the lots in the project; and 5) electrical infrastructure construction costs and fees. The project is expected to provide approximately 53 single family attached and detached housing units.

Calendar year in which the division of real property tax becomes effective.

2017

Base Value Year (Year prior to the calendar year in which the division of real property becomes effective).

2016

Specify the real property parcels, as defined in [Neb. Rev. Stat. § 77-132](#), and as contained in the files of the county assessor, included in the TIF project. Please provide legal descriptions, parcel ID numbers, or street addresses. Additionally, describe the location and boundaries of all parcels included in the redevelopment plan. Attach a map, if one is available.

Lot 2A, Block 1, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska
Lot 2B, Block 1, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska
Lot 1A, Block 3, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska
Lot 1B, Block 3, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska
Lot 4, Block 4, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska
Lot 1, Block 5, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska

Under penalties of law, I declare that I am the authorized representative of the city or CRA, and that I have provided all required information to the county assessor on or before August 1 of the calendar year that the division of real property tax becomes effective.

sign
here



Authorized Signature

Treasurer

Title

Date

FOR USE BY THE COUNTY ASSESSOR ONLY

Amount of Real Property Base Value Determined for the TIF Project specified on this Notice: \$ _____



County Assessor's Signature

Date

ASSIGNMENT

McIntosh Family, L.L.C., a Nebraska limited liability company, ("Assignor"), hereby assigns to Whitecliff Development, Inc., a Nebraska corporation, ("Assignee"), all rights, title and interest in Phase II of the Redevelopment Contract dated March 16, 2015, between Assignor and the Community Development Agency of the City of Norfolk, Nebraska (the "CDA"). Such assignment is contingent upon the sale and conveyance of all real estate location within Phase II of the Redevelopment Contract from Assignor to Assignee on or before July 1, 2017. A copy of the Redevelopment Contract, dated March 16, 2015, is attached hereto as Exhibit "A". The parties hereto agree that the Assignor shall remain bound by the terms of the Phase I portion of the Plan entitled "McIntosh Family, L.L.C. Redevelopment Plan, Norfolk, Nebraska" and the Phase I portion of the Redevelopment Contract dated March 16, 2015. The parties hereto agree that the Assignee shall assume and be bound by the terms of the Phase II portion of the Plan entitled "McIntosh Family, L.L.C. Redevelopment Plan, Norfolk, Nebraska" and the Phase II portion of the Redevelopment Contract dated March 16, 2015. Assignor is hereby released from further obligations regarding Phase II of said Redevelopment Plan and Redevelopment Contract. The legal description of the Phase II of said Redevelopment Plan and Redevelopment Contract is as follows:

Out Lot A, Meadow Ridge Phase IV, 2nd Addition to the City of Norfolk, Madison County, Nebraska (the "Property").

This Assignment is effective upon the acknowledgement and acceptance by the CDA as set forth below provided the sale and conveyance of all real estate location within Phase II from Assignor to Assignee occurs on or before July 1, 2017.

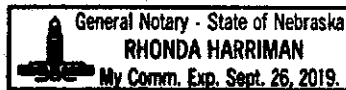
Dated this 23rd day of June, 2017.

McIntosh Family, L.L.C., a Nebraska limited liability company

By: [Signature]
Jonathan P. McIntosh, Managing Member

Whitecliff Development Inc. a Nebraska Corporation
BY: [Signature]
Ann Dover, President

STATE OF NEBRASKA)
) ss.
 Douglas
County of ~~Madison~~)

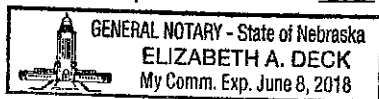


Subscribed and sworn to before me by the said Jonathan P. McIntosh, Managing Member of McIntosh Family L.L.C., a Nebraska limited liability company on the 23rd day of June, 2017.

[Signature]
Notary Public Rhonda Harriman

STATE OF NEBRASKA)
) ss.
County of Madison)

Subscribed and sworn to before me by the said Ann Dover, President of Whitecliff Development, Inc., a Nebraska Corporation on the 23 day of June, 2017.



[Signature]
Notary Public
Elizabeth A. Deck

ACKNOWLEDGMENT AND ACCEPTANCE BY AGENCY

The Community Development Agency of the City of Norfolk, Nebraska, the "Agency" in the Redevelopment Contract dated March 16, 2015, does hereby accept and acknowledge the Assignment from McIntosh Family, L.L.C., a Nebraska limited liability company, to Whitecliff Development, Inc., a Nebraska Corporation. Further, the Agency releases McIntosh Family, L.L.C. from any and all obligations contained within Phase II of the Redevelopment Plan and Redevelopment Contract provided the sale and conveyance of all real estate location within Phase II from Assignor to Assignee occurs on or before July 1, 2017 .

COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF
NORFOLK, NEBRASKA

BY:

Josh Moening, Chairperson

ATTEST:

Elizabeth A. Deck
Elizabeth A. Deck, Secretary

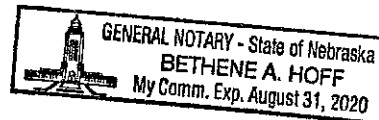
STATE OF NEBRASKA)

) ss.

COUNTY OF MADISON)

The Foregoing instrument was acknowledged before me this 22 day of June, 2017, by Josh Moening, Chairperson of the governing body of the Community Development Agency of the City of Norfolk, Nebraska, on behalf of such Agency.

Bethene A. Hoff
Notary Public
Bethene A. Hoff



03008

THE STATE OF NEBRASKA } ss.
MADISON COUNTY

No	03008	#Pages	20
Doc Tax \$			
Fee \$	124.00	P&M \$	12.00
Fees Pd \$		Gen Fee \$	112.00
Ck#			
Refund		Due	124.00

This instrument filed for record
the 7 day of July 20 17
at 9:30 A.M. and recorded in
Book 2017 Page 03008
Nancy J. Gross
Register of Deeds

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

REDEVELOPMENT CONTRACT
FOR
MCINTOSH FAMILY, LLC
DATED 3/16/2015

Exhibit "A"

REDEVELOPMENT CONTRACT

This Redevelopment Contract ("**Redevelopment Contract**") is made and entered into as of the 16 day of March, 2015, by and between the Community Development Agency of the City of Norfolk, Norfolk, Nebraska (the "**Agency**"), and McIntosh Family, L.L.C. a Nebraska Limited Liability Company, (the "**Redeveloper**"). The Agency and/or the Redeveloper may be referred to hereinafter as the "**Party**" or collectively as the "**Parties**".

WITNESSETH:

WHEREAS, the Agency has adopted and approved a plan entitled "McIntosh Family, L.L.C. Redevelopment Plan Norfolk, Nebraska" (the "**Plan**") for the real estate described on Exhibit "A" hereto attached and by such reference incorporated herein (the "**Land**"), which is located in the City of Norfolk, Nebraska (the "**City**") and which has previously been declared blighted and substandard or otherwise eligible for redevelopment by the Mayor and Council of the City (said real estate is also sometimes herein referred to as the "**Redevelopment Project Area**");

WHEREAS, the Agency has encouraged and induced the Redeveloper to engage in certain development activities, construct improvements and create new affordable residential lots in the Redevelopment Project Area and the Redeveloper is not willing and/or able to incur the substantial investment necessary for such redevelopment of the Redevelopment Project Area without the financial economic development incentives ("**Incentives**") provided by the Agency to the Redeveloper in this Redevelopment Contract;

WHEREAS, the Agency acknowledges and agrees that the Redeveloper has negotiated and entered into this Redevelopment Contract in good faith and in full reliance upon the availability of the Incentives;

WHEREAS, the Redeveloper pursuant to the Plan is redeveloping the land for construction of approximately 53 residential lots for both duplexes and single family residences. Phase I of the development will consist of nine duplex lots/eighteen single family attached dwellings and nine single family dwelling lots ("**Phase I**"); and Phase II will consist of nine duplex/eighteen single family attached dwelling and eight single family detached dwellings ("**Phase II**"). Pursuant to the Plan, the Redeveloper will be required to provide adequate ingress and egress to the property from Benjamin Avenue on the north; constructing water and sewer systems to service the Redevelopment Project Area and to merge into the infrastructure already in place in the surrounding area; preparing the land within the Redevelopment Project Area for redevelopment including, but are not limited to, site preparation to include filling and grading the site, electrical infrastructure construction costs and fees including, but not limited to, any NPPD required contribution in aid of construction and conduit installation expenses and constructing public streets to access the lots in Phase I and Phase II within the Redevelopment Project Area. These improvements are included as part of the Redevelopment Project (as defined below) and are the responsibility of the Redeveloper

(referred to herein as the **"Redeveloper Project Undertaking"**). The property within the Redevelopment Project Area including those improvements constructed or to be constructed under the terms of the Plan, other than public streets, and easements for public utilities, is to be privately owned by Redeveloper and is referred to herein as **"Redeveloper Owned Improvements"**;

WHEREAS, pursuant to the Plan, the City of Norfolk will construct a storm water retention pond and accompanying support structures for the retention and control of surface water runoff for the benefit of the Redevelopment Project Area and additional surrounding areas (the **"City Project Undertaking"**) and the City intends to utilize a portion of the available Tax Increment Financing funds to construct said undertaking. Such storm water retention pond is to be owned by the City of Norfolk;

WHEREAS, the improvements to and/or for the benefit of the Redevelopment Project Area, as described in the Plan and defined above to include the Redeveloper Project Undertaking and the City Project Undertaking, shall be referred to herein as the **"Redevelopment Project"**;

WHEREAS, **"Redeveloper Project Costs"** means those eligible costs and expenses incurred by the Redeveloper to acquire and construct that portion of the Redevelopment Project which is included within the Redeveloper's Project Undertaking pursuant to this Redevelopment Contract and which is incurred for the purposes set forth in §18-2103(12)(a) through (f), inclusive, including the providing for such costs by the exercise of the powers set forth in §18-2107(4) of the Act, all such estimated costs as identified on Exhibit "B" hereto attached and by such reference incorporated herein;

WHEREAS, **"City Project Costs"** means those costs and expenses incurred by the City to acquire, construct and install those improvements which are included within the City Project Undertaking, as acquired, constructed and installed pursuant to the Act and this Redevelopment Contract;

WHEREAS, under the Plan the Agency has undertaken to support and encourage the Redeveloper in its redevelopment activities and has determined that under the authority provided for in Sections 18-2101 to 18-2154, R.R.S. Neb. (Reissue 2012) as amended, (the **"Act"**) it is advisable and appropriate for the Agency, and the Agency shall, provide for the reimbursement of all or a portion of the Redeveloper Project Costs and City Project Costs, incurred by the Redeveloper and City, for the Redeveloper Project Undertaking and City Project Undertaking, respectively;

WHEREAS, it is anticipated that the TIF bonds will (i) reimburse the Redeveloper for up to 2/3rds of the Redevelopment Project Costs and (ii) reimburse the City for up to 100% of the City Project Costs;

WHEREAS, the Agency proposes to authorize the issuance of its tax increment revenue bonds (the **"Bonds"**) for both the Redeveloper's Project Undertaking and the City's Project Undertaking, to provide for costs of public improvements and to provide for other costs relating to the redevelopment of the Redevelopment Project Area as shall be more specifically described and allocated in a resolution or resolutions to be adopted by the governing body of the Agency (the **"Resolution(s)"**), which Resolutions shall include the Bond Resolution(s) authorizing the Bond(s) to be issued to the City pursuant

to Section 3.05 hereof for the reimbursement for certain City Project Costs (the "**City Bond Resolution(s)**"), and the Bond Resolution(s) authorizing the Bond(s) to be issued to or on behalf of the Redeveloper pursuant to Section 3.04 hereof for the reimbursement for certain Redeveloper Project Costs (the "**Redeveloper Bond Resolution(s)**"), and under the Resolutions shall designate the Agency's Treasurer (being the City Treasurer of the City of Norfolk) to act as Paying Agent and Registrar (the "**Agent**") for the Bonds pursuant to the Resolution; and

WHEREAS, Redeveloper desires to have public improvements serving the Redevelopment Project Area provided for by the Agency and seeks the assistance by grant or otherwise for other costs of preparing the Redevelopment Project Area for redevelopment and therefore is willing to agree to the conditions herein set forth as an inducement to the Agency to issue the Bonds as provided in the Resolutions;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, the Agency and the 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 an Nebraska Limited Liability Company duly organized and existing under the laws of the State of Nebraska and qualified to transact business in the State of Nebraska, is not in violation of any provisions of its Articles of Organization, is authorized to enter into and perform its obligations under this Redevelopment Contract and, to the best of the knowledge of the Redeveloper, is not in violation of the laws of the State of Nebraska.
- (b) Throughout the term of this Redevelopment Contract, Redeveloper will reasonably endeavor to construct, operate and maintain the Redevelopment Project in accordance with the terms of this Redevelopment Contract 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 Contract and subject to the provisions of Section 19 of this Redevelopment Contract, 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 Redeveloper Project Undertaking to a functioning facility having value for purposes of real property taxation at least equal to the value as most recently determined prior to the event or events of casualty loss. Redeveloper agrees to substantially affect such repair and reconstruction whether or not insurance proceeds are sufficient or available for such purposes.
- (c) The Redeveloper Project Undertaking shall be completed by the Redeveloper or others at an estimated cost of \$729,466 (plus actual construction period interest and its share of the applicable issuance costs for the Bonds pursuant to Section 4.03).
- (d) Redeveloper has received no notice or communication 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 Undertaking thereon may be or will be in violation of any law or regulation.

- (e) Redeveloper will use 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.
- (f) The execution and delivery of this Redevelopment Contract, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Redevelopment Contract 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.
- (g) To the best of the knowledge of the Redeveloper, the Redeveloper is not aware of any hazardous waste or other significant environmental pollution condition or hazard existing on or within the Redevelopment Project Area, except as described in the Plan or as set forth in the Blight and Substandard Determination Study (dated May 5, 2014) relating to the Redevelopment Project Area.
- (h) The Redeveloper acknowledges and agrees that neither the Agency nor the City of Norfolk shall be obligated to pay any costs related to the Redeveloper Project Undertaking other than costs to be paid from available grant monies, if any, and costs to be paid from the issuance of the Bonds. All costs of the Redeveloper's portion of the Redevelopment Project, other than those costs which are to be provided for by the Agency shall be paid in full and there are and shall be no construction liens unpaid against the Redeveloper's portion of the Redevelopment Project. Redeveloper agrees to provide for the construction of both the public and private improvements located on the property owned by the Redeveloper as described in the Plan or as described in this Redevelopment Contract, except to the extent that the Agency or the City of Norfolk, Nebraska shall agree otherwise by separate written agreement with the Redeveloper.

Section 2. Representations, Warranties and Covenants of the Agency. The Agency hereby represents, covenants and warrants as follows:

- (a) The Agency is a duly organized and validly existing community development agency under the Act, and is authorized to enter into and perform its obligations under this Redevelopment Contract.
- (b) The execution and delivery of this Redevelopment Contract, the consummation of the transactions contemplated hereby and the fulfillment of or compliance with the terms and conditions of this Redevelopment Contract 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 the Agency 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 the Agency is or might become bound.

Section 3 – Obligations of the Agency.

3.01 Division of Taxes. It is anticipated that the Redeveloper Project Undertaking and related housing construction will be undertaken and constructed in two (2) Phases. As discussed in Section 3.02 below, the parties anticipate that one Redeveloper Bond and one City Bond (as each is defined below) will be issued in conjunction with each Phase. Each Phase is expected to include multiple Sub-Phases (defined below; but which will include the construction of one or more dwelling units during a specified time-frame within a Phase). The timing of Phase II and each Sub-Phase will be based on sales and absorption rates for the lots in the Redevelopment Project Area. Each Sub-Phase of the Redevelopment Project will specifically identify the specific Lots within the Redevelopment Project Area that will be developed in that Sub-Phase. Each Sub-Phase will have a different effective date for the division of ad valorem taxes along with a new increment period. The increment for each Sub-Phase will end after the applicable 15 year period or at the maturity date of the applicable Bond, whichever occurs first. The applicable effective dates will be established by Redevelopment Contract Amendments as defined and discussed below.

In accordance with Section 18-2147 of the Act and the terms of the applicable Bond Resolution(s), 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 “**Sub-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 “C”_ each, a “**Redevelopment Contract Amendment Notice**”). The applicable ad valorem tax shall be divided for a period of fifteen (15) years (for each Sub-Phase), or less as set forth herein and/or in such notice, after the effective date set forth in the applicable Redevelopment Contract Amendment Notice and reflected in a Redevelopment Contract Amendment, consistent with the Redevelopment Plan.

More specifically, said taxes shall be divided as follows:

(a) That portion of the ad valorem tax on the real property in each Sub-Phase which is produced by levy at the rate fixed each year by or for each public body upon the “redevelopment project valuation” (as defined in the Act, hereinafter the “**Redevelopment Project Valuation**”) of the Lot(s) within such Sub-Phase shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That portion of the ad valorem tax on the real property in each Sub-Phase in excess of such Redevelopment Project Valuation, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Agency (designated in the applicable Bond Resolutions as the “**Bond Fund**”) to pay the principal of, the interest on, and any premium due in connection with the Bonds. When all such applicable Bonds, including interest and premium due have

been paid, the Agency shall so notify the County Assessor and County Treasurer and thereafter all ad valorem taxes upon real property in such Sub-Phase shall be paid into the funds of the respective public bodies.

Provided that Redeveloper is then in compliance with the terms and conditions of this Redevelopment Contract and applicable law, the Agency shall be obligated to execute the appropriate Redevelopment Contract 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 Contract Amendment Notice (together with a "Redevelopment Contract Amendment", as defined below) is delivered to the Agency no later than July 1 of the calendar year of the effective date of such Sub-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 Contract Amendment, and (b) file before August 1 of such year a "Notice to Divide Tax for Community Redevelopment Project" for such Sub-Phase with the office of the Madison County Treasurer and Madison County Assessor, without requirement of additional hearings or public notice. No Redevelopment Contract Amendment providing for the division of taxes pursuant to this Redevelopment Contract and Section 18-2147 of the Act shall be made after July 1, 2042.

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

Notwithstanding any provision herein to the contrary, (x) the increment for each Sub-Phase within Phase I created in accordance with the terms hereof shall terminate no later than December 31, 2043, which is also the estimated maturity date of the Phase I Bonds (defined below); and (y) the increment for each Sub-Phase within Phase II created in accordance with the terms hereof shall terminate no later than the maturity date of the Phase II Bonds (defined below). By way of example, any Redevelopment Contract Amendment Notice and resulting Redevelopment Contract Amendment which provides an effective date of later than January 1, 2029 for a Sub-Phase within Phase I shall result in such Sub-Phase having an increment of less than fifteen (15) years.

Section 3.02 Issuance of Bonds. Except as set forth in the following paragraph, the Agency, as and when determined appropriate by the Agency and at a time mutually agreed upon by the Redeveloper, will issue the Bonds in one or more series and from time to time in an aggregate principal amount not to exceed \$900,000 and bearing interest from and after the date of issue at a rate or rates to be determined in the applicable Bond Resolutions; with the aggregate principal amount of the Bonds issued pursuant to the Redeveloper Bond Resolutions not to exceed \$600,000 and the aggregate principal

amount of the Bonds issued pursuant to the City Bond Resolutions not to exceed \$300,000. The aggregate principal amount of the Phase I Bonds (defined below) shall not exceed \$450,000, with the aggregate principal amount of the Phase I Bond issued pursuant to the Redeveloper Bond Resolution not to exceed \$300,000 and the aggregate principal amount of the Phase I Bond issued pursuant to the City Bond Resolution not to exceed \$150,000. Subject to the terms of the following paragraph, it is anticipated that the aggregate principal amount of the Phase II Bonds (defined below) shall likewise not exceed \$450,000 with the aggregate principal amount of the Phase II Bond issued pursuant to the Redeveloper Bond Resolution not to exceed \$300,000 and the aggregate principal amount of the Phase II Bond issued pursuant to the City Bond Resolution not to exceed \$150,000.

The maximum aggregate principal amounts of the Phase II Bonds set forth above are based on current estimates of the City Project Costs and the Phase II Redeveloper Project Costs. Notwithstanding the foregoing limitations for the aggregate principal amounts of the total Bonds and/or the Phase II Bonds, the Parties agree and acknowledge that the maximum aggregate principal amount of the Phase II Bonds may need to be renegotiated in the future based generally on then existing economic conditions, including intervening inflationary factors, and specifically based upon an updated estimate of the Phase II Redeveloper Project Costs compared to the original estimate for such costs identified on Exhibit "B". The Parties agree to negotiate any such adjustments in good faith and to set forth any required adjustment in an amendment to this Contract and/or Bond Resolution for the Phase II Bonds, as appropriate.

The Bonds to be issued pursuant to the Redeveloper Bond Resolution(s) shall be referred to herein as the "**Redeveloper Bond(s)**"; while the Bonds issued pursuant to the City Bond Resolution(s) shall be referred to herein as the "**City Bond(s)**". Both the Redeveloper Bonds and the City Bonds will be issued in a series from time to time as and when mutually agreed by the parties. Specifically, the parties anticipate that one Redeveloper Bond and one City Bond will be issued in conjunction with each such Phase (the Bonds to be issued in conjunction with Phase I shall be referred to herein as the "**Phase I Bonds**"; while the Bonds to be issued in conjunction with Phase II shall be referred to herein as the "**Phase II Bonds**").

The Redeveloper Bonds are intended to reimburse the Redeveloper for up to 2/3rds of its Redevelopment Project Costs; while the City Bonds are intended to reimburse the City for up to 100% of its City Project Costs. Subject to these reimbursement limitations and to the terms of this Redevelopment Contract and/or the Bond Resolutions, it is anticipated that the incremental tax collected and received on the real property in the Redevelopment Project Area (or designated portions thereof) (the "TIF Revenues") shall be divided roughly 2/3rds for the Redeveloper and 1/3rd for the City. The parties have determined that for purposes of this Redevelopment Contract, the aggregate principal amount of the Bonds issued pursuant to the applicable Redeveloper Bond Resolutions and the City Bond Resolutions, respectively, shall be allocated pursuant to such proportion.

The Bonds will constitute limited obligations of the Agency payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision (1)(b) of Section 18-2147 of the Act, as levied, collected and apportioned from year to year with respect to the Redevelopment Project Area. Pursuant to this Redevelopment Contract, the Bond Resolutions (as and when adopted) and Section 18-2150 of the Act, said portion of taxes will be pledged for the payment of the Bonds, both principal and interest as the same fall due or become subject to mandatory redemption. The Bonds 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. The Bonds shall not constitute an obligation of the State of Nebraska or of the City (except for such receipts as have been pledged pursuant to Section 18-2150 of the Act) and neither the State or Nebraska nor the City 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 pursuant to Section 18-2150 of the Act and except for any additional security or payment source as may be provided for in the Bond Resolutions). The Bond Resolutions may provide for the Bonds to be evidenced by one or more instruments and may provide for separate Bonds with different priority rights as to the pledge of the TIF Revenues and for additional security in the case of any of the Bonds issued with junior payment rights; provided, however, that unless both parties hereto otherwise agree in writing, the Redeveloper Bond Resolutions and the City Bond Resolutions for each respective Phase shall have equal priority rights as to the pledge of the TIF Revenues based on the percentages set forth above. Neither the members of the Agency's governing body nor any person executing the Bonds shall be liable personally on any of the Bonds by reason of the issuance thereof.

Redeveloper acknowledges that it is its understanding and the Agency's understanding that interest on the Bonds will be includable in gross income for federal income tax purposes and subject to Nebraska State income taxation.

Section 3.03 Pledge of TIF Revenues. Pursuant to this Redevelopment Contract and the terms of the respective Bond Resolutions, the Agency will pledge the TIF Revenues as security for the payment of principal and interest on the Bonds under the terms of the Bond Resolutions.

Section 3.04 Grant of Proceeds of the Redeveloper Bonds/Redeveloper Project Costs. For each of the applicable Phase I Bonds and Phase II Bonds, the Agency will grant a portion of the proceeds from the sale of such Bonds in an amount equal to approximately 2/3rds of such total proceeds, provided that such grant shall be limited to a sum not more than the amount of the Redeveloper Project Costs incurred by (or estimated to be incurred by) the Redeveloper for the applicable Phase as set forth on the attached Exhibit "B" (estimated in the aggregate to be \$838,886; which includes estimated construction period interest) and the Project Cost Certification required by Section 4.02, with the final amount for each Redeveloper Bond determined by separate agreement between the Agency and the Redeveloper and set forth in the applicable Redeveloper Bond Resolution. Prior to bond sale proceeds being distributed to the Redeveloper, the Agency shall be provided lien waivers related to public infrastructure construction.

Section 3.05 Application of Proceeds of the City Bonds/City Project Costs. For each of the applicable Phase I Bonds and Phase II Bonds, any amount from the sale of such Bonds to be issued for City Project Costs shall be applied to pay or reimburse the City for costs incurred as a part of the City Project Undertaking. Such amount is estimated to be 1/3rd of such total proceeds, provided that such aggregate amount shall be limited to a sum not more than the amount of the City Project Costs, with the final amount for each City Bond determined by separate agreement between the Agency and the Redeveloper and set forth in the applicable City Bond Resolution.

Section 3.06 Creation of Fund. The Agency in the Bond Resolutions is to create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay principal and interest on the Bonds issued pursuant to Sections 3.02 above in the priorities to be set forth in the Bond Resolutions.

Section 3.07 No Obligation to Purchase the Bonds. Neither the City nor the Agency has any obligation to purchase any of the Bonds. Moreover, neither the City nor the Agency shall have any obligation to find a lender or investor to acquire either Redeveloper Bond. The obligation to purchase the Redeveloper Bonds shall be determined by the parties, and the Agency shall issue such Bonds to or to the order of Redeveloper upon payment of the principal amount thereof. Any sale of any of the Bonds shall be on the basis of a private placement.

Section 4 – Obligations of the Redeveloper.

Section 4.01 Construction of Project. Redeveloper agrees to complete the Redevelopment Project and install all infrastructure, improvements, buildings, fixtures, equipment and furnishings necessary to operate the Redevelopment Project; and Redeveloper shall comply with the City Development Standards. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Redevelopment Project. Until construction of the Redevelopment Project has been completed, Redeveloper shall make reports in such detail and at such times as may be reasonably requested by the Agency as to the actual progress of Redeveloper with respect to construction of the Redevelopment Project.

Section 4.02 Cost Certification. Redeveloper shall submit to Agency and the City a Project Cost Certification of the estimated Redeveloper Project Costs for the Redevelopment Project on or before the issuance of each Redeveloper Bond (and updated in connection with each Redevelopment Contract Amendment, if any material deviations from such certification occur) which shall contain information showing the payments, anticipated payments or obligations for payment of the Redeveloper Project Costs, which may include only those items specified on the attached Exhibit "B". Prior to the issuance of each Redeveloper Bond, the Project Cost Certification shall include evidence, satisfactory to the Agency in its sole discretion, that such costs have been incurred or are reasonably expected to be incurred as part of the Redevelopment Project.

Section 4.03 Agency Costs. Redeveloper shall reimburse the Agency (and the City, as applicable) on the date of the closing of the purchase of the Bonds for 2/3rds of the costs incurred or expected to be incurred by the Agency and/or City in connection with this Redevelopment Contract, and the issuance of the Bonds, which costs shall include, but not be limited to, legal fees and costs in preparation of the redevelopment plan and related cost benefit analysis. Redeveloper shall also reimburse the Agency and the City, as applicable, for 2/3rds of the reasonable legal fees and costs due for each Redevelopment Contract Amendment.

Section 4.04 No Discrimination. Redeveloper agrees and covenants for itself its successors and assigns that 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.

Section 4.05 Real Estate Tax Base.

(a) Redeveloper intends to create a taxable real property valuation for the Redevelopment Project Area in excess of the Redevelopment Project Valuation, as defined in §18-2103 (21) of the Act (the "Excess Valuation") for the Redevelopment Project property and in the Redevelopment Project Area, of approximately \$6,875,000 by January 1, 2026.

(b) During the period that any Bonds are outstanding, Redeveloper, its successors and assigns (1) will not protest a real estate property valuation of (x) any Lot of \$135,000.00 or less after substantial completion or occupancy with respect to a duplex; and (y) any Lot of \$180,000.00 or less after substantial completion or occupancy with respect to a detached single family residence; (2) not convey the Redevelopment Project or any part thereof or interest therein to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes; and (3) cause all real estate taxes and assessments levied on the Redeveloper Owned Improvements to be paid prior to the time such become delinquent during the term that any portion of the Bonds is outstanding. Each purchaser of a Lot shall be subject to this provision so as to agree to not protest any assessed value of the of such Lot below the minimum lot valuation referenced above; provided, however, that this restriction shall only apply to any such purchaser for the increment period applicable to the Phase encompassing such Lot. Redeveloper agrees to pay real estate taxes levied on or before the date the same become delinquent under applicable law.

Section 4.06 Federal Immigration Verification System. The Redeveloper agrees that Redeveloper and any contractor for the improvements to be reimbursed as a part of the Redeveloper Project Costs shall be required to agree to use a federal immigration verification system (as defined in §4-114, R.R.S. 2012) to determine the work eligibility status of new employees physically performing services on the Redevelopment Project and to comply with all applicable requirements of §4-114, R.R.S., 2012.

Section 4.07 Public Right-of-Way. All streets within the Redevelopment Project Area boundaries shall be public streets and dedicated to the public as part of the replatting of the Redevelopment Project Area.

Section 4.08. Release and Indemnification. Redeveloper hereby releases from and covenants and agrees that the Agency and its governing body, officers, agents, including its independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purpose of this Section 4.08, 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 in the Redeveloper Project Undertaking except as caused solely by negligent acts of the Agency.

Section 5. Covenants to Run with the Land; Easement; Recording of Redevelopment Contract. Redeveloper and the Agency agree and acknowledge that this Redevelopment Contract 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. The Redeveloper hereby acknowledges and agrees that by the terms of this Contract it is binding and obligating any and all of its interest in the Land, now or hereafter acquired, and hereby covenants and warrants for the benefit of the Agency and the registered owners of the Bonds that the Redeveloper shall defend such interest in the Land against the claims and interests of any and all persons. Redeveloper and the Agency agree and acknowledge that a copy of this Redevelopment Contract or a notice memorandum of this Redevelopment Contract shall be recorded at the expense of the Agency against all real estate located in the Redevelopment Project Area and shall remain of record until the Bonds have been paid in full. As and to the extent that this Redevelopment Contract does not have priority by order of recording over each and every mortgage or other instrument securing indebtedness of the 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 Contract. Redeveloper agrees to provide the Agency with a title report or other evidence as to the status of title to the Land after the recording of this Redevelopment Contract and before the issuance of any of the Bonds. After the Bonds have been paid in full, Redeveloper or any successor or assign of the 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 Contract 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 Contract.

Section 6. Default and Remedies upon Default. Redeveloper and Agency agree with respect to any defaults or failures of performance by Redeveloper or the Agency as follows:

- (a) The following shall constitute "Events of Default" under the terms of this Redevelopment Contract:
 - (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 Contract;
 - (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) the 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 the Redeveloper or any part of its property or commences any proceeding related to the 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 the Redeveloper any such proceedings and the 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 the Redeveloper or any part of its property or suffers any such receivership or trusteeship.
- (b) Whenever any 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 (1) may suspend its performance under this Redevelopment Contract, including an order to the City Treasurer or any other appropriate officer to suspend contracting for public improvements or disbursement of monies for costs of public improvements or other improvements until receiving assurances from Redeveloper or the Agency, deemed adequate by the Agency, that Redeveloper or the Agency has cured the default and will continue performance under this Redevelopment Contract and (2) 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 Contract.
- (c) If at any time during the first five years of the term of this Redevelopment Contract an Event of Default shall occur and remain continuing and uncured for a period of

more than sixty days after notice from the Agency to the Redeveloper of such Event of Default, the aggregate amount of all grants paid to Redeveloper shall stand forfeited and Redeveloper shall be required to repay the same to the Agency upon demand.

- (d) Redeveloper acknowledges and agrees that the Agency or any registered owner of any Bond outstanding under the Resolution shall each be entitled to specific performance and injunction or other equitable relief for any breach or threatened breach of any of the provisions of this Redevelopment Contract, notwithstanding the availability of an adequate remedy at law and Redeveloper hereby waives the right to raise such defense in any proceeding equity.
- (e) No remedy herein conferred upon or reserved to the Agency or the registered owner of any of the Bonds 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 Contract 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 Contract should be breached by any Party or beneficiary and hereafter waived by any other Party or beneficiary, 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 the Redevelopment Project has been completed and the proceeds of the Bonds 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 the 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 18-2154, R.R.S. Neb. (Reissue 2012) as amended and for the limited governmental purposes of promoting and encouraging redevelopment of a blighted and substandard area. The Redeveloper acknowledges that the Redeveloper or its successors and assigns are and shall remain in control of the Redeveloper Project Undertaking for all purposes provided that the Redeveloper acknowledges and agrees that the City of Norfolk 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 Bonds. The Redeveloper agrees either to purchase all of the Bonds issued pursuant to a Redeveloper Bond Resolution for the principal amount thereof or to find a purchaser for such Bonds upon terms and conditions acceptable to the Agency. Neither the Agency nor the City under the terms of this agreement undertakes any responsibility with respect to the sale or placement of the Bonds issued pursuant to a Redeveloper Bond Resolution. Any such sale or placement of such Bonds 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 Bonds. Any such purchaser, shall provide to

the Agency an investment letter setting forth the understanding as to purchase for investment and not for any further distribution, in form and substance satisfactory to the Agency.

Section 9. Indemnity. The Redeveloper hereby agrees to indemnify and save the Agency harmless for any payment or liability to which the Agency may become subject for carrying out of any contract entered into by the Redeveloper with respect to the Redeveloper Project Undertaking except as caused solely by negligent acts of the Agency. The 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, R.R.S. Neb. (Reissue 2012) as amended; and further agrees to comply with Section 52-118, R.R.S. Neb. (Reissue 2010) with respect to any public improvement work applicable to such law.

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" with the mutual written consent of all Parties.

Section 11. Redevelopment Contract Binding Upon Successors and Assigns. This Redevelopment Contract is made for the benefit of the Redeveloper and the Agency and the registered owners from time to time of the Bonds as third party beneficiaries. This Redevelopment Contract shall be binding upon the Agency and Redeveloper, and any successors or assigns of any such Party. This Redevelopment Contract shall not be assigned by the Redeveloper without the written consent of the Agency. Any transfer (including any lease for a term longer than one year) or conveyance of the any portion of the Redevelopment Project Property, or any interest therein, prior to the termination of the 15 year period commencing on the last effective date specified in Section 3.01 hereof by the Redeveloper shall be subject to the terms and conditions of this Redevelopment Contract.

Section 12. Titles of Sections. Any titles of the several Sections of this Redevelopment Contract 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: (i) McIntosh Family, L.L.C, P.O. Box 1366, Norfolk, Ne 68702-1366 ;
- (b) in the case of Agency, if mailed to or delivered personally to: The Agency at Offices of the City of Norfolk, 309 N. 5th Street, Norfolk, Nebraska 68701, Attention City Treasurer;

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 Contract 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 Contract shall not affect the remaining portions of this Redevelopment Contract or any part thereof.

Section 15. Counterparts. This Redevelopment Contract 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 Contract 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 Contract.

Section 18. [Reserved]

Section 19. Force Majeure Event. Neither the 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 Contract 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 the 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 the Redeveloper and the Agency; provided, that the Redeveloper or the Agency, as the case may be, shall, within twenty (20) days after the beginning of any such enforced delay, have notified the 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 Contract. This Redevelopment Contract (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 Contract shall be of any force and effect.

[Signature page follows.]

IN WITNESS WHEREOF, the Agency and Redeveloper have caused this Redevelopment Contract to be executed by their duly authorized representatives.

COMMUNITY DEVELOPMENT AGENCY OF THE
CITY OF NORFOLK, NEBRASKA

By:

Sue Fuchtman
Chairperson

ATTEST:

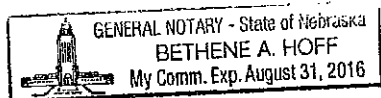
Elizabeth A. Deck
Secretary

STATE OF NEBRASKA)

: ss.

COUNTY OF MADISON)

The foregoing instrument was acknowledged before me this 16th day of March, 2015, by Sue Fuchtman, the Chairperson of the governing body of the Community Development Agency of the City of Norfolk, Nebraska, on behalf of such agency.



Bethene A. Hoff
Notary Public
Bethene A. Hoff

McINTOSH FAMILY, L.L.C. A NEBRASKA LIMITED
LIABILITY COMPANY

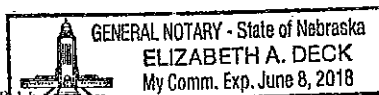
BY: Joe McIntosh
Managing Member

STATE OF NEBRASKA

: ss.

COUNTY OF MADISON)

The foregoing instrument was acknowledged before me this 16 day of March, 2015, by Joe McIntosh, Managing Member of McIntosh Family, L.L.C., a Nebraska Limited Liability Company.



DOCS/1379438

Elizabeth A. Deck
Notary Public
Elizabeth A. Deck

EXHIBIT "A"

A TRACT OF LAND LYING WHOLLY IN THE N 1/2 OF THE NE 1/4 OF SECTION 23, TOWNSHIP 24 NORTH, RANGE 1 WEST OF THE 6TH P.M., MADISON COUNTY, NEBRASKA. SAID TRACT OF LAND IS MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF LOT 1A, BLOCK 1, MEADOW RIDGE PHASE 4, 1ST ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA, SAID POINT BEING ON THE EAST LINE OF LOT 3A, BLOCK 5 OF MEADOW RIDGE PHASE 2, FIRST ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA; THENCE PROCEEDING NORTH, ALONG THE EAST LINE OF SAID MEADOW RIDGE PHASE 2, FIRST ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA, ON AN ASSUMED BEARING OF NORTH 00 DEGREES 43 MINUTES 48 SECONDS WEST, 345.43 FT. TO THE NORTHEAST CORNER OF LOT 1A, BLOCK 6 OF SAID MEADOW RIDGE PHASE 2, FIRST ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF LOT 11B, BLOCK 1 OF MEADOW RIDGE PHASE 1, 2ND ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA; THENCE NORTH 00 DEGREES 41 MINUTES 36 SECONDS WEST, ALONG THE EAST LINE OF BLOCK 1 OF SAID MEADOW RIDGE PHASE 1, 2ND ADDITION, AN ADDITION TO THE CITY OF NORFOLK, NEBRASKA, MADISON COUNTY, NEBRASKA, 609.95 FT. TO THE NORTHEAST CORNER OF LOT 5B, BLOCK 1 OF SAID MEADOW RIDGE PHASE 1, 2ND ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA, SAID POINT BEING ON THE SOUTH RIGHT-OF-WAY OF BENJAMIN AVENUE; THENCE NORTH 88 DEGREES 51 MINUTES 55 SECONDS EAST, ALONG THE SOUTH RIGHT-OF-WAY OF SAID BENJAMIN AVENUE 149.06 FT.; THENCE NORTH 89 DEGREES 47 MINUTES 30 SECONDS EAST, ALONG THE SOUTH RIGHT-OF-WAY OF BENJAMIN AVENUE 536.28 FT. TO A POINT ON THE WEST LINE OF A LOT OF RECORD IN THE NE 1/4 OF THE NE 1/4 OF SAID SECTION 23 CURRENTLY OWNED BY CHRIST THE SERVANT AMERICAN LUTHERAN CHURCH; THENCE SOUTH 00 DEGREES 15 MINUTES 44 SECONDS EAST, ALONG THE WEST LINE OF SAID LOT OF RECORD 611.09 FT. TO THE NORTHEAST CORNER OF LOT 1, BLOCK 4 OF MEADOW RIDGE PHASE 4, 1ST ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA; THENCE SOUTH 52 DEGREES 05 MINUTES 50 SECONDS WEST, 120.66 FT. TO THE NORTHWEST CORNER OF LOT 1 OF SAID BLOCK 4; THENCE SOUTH 44 DEGREES 42 MINUTES 04 SECONDS WEST, 60.00 FT. TO, THE NORTHEAST CORNER OF LOT 13, BLOCK 3 OF SAID MEADOW RIDGE PHASE 4, 1ST ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA; THENCE SOUTH 44 DEGREES 20 MINUTES 15 SECONDS WEST, ALONG THE WESTERLY LINE OF SAID BLOCK 3, 231.21 FT. TO THE NORTHWEST CORNER OF LOT 11 OF SAID BLOCK 3; THENCE SOUTH 89 DEGREES 31 MINUTES 52 SECONDS WEST, 50.09 FT. TO THE NORTHWEST CORNER OF LOT 10 OF SAID BLOCK 3; THENCE SOUTH 00 DEGREES 49 MINUTES 53 SECONDS EAST, 57.12 FT. TO THE NORTHEAST CORNER OF LOT 1A OF SAID BLOCK 3; THENCE SOUTH 89 DEGREES 44 MINUTES 15 SECONDS WEST, 150.04 FT. TO THE NORTHWEST CORNER OF LOT 1A OF SAID BLOCK 3; THENCE SOUTH 82 DEGREES 12 MINUTES 53 SECONDS WEST, 60.36 FT. TO THE NORTHEAST CORNER OF LOT 1A, BLOCK 1 OF SAID MEADOW RIDGE PHASE 4, 1ST ADDITION, AN ADDITION TO THE CITY OF NORFOLK, MADISON COUNTY, NEBRASKA; THENCE SOUTH 89 DEGREES 42 MINUTES 25 SECONDS WEST, 118.23 FT, TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINS 13.40 ACRES, MORE OR LESS.

Exhibit "B"

Estimated Redeveloper Project Cost

	<u>Phase 1</u>	<u>Phase 2</u>	<u>Total</u>
# of single family lots:			
Attached	18	18	36
Detached	9	8	17
Total	<u>27</u>	<u>26</u>	<u>53</u>
Paving	\$ 135,775	\$ 138,862	\$ 274,637
Sanitary Sewer	\$ 47,518	\$ 45,346	\$ 92,864
Water	\$ 68,692	\$ 72,320	\$ 141,012
	\$ 251,985	\$ 256,528	\$ 508,513
20% eng & contingencies	\$ 50,397	\$ 51,306	\$ 101,703
Total construction cost	\$ 302,382	\$ 307,834	\$ 610,216
Electrical	\$ 27,000	\$ 26,000	\$ 53,000
Site Preparation	\$ 33,750	\$ 32,500	\$ 66,250
Total infrastructure cost	\$ 363,132	\$ 366,334	\$ 729,466
Capitalized interest 3 years at 5%-only ACTUAL interest paid	\$ 54,470	\$ 54,950	\$ 109,420
Redeveloper Project Cost	<u>\$ 417,602</u>	<u>\$ 421,284</u>	<u>\$ 838,886</u>

EXHIBIT "C"

REDEVELOPMENT CONTRACT AMENDMENT NOTICE

Notice is hereby given by _____, a Nebraska _____ ("Redeveloper") to the Community Development Agency of the City of Norfolk, Nebraska ("Agency"), pursuant to Section 3.01 of that certain Redevelopment Contract between Redeveloper and Agency dated _____, 2015 as follows:

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

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

(a) The Redevelopment Contract Amendment incorporates a new Sub-Phase to Phase _____ of the Project which shall include the following Lot(s) in the Project Area:

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

(b) The effective date of the Redevelopment Contract Amendment shall be _____, 20____.

(c) The division date for the applicable Sub-Phase shall be _____, 20____; and a proposed form of Notice of Division is attached hereto and incorporated herein by this reference.

(d) The base year valuation for such Sub-Phase shall be the year 20____.