

**REDEVELOPMENT AGREEMENT**

**(City Block Redevelopment Project)**

THIS REDEVELOPMENT AGREEMENT (this "Agreement") is entered into this 13<sup>th</sup> day of JUNE, 2016, by and between the Community Redevelopment Authority of the City of Hastings, Nebraska, a municipal corporation (the "Authority"), the City of Hastings, Nebraska, a Nebraska municipal corporation (the "City"), City Block Center Hospitality, LLC, a Nebraska limited liability company ("CBC Hospitality"), City Block Center Housing, LLC, a Nebraska limited liability company ("CBC Housing"), and City Block Center Mixed-Use, LLC, a Nebraska limited liability company ("CBC Mixed-Use") (CBC Hospitality, CBC Housing, and CBC Mixed-Use are collectively referred to as the "Redeveloper").

**RECITALS**

- A. The Authority is a duly organized and existing community redevelopment authority, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Agreement.
- B. The City, in furtherance of the purposes and pursuant to the provisions of Article VIII, Section 12 of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 to 18-2154, as amended (collectively, the "Act"), has adopted a Redevelopment Plan for a blighted and substandard area designated by the City, including the Redevelopment Area, which is more particularly described in the Redevelopment Plan.
- C. Redeveloper submitted a proposal for a redevelopment project designated as the City Block Redevelopment Project (the "Redevelopment Project") to redevelop the Project Site, which is located in the Redevelopment Area and which is more particularly described on Exhibit "A" attached and the Site Plan affixed to Exhibit "A".
- D. Chief Industries, Inc., a Delaware corporation ("Chief") and WRK, L.L.C., a Nebraska limited liability company ("WRK"), and the Hegg Companies, Inc., a South Dakota corporation ("Hegg") were approved as the "Developer of Record" for the Redevelopment Project by the City Council of the City of Hastings at a meeting on February 23, 2016 (Chief, WRK, and Hegg are collectively referred to herein as the "Developer of Record").
- E. Developer of Record has created the three (3) affiliated entities that have been identified as the Redeveloper herein to develop and own separate parts of the Private Project, as described herein.
- F. Upon execution of this Agreement by the parties hereto, the Redeveloper shall have contracted to purchase the Redeveloper Property, which is located on

the Project Site and which is more particularly described on Exhibit "B" attached hereto.

- G. The proposed Redevelopment Project includes two components: the Municipal Project and the Private Project. The improvements to be constructed pursuant to the Municipal Project and the Private Project shall be collectively referred to herein as the "Project Improvements".
- H. In connection with the proposed Redevelopment Project, but outside of the scope of this Agreement, the City has commenced renovation of the existing Hastings Auditorium.
- I. The Municipal Project obligates the City to make certain improvements on the Project Site, including construction of an approximately 15,000 square foot conference connecting link between the Hastings Auditorium and the Private Project, and associated improvements; and the creation of construction-ready pad sites for the hotel component, the housing component, and the mixed-use component of the Private Project.
- J. The Private Project obligates the Redeveloper to acquire the Redeveloper Property and construct certain improvements on the Redeveloper Property, including a new approximately 75 room hotel, a new approximately 22,000 square foot mixed use facility, a new approximately 94 bed residential housing facility and associated improvements.
- K. The Private Project contemplates that CBC Hospitality, CBC Housing, and CBC Mixed-Use, the three affiliated entities of the Developer of Record, shall independently develop and own separate parts of the Redevelopment Property and the Private Project, as more particularly set forth herein.
- L. The Authority has approved the Redeveloper's proposed Redevelopment Project, including the utilization of tax-increment financing to assist in the cost of the eligible expenditures described in Article VIII of this Agreement.
- M. The City, the Authority and the Redeveloper desire to enter into this Agreement for redevelopment of the Project Site.

NOW THEREFORE, in consideration of the mutual obligations of the parties hereto, each of them hereby covenant and agree with each other as follows:

## **ARTICLE I** **DEFINITIONS**

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

A. "Act" means Article VIII, Section 12 of the Nebraska Constitution, Neb. Rev. Stat. § 18-2101 through 18-2154, as amended, and acts amendatory thereof and supplemental thereto.

B. "Authority" means the Community Redevelopment Authority of the City of Hastings, Nebraska, a municipal corporation.

C. "City" means the City of Hastings, Nebraska.

D. "Effective Date" shall mean January 1<sup>st</sup> of the year in which substantial completion is achieved for the Private Project.

E. "Eligible Expenditures" means only costs or expenses incurred by Redeveloper for public improvements that are eligible for reimbursement under the Act.

F. "CBC Hospitality" means City Block Center Hospitality, LLC, a Nebraska limited liability company, or its assignee, which assignment is subject to the approval of the Authority as required herein. CBC Hospitality shall construct, operate and manage the hotel improvements described herein that are part of the Private Project.

G. "CBC Housing" means City Block Center Housing, LLC, a Nebraska limited liability company, or its assignee, which assignment is subject to the approval of the Authority as required herein. CBC Housing shall construct, operate and manage the housing improvements described herein that are part of the Private Project

H. "CBC Mixed-Use" means City Block Center Mixed-Use, LLC, a Nebraska limited liability company, or its assignee, which assignment is subject to the approval of the Authority as required herein. CBC Mixed-Use shall construct, operate and manage the mixed-use improvements described herein that are part of the Private Project

I. For the purposes of this Agreement, the term "holder" in reference to a Mortgage shall be deemed to include any insurer or guarantor of any obligation or condition secured by such Mortgage or similar type of encumbrance who succeeds to or becomes subrogated to the rights of the mortgagee.

J. "Mortgage" means a mortgage, deed of trust or other instrument creating an encumbrance or lien as security for a loan

K. "Municipal Project" means the improvements to the Project Site and adjacent thereto to be undertaken by the City, which improvements are more particularly described in Article IV of this Agreement.

L. "Private Project" means the improvements to the Redeveloper Property and adjacent thereto to be constructed by the Redeveloper, which improvements are more particularly set forth in Article V of this Agreement.

M. "Project Completion Date" means December 31, 2017.

N. "Project Improvements" means all of the improvements to be constructed on the Project Site and adjacent thereto pursuant to this Agreement, including both the Private Project improvements and the Municipal Project improvements.

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

P. "Redeveloper" means CBC Hospitality, CBC Housing, and CBC Mixed-Use, and their respective assignees, which assignment is subject to the approval of the Authority as required herein.

Q. "Redeveloper Property" means all that certain real property situated in the City, more particularly described on Exhibit "B".

R. "Redevelopment Area" means the Redevelopment Area that is set forth in the Redevelopment Plan.

S. "Redevelopment Plan" means the Auditorium/City Block Redevelopment Plan (Plan Modification VIII to Redevelopment Plan I) prepared by the Authority and approved by the City pursuant to City Council Resolution No. 2015-7, a copy of which has been filed in the office of the City Clerk of the City Hastings.

T. "Redevelopment Project" means all of the improvements to the Project Site and adjacent thereto, including both the Municipal Project and the Private Project, defined herein.

U. "Tax Increment" means incremental ad valorem taxes generated by the Private Project which are allocated to and paid to the Authority pursuant to the Act.

V. "Tax Increment Debt" means any bonds, loans and advances of money or other indebtedness, including interest thereon, issued by the Authority or the City secured in whole or in part by tax revenues derived from the Tax Increment.

W. The term "valuation" shall mean the fair market value or assessed value as that term appears in the records of Adams County, Nebraska, for the relevant tax year.

**ARTICLE II**  
**EVIDENCE OF FINANCIAL ABILITY**

The Redeveloper shall, no later than ninety (90) days following the execution of this Agreement, provide to the City and the Authority evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of the Redeveloper in connection with acquisition of the Redeveloper Property and construction of the Private Project. To the extent allowed by law, the City and the Authority agree to keep said information confidential. Such information shall state the amount and source of liquid assets on hand or immediately available to the Redeveloper for use in the Private Project; and shall state the amount and source of debt financing which is available, or irrevocably committed, to the Redeveloper for use in acquiring the Redeveloper Property and completing the Private Project. Such information shall be provided in a form satisfactory to the City and the Authority, and evidence of loan commitments shall include all of the documents evidencing the loan commitment, acceptance by the Redeveloper, the purposes of the loan, the authorized use of loan funds, and all other terms and conditions of the loan commitment, the acceptance, and the loan. Submittal of such financial information in a form satisfactory to the City and the Authority shall be a condition precedent to the requirement of the City and the Authority to proceed with their obligations under this Agreement, including the City's obligation to convey the Redeveloper Property as set forth in Article III.

### **ARTICLE III** **REDEVELOPER PROPERTY**

3.01 Conveyance of the Redeveloper Property. The City agrees to sell to the Redeveloper, and the Redeveloper agrees to buy from the City, the Redeveloper Property, which shall include all of the property legally described on Exhibit "B".

3.02 Purchase Price. The purchase price for the Redeveloper Property shall be One and No/100 Dollars (\$1.00) (the "Purchase Price"), which Purchase Price shall be due at closing.

3.03 Title. At closing and after the approval of the Conditions Precedent described in Section 3.09 below, the City shall execute and deliver to Redeveloper Special Warranty deeds (the "Deeds") conveying title to the Redeveloper Property free and clear of all liens and encumbrances, except easements or restrictions of record which do not restrict Redeveloper's ability to implement the Redevelopment Project on the Redeveloper Property, and provided that title to the Redeveloper Property will be subject to any Permitted Exceptions as described in Section 3.07 below. Title shall also be subject to the restrictions set forth in this Agreement. In addition to the other conditions precedent set forth in Section 3.09 below, Redeveloper contemplates the creation of a condominium regime to create separate condominium units for the components of the Private Project, and to facilitate delivery of title at closing. Redeveloper shall, in its sole discretion, determine which portion of the Redeveloper Property shall be conveyed to CBC Hospitality, which portion of the Redeveloper Property shall be conveyed to CBC Housing and which portion shall be conveyed to CBC Mixed-Use.

3.04 Closing Costs. The City shall be obligated to prepare the Deeds and to pay the Nebraska Documentary Stamp Tax, if any, relating to the transfer. Redeveloper shall be obligated to prepare the Real Estate Transfer Statement and to pay the cost, if any, of filing said Deeds. Each party shall pay its own attorney fees. The City and Redeveloper agree to retain Charter Title & Escrow as the Closing Agent (“Title Company”) to close this transaction and shall execute the Title Company’s escrow closing agreement upon reasonable request. The City and the Redeveloper shall each pay one-half (1/2) of the expenses of the Title Company to close this transaction.

3.05 Taxes. The City warrants that the Redeveloper Property is currently exempt from real estate taxes. The Redeveloper shall pay all real estate taxes due on the Redeveloper Property for the period on or after the Closing Date.

3.06 Closing. The closing (“Closing Date”) for the purchase and sale of the Redeveloper Property shall occur as soon as possible following the satisfaction of the conditions precedent set forth in Section 3.09, subject to the mutual scheduling of the City and the Redeveloper.

3.07 Title Insurance. Within fifteen (15) days from the date of this Agreement, Redeveloper shall obtain one or more title insurance commitments on the Redeveloper Property issued by the Title Company. The title insurance commitment shall show marketable title to the Redeveloper Property in the City in accordance with the terms and conditions of this Agreement, and shall agree to insure title in CBC Hospitality, CBC Housing, and CBC Mixed-Use in the amount of the project costs acceptable to the Redeveloper following closing in conformity herewith. The cost of the final title insurance policy shall be equally shared by the City and the Redeveloper.

The Redeveloper shall approve or disapprove title to the Redeveloper Property within fifteen (15) days after receipt of the title insurance commitment and the ALTA Survey, if ordered by the Redeveloper. If any defect in title is discovered during the examination of the title commitment by either the Redeveloper or the Redeveloper’s attorney, the Redeveloper shall provide written notice of said defects to the City. The City shall have the option to cure such defect at City’s sole cost and expense. If the City elects not to cure such defect, or if efforts to cure any such defect fail, the Redeveloper shall have the option to rescind this Agreement or to waive such defect and proceed to closing. Any matters reflected in the title commitment to which the Redeveloper does not object shall be deemed to be “Permitted Exceptions.”

3.08 Possession. The City shall deliver possession of the Redeveloper Property to Redeveloper on the Closing Date.

3.09 Conditions Precedent. The Redeveloper’s obligation to close on the purchase of the Redeveloper Property shall be contingent upon the following:

A. Inspection. Redeveloper or Redeveloper's authorized agent shall have the right to inspect the Redeveloper Property, at Redeveloper's expense, to determine the condition of the Redeveloper Property, which inspection may include, but shall not be limited to, a Phase I Environmental Site Assessment, flood plain determination, wetlands delineation, geotechnical soils report, and an ALTA Survey. Such reports or results shall be deemed satisfactory in Redeveloper's sole discretion.

B. Land Use Approvals. The City shall have provided or obtained all necessary governmental approvals including, without limitation: (i) a change of zone of the Redeveloper Property to the CP-2 Central Business District zoning classification with a Planned District overlay, and/or any other required zoning approvals to allow Redeveloper to use the Redeveloper Property for its intended purpose; (ii) a plat of subdivision of the Redeveloper Property necessary to create the legal lots of record to be conveyed to CBC Hospitality, CBC Housing, and CBC Mixed-Use, respectively, for the three (3) or more parcels required for the Private Project; (iii) vacation of the alley that bisects Block 15, Original Town of Hastings, from the East right-of-way line of North Hastings Avenue to the West right-of-way line of North Denver Avenue; and (iv) the vacation of 4<sup>th</sup> Street between the west right-of-way line of North Denver Avenue and the east right-of-way line of North Hastings Avenue.

C. Remonstrance Period. The City shall have approved the sale of the Redeveloper Property in compliance with all applicable laws and regulations, and the remonstrance period required pursuant to Neb. Rev. Stat. § 16-202 shall have been completed and satisfied, and the City shall have successfully completed its referendum process.

D. Condominium. Redeveloper shall have created a condominium regime on the Redeveloper Property to separate ownership of the various components of the Redevelopment Project.

E. No Referendum. There has not been a successful petition filed with the City as provided by Neb. Rev. Stat. §18-2528, §18-2529, and/or §18-2530 seeking Referendum or Limited Referendum which would cause this Redevelopment Agreement to be submitted to a vote of the citizens of the City of Hastings as provided therein.

F. Food and Beverage (a/k/a Restaurant) Tax. The City would adopt an ordinance providing for a food and beverage tax of one and one-half percent (1.5%) on the sale of food and beverages sold within the City of Hastings.

The conditions set forth in this Section 3.09 are for the benefit of Redeveloper and must be satisfied or waived before the Redeveloper is obligated to close on the purchase and sale of the Redeveloper Property. If Redeveloper determines, in Redeveloper's sole discretion, that the conditions have not been satisfied, Redeveloper shall have the right to rescind this Agreement.

3.10 Risk of Loss. Risk of loss or damage to the Redeveloper Property shall rest with the City until the delivery of possession to the Redeveloper. The City shall maintain all existing hazard insurance covering the Redeveloper Property in full force and effect up to and including the Closing Date. In the event, prior to closing of the Property and its conveyance to the Redeveloper, the Redeveloper Property is damaged by fire, explosion, casualty, or other cause, or in the event that condemnation proceedings are commenced against the Redeveloper Property or any part thereof, the Redeveloper shall have the right to rescind this Agreement.

#### **ARTICLE IV** **MUNICIPAL PROJECT**

4.01 Components of Municipal Project. In order to implement to the Municipal Project, the City, at its own cost and expense, shall cause the following improvements to be constructed on the Project Site in accordance with the Construction Documents, which improvements shall be referred to herein as the “Municipal Project Improvements”:

- A. First Priority: Relocation of utilities/communication facilities and the delivery of the Project Site necessary for the Private Project in Construction-Ready Condition;
- B. Second Priority: Design and construction of a new approximately fifteen thousand (15,000) square foot conference center link connecting the New Hotel, defined below, with the Hasting Auditorium (the “Conference Link”);
- C. Third Priority: Construction of a surface parking lot providing approximately one hundred (100) parking stalls on the Hastings Masonic Temple Association site (“Masonic Temple Parking Lot”) adjacent to the Project Site, with twenty-five (25) parking stalls in the Masonic Temple Parking Lot dedicated to the Private Project, and providing not less than one hundred (100) additional parking stalls within six hundred (600) feet of the Project Site which are currently and will remain available for the Private Project in the future (“Available Parking”); and
- D. Fourth Priority: Design and construction of certain streetscape improvements to North St. Joseph Street, North Denver Avenue, and North Hastings Avenue where such right-of-ways about the Project Site, including but not limited to decorative hardscape, landscaping, pedestrian lighting, and sewer and sidewalk improvements.

For purposes of this Agreement, the term “Construction-Ready Condition” shall require: (i) extension of utilities and infrastructure to within five (5) feet of the footprint of each building to be constructed on the Project Site, as reflected in the Construction Documents; (ii) relocation of all existing utility and communication facilities which exist in the Project Site; (iii) performance of demolition, site grading and excavation, and installation of soil stabilization measures including a geo-pier system to the satisfaction of Redeveloper; (iv) satisfaction of the compaction and fill

requirements of Redeveloper and/or its contractors; (v) vacation of the public right-of-way of West 4<sup>th</sup> Street from the East right-of-way line of North Hastings Avenue to the West right-of-way line of North Denver Avenue; (vi) rezoning the Project Site to the CP-2 Central Business District classification with a Planned District overlay; and (vii) any other preparation Redeveloper and/or its contractors deems necessary in order to begin construction on the Project Site.

4.02 Budget for Municipal Project. The City's cost and expense for the Municipal Project Improvements shall not exceed Four Million Eight Hundred Thousand and No/100 Dollars (\$4,800,000.00) (the "City Expense Cap") without the consent and approval of the City. For the purposes of this Agreement, if the City's cost and expense for the Municipal Project Improvements should exceed the Four Million Eight Hundred Thousand and No/100 Dollar (\$4,800,000.00) cap as set forth above, the City in its sole discretion shall be entitled to adjust or reduce the size and scope of the Municipal Project based upon City's modifications to the Municipal Project, provided that the City shall make such adjustments or reductions to the Municipal Project starting with the lowest priority identified above.

4.03 Available Parking. The parties agree that the Redeveloper's rights to use the Masonic Temple Parking Lot and other parking provided by the City pursuant to section 4.01(C) of this Agreement is intended to support and satisfy the parking needs of the Private Project, the existing City Auditorium, the Conference Link, the Hastings Public Library, and the Hastings Masonic Center. The parties acknowledge and understand that providing sufficient parking is necessary to obtaining the necessary financing for the Private Project and essential to the success of both the Municipal Project and Private Project. For the purposes of section 4.01(C), Available Parking shall mean a sufficient supply of unencumbered parking within a 600-foot radius of the Project Site to adequately support and ensure the marketability and utilization of both the Public Project and the Private Project. Should it be determined by either party in the future and sufficiently documented and exhibited through mutually accepted methods of measuring market performance that available parking is not reasonably sufficient to support both the Public Project and the Private Project, City shall be responsible for providing additional or designated parking by such means and upon such timing as would be mutually acceptable by the City and Redeveloper and which shall ensure that the lack of sufficient parking shall not cause economic hardship to the City or the Redeveloper. Mutually accepted methods of measuring market performance shall mean:

- a. Redeveloper is unable to obtain market rents for a housing project of similar age, amenities, geographic location, and quality, and the inability to obtain such rents can be directly attributed to insufficient Available Parking,
- b. Redeveloper is unable to maintain market housing occupancy rates for a housing project of similar age, amenities, geographic location, and quality, and the inability to maintain such occupancy rates can be directly attributed to insufficient Available Parking,

- c. A third party parking consultant, mutually agreeable to Redeveloper and City, makes a determination that the available parking is not reasonably sufficient to support both the Public Project and the Private Project, or
- d. The parties otherwise mutually agree that there is insufficient parking.

Should Redeveloper and City not reach mutual acceptance or agreement regarding the necessity of additional parking, the parties shall utilize the determination and recommendations of a third party parking consultant mutually agreeable to Redeveloper and City in order to establish parking sufficient to support both the Public Project and the Private Project.

The parties agree that the purpose of defining market performance is not to publicly support or enhance the competitiveness of the Private Project should a new facility of similar age, amenities, geographic location, and quality be constructed in the Hastings market.

If additional parking becomes necessary the City will implement a temporary solution by designating existing off-street and/or on-street parking for the housing component of the Private Project by sign, striping, or permitting within six hundred (600) feet of the Project Site to address the need for additional parking and proceed to the creation of a permanent solution by such means, including, but shall not be limited to the following within six hundred (600) feet of the Project Site: the acquisition or creation of additional public parking, the exclusive designation by sign, striping, or permitting of either off-street and/or on-street parking, or the exclusive designation by sign, striping, or permitting of current off-street and/or on-street parking or additional parking facilities.

If the City and/or the Authority is unable to provide the agreed upon required Available Parking as set forth herein, the Redeveloper shall have the right to reduce the size and scope of the Private Project and the various improvements included therein to create a private project that is properly sized based on the available parking.

**ARTICLE V**  
**PRIVATE PROJECT**

5.01 In order to implement the Private Project, the Redeveloper cause to be constructed the following improvements on the Project Site in accordance with the Construction Documents:

A. Design and construction of an approximately forty-eight thousand (48,000) square foot, seventy-five (75) room hotel, which shall be designed and constructed with not less than seventy-five percent (75%) of the façade (excluding window area) comprised of brick or masonry (the “New Hotel”) to be contained in the Hotel Condo Unit;

B. Design and construction of an approximately twenty-two thousand (22,000) square foot mixed use facility, comprised of a combination of retail and office uses to be contained in the Mixed-Use Condo Unit; and

C. Design and construction of an approximately ninety-four (94) bed, sixty thousand (60,000) square foot residential housing facility to be contained in the Housing Condo Unit.

5.02 Condominium Regime. The Redeveloper shall independently develop separate parts of the Private Project constructed on the Redeveloper Property. Redeveloper reserves the right to subject the Private Project to a condominium regime to facilitate the separation and financing of the various components of the Private Project to create: (a) Hotel Condo Unit; (b) Mixed-Use Condo Unit; and (c) Housing Condo Unit. Redeveloper shall obtain the Authority's consent to the initial Declaration of Condominium Regime, which consent shall be supplied if the Declaration is consistent with the terms of this Agreement.

## **ARTICLE VI**

### **CONSTRUCTION OF THE PROJECT IMPROVEMENTS**

6.01 Project Improvements. The improvements to be constructed pursuant to the Municipal Project shall be referred to as the "Municipal Project Improvements" and the improvements to be constructed pursuant to the Private Project shall be referred to herein as the "Private Project Improvements". The Municipal Project Improvements and the Private Project Improvements shall be collectively referred to herein as the "Project Improvements". For the purposes of this Article VI, "Redeveloper Improvements" shall mean all of the portions of the Project Improvements for which the Redeveloper shall be responsible, as more particularly described in Section 6.04.

The anticipated investment in and construction cost of the Project Improvements shall be at least Twenty Million and No/100 Dollars (\$20,000,000.00).

6.02 Conditions Precedent. The Redeveloper's obligation to commence construction of the Redeveloper Improvements and complete them in accordance with the terms of this Agreement is conditioned upon:

A. The closing of the purchase and sale of the Redeveloper Property pursuant to Article III of this Agreement; and

B. Delivery of the Project Site by the City to Redeveloper in Construction-Ready Condition.

6.03 Construction Documents. Detailed site plan and final construction plans and specifications ("Construction Documents") have been prepared by Redeveloper for the Project Improvements. Redeveloper shall submit the

Construction Documents for the Private Project, and any material changes thereto, to the Authority, for review and approval or disapproval. If the Construction Documents, or modified Construction Documents, for the Private Project are in substantial conformity with the Redevelopment Plan and this Agreement, the Authority shall approve the Construction Documents and notify Redeveloper in writing of its approval. If the Authority does not approve or reject the Construction Documents within fourteen (14) days after receipt of said documents, all such documents shall be deemed to be approved.

6.04 Construction Manager; General Contractor.

A. The parties agree and acknowledge that Chief Construction Company (“Private Project Construction Manager”), an affiliate of Chief Industries, Inc., which is a Member of the Redeveloper, shall serve as the construction manager on all construction of the Private Project.

B. The City shall use a construction manager for the construction of the Municipal Project, pursuant to the Nebraska Political Subdivision Alternative Construction Act, Neb. Rev. Stat. § 13-2901 et. seq., except those components prohibited by Neb. Rev. Stat. § 13-2914. The City shall submit requests for proposals for the Municipal Project pursuant to Neb. Rev. Stat. § 13-2909. The construction manager selected for the Municipal Project shall be required to carry insurance policies in the same types and coverage amounts as the Private Project Construction Manager on the Private Project. The City shall submit a request for proposal to the Private Project Construction Manager for the construction management services for the Municipal Project, but acknowledges that said services may be awarded to a third party depending on the results of the proposals submitted to the City. If the City selects any construction manager other than Private Project Construction Manager for the Municipal Project, then notwithstanding anything in this Agreement to the contrary: (i) Redeveloper shall have no obligations with respect to the construction and completion of the Municipal Project Improvements and the City must enter into the appropriate agreements for the construction of the Municipal Project Improvements; and (ii) said contractor or construction manager shall have no interest in or rights with respect to this Agreement.

6.05 Time for Completion of Project Improvements. The construction of the Project Improvements shall be substantially completed on or before the Project Completion Date. Provided, Redeveloper shall have the right to request time extensions for completion of the Redeveloper Improvements for good cause.

6.06 Progress Reports. Until construction of the Redeveloper Improvements have been completed, Redeveloper shall make periodic reports in such detail and at such times as may be reasonably requested by the Authority as to the actual progress of Redeveloper with respect to construction of such Redeveloper Improvements. Subject to reasonable advance notification and approval of the timing of such access by the Private Project Construction Manager, and further subject to safety restrictions or requirements imposed by the Private Project Construction Manager, fire marshal or any governmental agency, the City and the

Authority shall inspect the Municipal Project Improvements on a monthly basis as part of the monthly progress payment process. The City shall be required to fund monthly progress payments for the Municipal Project, not to exceed the approved construction budget for the Municipal Project.

6.07 Certificate of Completion.

A. Promptly after completion by the Redeveloper of the Redeveloper Improvements, in substantial accordance with all provisions of this Agreement, the Redeveloper shall furnish to the Authority a Certificate of Completion in the form attached hereto as Exhibit "C". The Authority's having endorsed its written acceptance of the Certificate of Completion shall be a conclusive determination of satisfaction of the agreements and covenants in this Agreement with respect to the obligations of Redeveloper to construct the Redeveloper Improvements as shown on the approved Construction Documents and any amendments thereto. Nothing contained in this paragraph shall authorize the Redeveloper to issue a Certificate of Completion until all required construction of the Redeveloper Improvements is completed in accordance with the approved Construction Documents and any approved changes thereto, or to require the Authority to accept the same until the Authority shall have been furnished with such certifications, representations, undertakings and warranties of the Redeveloper and its architects and others as the Authority may reasonably require. As used herein, the term "completion" shall mean substantial completion of the required Project Improvements.

B. The Certificate of Completion shall be recorded by the Redeveloper in the office of the Register of Deeds for Adams County, Nebraska. If the Authority shall refuse or fail to endorse its acceptance upon the Certificate of Completion in accordance with the provisions of this section after being requested to do so by the Redeveloper, the Authority shall, within thirty (30) days after written request by the Redeveloper, provide the Redeveloper with a written statement indicating in what respect Redeveloper has failed to complete the Project Improvements in accordance with the provisions of this Agreement or is otherwise in default, and what measures or acts will be necessary in the opinion of the Authority, for Redeveloper to take or perform in order to obtain the Certificate of Completion. If the Authority does not provide such written response to the Redeveloper within the said thirty (30) day period as set forth above, the Certificate of Completion shall be deemed to be accepted by the Authority.

6.08 Contractors; Insurance; Ability to Perform. Private Project Construction Manager shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability, completed operations, automobile liability, and an adequate umbrella insurance policy. The minimum acceptable limits of liability to be provided by such insurance are: bodily injury of \$1 million per person or occurrence and property damage of \$500,000 per occurrence. The City and Authority and the Redeveloper shall be named as additional insureds.

Private Project Construction Manager or Redeveloper shall be required to purchase and maintain property insurance upon the Private Project to the full insurable value thereof. This insurance shall insure against the perils of fire extended coverage and shall include "All Risk" or "Builders Risk" insurance for physical loss or damage. Contractor or Redeveloper, as the case may be, shall furnish the Authority with a Certificate of Insurance evidencing policies as required above. The certificates shall specifically indicate that the insurance includes all extension of coverage required and shall state that the insurance companies shall give the Authority at least thirty (30) days' written notice in the event of cancellation of or material reduction in the coverage in any of the policies.

The Redeveloper, in choosing any contractor for construction of any of the Redeveloper Improvements, shall do so in part on the basis of ability to complete construction of the Redeveloper Improvements by the Project Completion Date.

6.09 Access to Project Site. Subject to reasonable advance notification and approval of the timing of such access by the Private Project Construction Manager, Redeveloper shall permit the representatives of the Authority to enter all areas of the Project Site at reasonable times as the Authority may deem necessary for the purposes of this Agreement, including, but not limited to, inspection of all work being performed in connection with the rehabilitation and construction of the Project Improvements. Similarly, the Authority shall permit the Redeveloper such entry upon the public right-of-way for such purposes. No compensation shall be payable nor shall any charges be made in any form by any party for the access or inspection provided for in this section. The Authority's right of access to the Redeveloper Property shall terminate upon acceptance by the Authority of the Certificate of Completion. Any such access by the Authority shall be subject to safety restrictions or requirements imposed by the Private Project Construction Manager, fire marshal or any governmental agency.

6.10 Cross Easement Agreement and Additional Easements. It is recognized and agreed by the parties hereto that their mutual cooperation in granting to each other the necessary and desired rights, licenses and easements to enter and make use of portions of their respective properties on the Project Site, both temporarily during construction and permanently, is required in order for any and all Project Improvements to be functional and useful, and the parties agree to execute the form of Cross Easement Agreement attached hereto as Exhibit "D" in order to accomplish this understanding. Additionally, the City shall grant to Redeveloper the following licenses as necessary to construct the Project:

- a) Encroachment of subgrade footings to be located within the public right-of-way;
- b) Encroachment of entry stoops and *porte cochere* for the structures to be located within the public right-of-way; and
- c) Encroachment or extension of structure balconies into the airspace above the public right-of-way.

**ARTICLE VII**  
**MORTGAGE FINANCING**

7.01 Limitation Upon Encumbrance. Prior to acceptance by the Authority of the Certificate of Completion, neither the Redeveloper nor any successors in interest to the Redeveloper Property shall engage in any financing or any other transaction creating any mortgage or any other encumbrance or lien upon the Redeveloper Property, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to any of such Redeveloper Property, except for the purposes of obtaining funds only to the extent necessary to purchase the Redeveloper Property and undertake the Private Project, including to acquire, finance, operate, maintain and repair the Private Project.

7.02 Mortgage Holder Obligations. Each mortgage holder who obtains title to the Project Site or any part thereof as a result of foreclosure or other judicial proceedings or action in lieu thereof (referred to in this section as the “Mortgage Holder”) shall be obligated to require construction and completion of the Private Improvements by any person or entity who subsequently obtains title to the Project Site or any part thereof from the Mortgage Holder; provided, however, the Mortgage Holder shall not be obligated by and shall be exempted from those provisions of this Redevelopment Agreement which require construction and completion of the Private Improvements. Additionally, no person, including the Mortgage Holder, may devote the Private Improvements thereon or any part thereof to any use or construct any improvements thereon other than those uses and improvements provided and permitted in accordance with this Redevelopment Agreement for the term of this Agreement.

7.03 Copy of Notice of Default to Mortgagee. Whenever the Authority shall deliver any notice or demand to Redeveloper with respect to any breach or default by Redeveloper of its obligations or covenants in this Agreement, the Authority shall, at the same time, forward a copy of such notice or demand to each holder of any mortgage authorized by this Agreement at the last address of such holder as shown in the records of the Authority or as provided by such mortgagee.

7.04 Mortgagee’s Option to Cure Defaults. If thirty (30) days after notice or demand with respect to any breach or default as referred to in Section 7.03, such breach or default remains uncured, each holder shall (and every mortgage instrument made prior to acceptance by the Authority of the Certificate of Completion with respect to any of the Project Improvements by Redeveloper or its successors in interest shall so provide) have the right, at its option, to cure or remedy such breach or default within sixty (60) days after notice or demand as referred to in Section 7.03, and to add the cost thereof to the mortgage debt and the lien of its mortgage. If the mortgage holder commences efforts to cure the default within such period and the default cannot, in the exercise of due diligence, be cured within such period, the holder shall have the right to diligently continue to cure the default.

7.05 City's Option to Purchase Property. In any case where the holder of any mortgage obtains title to the Project Site and any Private Improvements as a result of foreclosure proceedings or action in lieu thereof, prior to issuance by the City of the Redeveloper's Certificate of Completion of Improvements for the Private Improvements, the City and Authority shall (and any additional mortgage instrument made after the date of this Redevelopment Agreement with respect to the Project Site prior to issuance by the City of the Redeveloper's Certificate of Completion of Improvements shall so provide) be entitled, at its option, to a conveyance to it of the Project Site upon payment to such holder of an amount equal to the sum of:

- (1) The mortgage debt at the time of foreclosure or action in lieu thereof (less all the appropriate credits including those resulting from collection and application of rentals and other income received during foreclosure proceedings);
- (2) All expense with regard to foreclosure;
- (3) The net expense, if any, incurred by such holder in and as a direct result of its subsequent management and operation of the Project Site; and
- (4) All other reasonable holding costs actually incurred as to the Project Site.

The City's option shall remain in force for ninety (90) days after the date the holder of any mortgage obtains title to said Project Site and notifies the City, unless the City waives the option prior to the end of such 90-day period. If the City obtains title to the Project Site pursuant to this Section 7.05, Redeveloper shall deliver all plans and specifications for the Project to the City for use by the City and/or any subsequent redeveloper to complete the Project.

7.06 Mortgage Rights Applicable to Other Forms of Encumbrance. The rights and obligations of this Agreement relating to mortgages of the Project Site shall apply to any other type of encumbrance on the Project Site, and any of the stated rights, obligations and remedies of any party relating to mortgage foreclosures shall be applicable to procedures under any deed of trust or similar method of encumbrance.

7.07 Termination of Provisions. The provisions of this Article VII shall terminate upon issuance by the City to the Redeveloper the Redeveloper's Certificate of Completion of Improvements for all the Private Improvements

**ARTICLE VIII**  
**TAX INCREMENT DEBT**

8.01 Authority Fee. The Authority shall retain one percent (1%) of the Tax Increment to cover the cost of TIF Indebtedness issuance and administrative costs related to this Project (the “Authority Fee”).

8.02 Security and Pledge Agreement. Except for the Authority Fee set forth in Section 8.01, one hundred percent (100%) of the Tax Increment will be used to pay debt service on the Tax Increment Debt as defined below. The Authority agrees to pledge the Tax Increment to Redeveloper’s lender(s) (“Banks”) to pay the Tax Increment Debt pursuant to the Community Redevelopment Authority Security and Pledge Agreement attached hereto as Exhibit “E”.

8.03 Protest Value and Tax Increment Debt. From and after the date of this Agreement, and for so long as amounts are outstanding under one or more promissory notes executed by Redeveloper in favor of the Banks in the aggregate original principal amount of approximately Three Million Six Hundred Twenty Five Thousand Five Hundred and No/100 Dollars (\$3,625,500.00) (the “Tax Increment Debt”), any valuation by the Adams County Assessor for tax purposes based on the fair market value of the Private Project and the Redeveloper Property not exceeding Fifteen Million Six Hundred Fifty Thousand and No/100 Dollars (\$15,650,000.00) will not be contested, objected to or protested by Redeveloper, its successors or assigns. Redeveloper agrees that any purchaser of the Redeveloper Property will give his or her written consent to such valuation. The Authority may waive this restriction at any time if deemed appropriate by the Authority. If there is more than one promissory note evidencing the Tax Increment Debt, the Authority shall pay use any Tax Increment to pay each note proportionally and no Tax Increment Debt promissory note shall have preference over another note.

8.04 Sources and Uses of Tax Increment Debt. As indicated above, Redeveloper shall undertake the construction of the Private Project on the Redeveloper Property to create the Tax Increment allowing the Authority to capture the Tax Increment to pay the applicable debt service payments on the Tax Increment Debt. The proceeds of the Tax Increment Debt shall be used by Redeveloper to pay the cost and expense of certain improvements designated as eligible expenditures under the Nebraska Community Development law, as more particularly set forth on Exhibit “F”. The eligible expenditures exceed the amount of proceeds of the anticipated Tax Increment Debt. At substantial completion of the Project Improvements, Redeveloper shall provide evidence of the final costs of the eligible expenditures in amounts which, in the aggregate, equal or exceed the Tax Increment Debt.

8.05 Agreement to Pay Taxes. The Redeveloper and its successors and assigns agree to pay all real estate taxes levied upon the Private Project and the Redeveloper Property upon which the same are situated prior to the time that such taxes become delinquent. This obligation to pay such taxes prior to delinquency shall cease upon payment in full of the Tax Increment Debt, but the Authority in no way eliminates the statutory obligation of the owner to continue to pay real estate taxes.

8.06 Payment in Lieu of Taxes. While the parties expect the level of Tax Increment to be adequate to service the Tax Increment Debt, the possibility exists that the amount of Tax Increment could decrease in the future for reasons such as a general change in valuation methods or the development of other sources of tax revenues. If, for any reason, the Tax Increment is insufficient to pay the semi-annual debt service payments on Tax Increment Debt when due, the applicable Redeveloper entity or its successors and assigns will immediately pay to the Bank the difference between the incremental revenue and the required debt service payment due on the Tax Increment Debt. Such payment shall be paid by Redeveloper or a successor as a payment in lieu of taxes to the Authority to enable the Authority to make the debt service payment on the Tax Increment Debt. This obligation to make payments in lieu of taxes may be assigned to the individual owner, or its successor associated with the particular condominium unit comprising a part of the Private Project.

8.07 Restriction on Transfer. The Redeveloper will not, so long as the Tax Increment Debt remains outstanding, convey all or any part of Redeveloper Property to any entity which would result in all or any part of the Private Project or the Redeveloper Property being exempt from payment of ad valorem taxes levied by the State of Nebraska or any of its subdivisions without the prior written approval of the Authority, which approval may be conditioned upon, for example, a written agreement by the Redeveloper to repay the Tax Increment Debt in full.

8.08 Damage or Destruction to Private Project. So long as the Tax Increment Debt is outstanding, Redeveloper and its successors and assigns agree to keep the Private Project insured against loss or damage by fire and such other risks, casualties and hazards as are customarily covered by Builders' Risk and "All Risk" coverage policies in an amount not less than the assessed value of the same. In the event of any damage or destruction which is insured as aforesaid, and which would reduce the valuation, the Redeveloper agrees to restore the Private Project to the value that immediately predated the damage or destruction. Repairs shall commence within sixty (60) days from the date of the damage or destruction and the Redeveloper shall diligently pursue same to completion.

8.09 Condemnation. In the event that all or a substantial portion of the Redeveloper Property is condemned and the condemning party would not be obligated to pay real estate taxes upon that portion condemned, the Authority shall be entitled to claim against the condemner an interest in such property equal to the unpaid principal amount of the Tax Increment Debt, less the amount of any reserves in any fund or account securing the Tax Increment Debt.

8.10 Termination of Provisions. The provisions and covenants of this Agreement shall not terminate so long as the Tax Increment Debt remains outstanding, provided that the Redeveloper's obligation to construct the Project Improvements shall terminate on acceptance by the Authority of the Certificate of Completion contemplated herein.

8.11 Effective Date. The parties agree that the Effective Date, within the meaning of Neb. Rev. Stat. §18-2147, shall be as set forth in Article I.

**ARTICLE IX**  
**DEFAULT, REMEDIES**

9.01 Remedies. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement or any of its terms or conditions by the parties or any successors to or assigns of such parties, such party, successor or assignee shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and in any event, such default or breach shall be cured within thirty (30) days after receipt of such notice, except that if such default cannot, in the exercise of reasonable diligence, be cured within such thirty (30) day period, then the defaulting party, within such period, shall commence efforts to cure such default and shall diligently continue to cure the same. In case such default is not cured as provided above, the aggrieved party may institute such proceedings as may be necessary or desirable, in its opinion, to cure and remedy such default or breach, including, but not limited to, proceedings to seek recovery for damages or to compel specific performance by the party in default or breach of its obligation. Any curing of any default by a mortgagee of Redeveloper shall be deemed to be a curing by Redeveloper. Except with respect to construction commencement and completion dates, any default which cannot, by its nature, be cured in the time allowed, shall be deemed cured if curing is commenced in the time allowed and diligently pursued to completion thereafter.

9.02 Other Rights and Remedies; No Waiver. The parties hereto shall have the right to institute such actions or proceedings as they may deem desirable for effectuating the purposes of this Agreement. Any delay in instituting or prosecuting any action or proceeding or otherwise asserting its rights under this Agreement shall not operate as a waiver of such rights to deprive a party of or limit such rights in any way.

9.03 Delay in Performance. For the purposes of this Agreement, the parties or their successors or assigns shall not be considered in breach or default of their obligations in the event of delay in the performance of such obligations due to causes beyond their reasonable control and without their fault, including, but not restricted to, acts of God, acts of the public enemy, acts of terrorism, acts of the federal government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes or delays of contractors or subcontractors due to such causes (financial incapacity of Redeveloper, contractors or subcontractors excepted); it being the purpose and intent of this section that in the event of the occurrence of any such delay, the time for performance of the obligations of each party with respect to construction of the Project Improvements shall be extended for the period of delay; provided, that in order to obtain the benefit of the provisions of this section, the party seeking the benefit shall, within ten (10) days after the beginning of any such delay, notify the other party thereof in writing and of the cause or causes thereof.

9.04 Rights and Remedies Cumulative. The rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative and the exercise by each party of any one or more such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for any other default or breach by the other party. A waiver of any right of each party conferred by this Agreement shall be effective only if such waiver is in writing and only to the extent as so specified in writing.

## **ARTICLE X** **MISCELLANEOUS**

10.01 Nondiscrimination. The Redeveloper agrees and covenants for itself, its successors and assigns that during the term of this Agreement it will not discriminate against any person or group or persons on account of race, sex, color, religion, national origin, ancestry, disability, marital status or receipt of public assistance in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Private Project or the Redeveloper Property, nor will it, or any claiming under or through it, permit such practices of discrimination or segregation with reference to the selection, location, number or occupancy of tenants, lessees, sublessees, vendees or invitees to the Private Project or the Redeveloper Property.

10.02 Obligations Run with Property. The obligations of Redeveloper contained in this Agreement shall run with the Redeveloper Property and shall become the obligations of the current owner or owners of the Redeveloper Property and Private Project, and of their successors, so long as the Tax Increment Debt remains outstanding.

10.03 Conflicts of Interest; Individual Liability. No officer or employee of the Authority or City shall have any personal interest, direct or indirect, in this Agreement. No official or employee of the Authority or City shall be personally liable to the Redeveloper, any successors or transferees of Redeveloper, or any other party or person, in consequence of any default or breach by the Authority or for any amount which may become due to Redeveloper, its successors or transferees, or for any obligations under the terms of this Agreement.

10.04 Equal Employment Opportunity. Redeveloper, for itself and its successors and transferees, agrees that during the construction of the Project Improvements provided for in this Agreement, 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.

10.05 Necessary Actions Taken to Authorize. Redeveloper covenants and warrants that Redeveloper has taken all necessary action to approve Redeveloper's execution and delivery of this Agreement, and that it has taken all actions and obtained such consents or approvals of its officers, directors, and partners as are necessary to approve the execution and delivery of this contract.

10.06 Assignment of Rights and Obligations. Redeveloper represents and agrees that prior to acceptance of the Certificate of Completion by the City and Authority, and without the prior written approval of the City and Authority, there shall be no sale or transfer by the Redeveloper or assignment of rights or obligations under this Agreement or of any interest in the entities which constitute the Redeveloper to any party without the prior written approval of the City and Authority other than: (i) involuntary transfers by reason of death, insolvency or incompetency; and (ii) assignment of the right to develop, own, and operate the New Hotel to a developer of hotels which shall own the Hotel Condo Unit.

Nothing herein contained shall prohibit Redeveloper from entering into any agreement to sell or other agreement as to transfer of any interest if such agreement can, by its terms only, become effective after the City and Authority have accepted the Redeveloper's Certificate of Completion. The Redeveloper represents and agrees that its improvement of the property and its other undertakings pursuant to this Agreement has been, are, and will be for the purpose of redevelopment of such property and not for speculation in land holding.

10.07 Persons Authorized to Issue Approvals. For purposes of this Agreement and the approvals and disapprovals required hereunder, Redeveloper shall be entitled to rely on the written approval or disapproval of the City and Authority. Until the Authority receives further written notice from the Redeveloper, the City and Authority shall be entitled to rely on the written approval of all of the undersigned parties as constituting the approval or disapproval of the Redeveloper.

10.08 Approvals Not Unreasonably Withheld. Whenever approval or consent of either party is required hereunder, such consent shall not be unreasonably withheld or delayed.

10.09 Notices and Demands. A notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, in the case of Redeveloper to: Chief Industries, Inc., 3942 West Old Highway 30, Grand Island, Nebraska 68802, Attn: Executive Office, with a copy to: Thomas C. Huston at Cline Williams Wright Johnson & Oldfather, L.L.P., 233 South 13<sup>th</sup> Street, Suite 1900, Lincoln, Nebraska 68508; and in the case of the City or the Authority, if it is addressed to or delivered personally to the Hastings City Clerk, 220 North Hastings Avenue, Hastings, Nebraska 68901, or at such other address with respect to either party as that party may from time to time designate in writing and forwarded to the other as provided in this section.

10.10 Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

10.11 Severance; Governing Law. It is intended by the parties that this Agreement and the incorporated, attached and referenced documents shall be an integrated contract, but that invalidation of any of its provisions by judgment or

court order shall in no way affect any other provisions which shall remain in full force and effect. This Agreement shall be construed and governed by the laws of the State of Nebraska.

10.12 Memorandum. Contemporaneously with the execution and delivery of this Agreement, the Redeveloper will cause the filing of this document with the Register of Deeds of Adams County, Nebraska, or in the alternative, it will execute and deliver a Memorandum of Redevelopment Agreement of even date herewith to the Register of Deeds of Adams County, Nebraska, for filing, at the expense of the Redeveloper. The Memorandum shall be in the form attached hereto as Exhibit "G" and incorporated by this reference.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed as of the date first above written.

**"AUTHORITY"**  
COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
HASTINGS, NEBRASKA, a Municipal  
corporation

ATTEST:

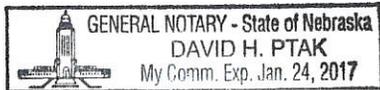
  
Secretary - Community Redevelopment  
Authority of the City of Hastings, Nebraska

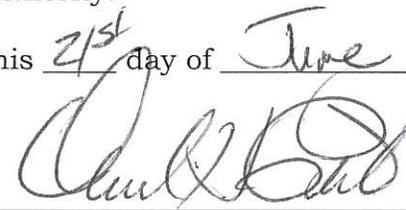
By:   
Dick Hysell, Chairman

STATE OF NEBRASKA    )  
  ) ss:  
COUNTY OF ADAMS    )

Before me, a Notary Public qualified for said county, personally came Dick Hysell, Chairman of the Community Redevelopment Authority of the City of Hastings, Nebraska, known to me to be the identical person who signed the foregoing instrument, and acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of said Authority.

Witness my hand and notarial seal on this 21<sup>st</sup> day of June, 2016.



  
Notary Public

**"CITY"**  
CITY OF HASTINGS, NEBRASKA, a  
Municipal Corporation

ATTEST:

Kimberly S Jacobitz City Clerk By: Vern P. Powers Mayor

( S E A L )

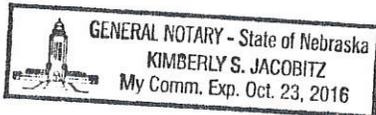
Approved as to form: [Signature]  
City Attorney



STATE OF NEBRASKA )  
                                  ) ss:  
COUNTY OF ADAMS )

Before me, a Notary Public qualified for said county, personally came Vern P. Powers, Mayor of the City of Hastings, Nebraska, known to me to be the identical person who signed the foregoing instrument, and acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of said City of Hastings, Nebraska.

Witness my hand and notarial seal on this 13<sup>th</sup> day of JUNE, 2016.



Kimberly S Jacobitz  
Notary Public

**“REDEVELOPER”**

“CBC Hospitality”

CITY BLOCK CENTER HOSPITALITY,  
LLC, a Nebraska limited liability  
company

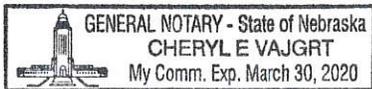
By: Chief Industries, Inc., Manager

By: David Ostdiek  
Name: David Ostdiek  
Title: Executive Vice President / CFO

STATE OF NEBRASKA    )  
                                  ) ss:  
COUNTY OF HALL        )

Before me, a Notary Public qualified for said county, personally came David Ostdiek, EVP/CFO of Manager of City Block Center Hospitality, LLC, known to me to be the identical person who signed the foregoing instrument, and acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and notarial seal on this 10<sup>th</sup> day of June, 2016.



Cheryl E Vajgrt  
Notary Public

"CBC Housing"

CITY BLOCK CENTER HOUSING, LLC, a  
Nebraska limited liability company

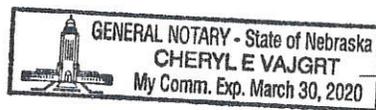
By: Chief Industries, Inc., Manager

By: David Ostdiek  
Name: David Ostdiek  
Title: Executive Vice President / CFO

STATE OF NEBRASKA    )  
                                  ) ss:  
COUNTY OF HALL        )

Before me, a Notary Public qualified for said county, personally came David Ostdiek, EVP / CFO of Manager of City Block Center Housing, LLC, known to me to be the identical person who signed the foregoing instrument, and acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and notarial seal on this 10<sup>th</sup> day of June, 2016.



Cheryl E Vajgrt  
Notary Public

“CBC Mixed Use”

CITY BLOCK CENTER MIXED-USE, LLC,  
a Nebraska limited liability company

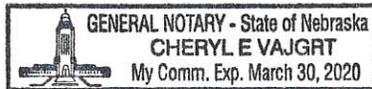
By: Chief Industries, Inc., Manager

By: David Ostdiek  
Name: David Ostdiek  
Title: Executive Vice President / CEO

STATE OF NEBRASKA    )  
                                  ) ss:  
COUNTY OF HALL        )

Before me, a Notary Public qualified for said county, personally came David Ostdiek, EVP/CEO of Manager of City Block Center Mixed-Use, LLC, known to me to be the identical person who signed the foregoing instrument, and acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and notarial seal on this 10<sup>th</sup> day of June, 2016.



Cheryl E Vajgert  
Notary Public

Exhibits

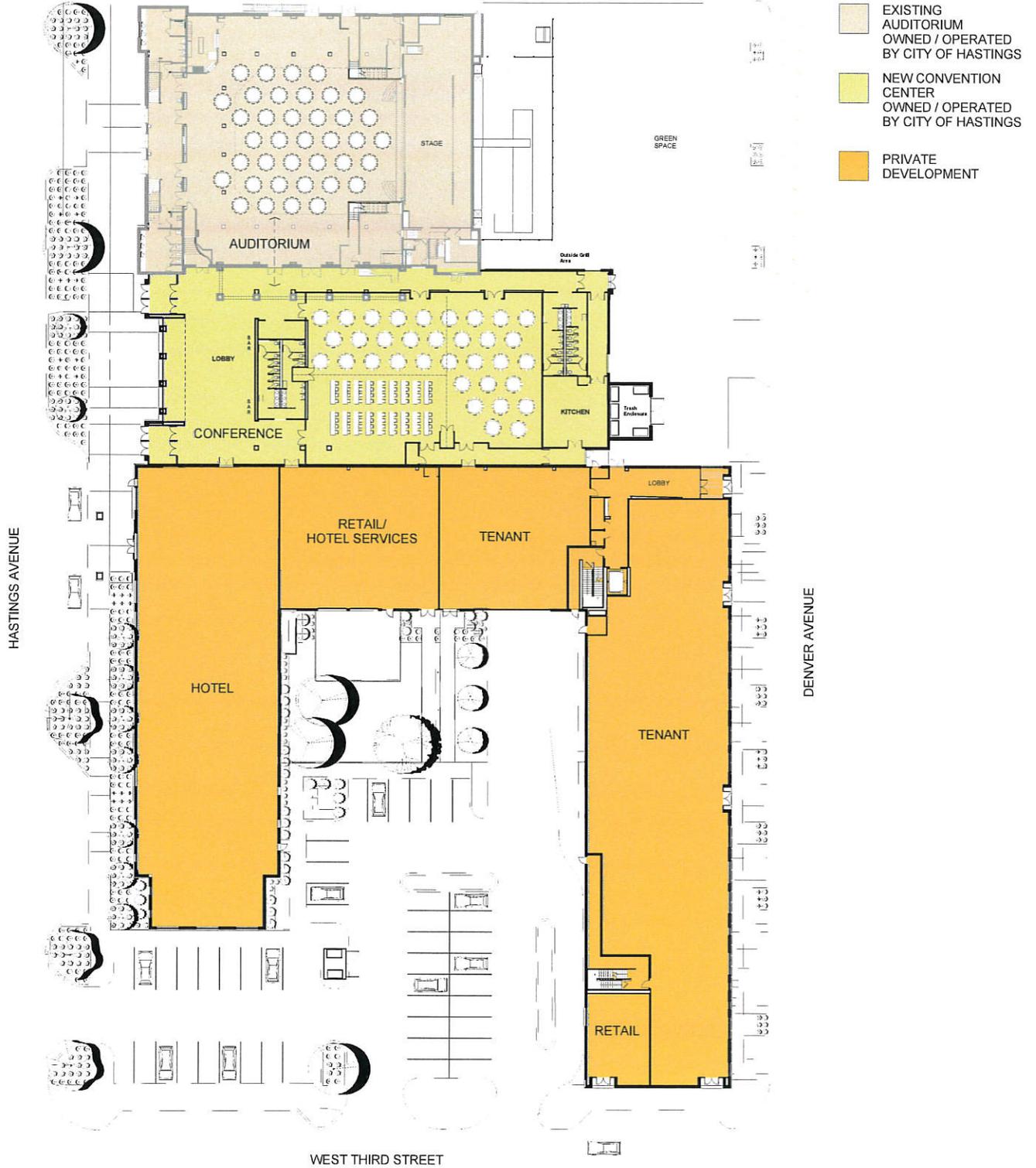
- Exhibit “A” – Legal Description of Project Site and Site Plan
- Exhibit “B” – Legal Description of Redeveloper Property
- Exhibit “C” – Certificate of Completion
- Exhibit “D” – Cross Easement Agreement
- Exhibit “E” – Community Redevelopment Authority Security and Pledge Agreement
- Exhibit “F” – Eligible Expenditures
- Exhibit “G” – Memorandum of Redevelopment Agreement

**EXHIBIT "A"**  
**LEGAL DESCRIPTION OF PROJECT SITE**

1. City of Hastings Original Town Subdivision, Lots 1 through 24, Block Fifteen (15), City of Hastings, Adams County, Nebraska;
2. The vacated Right-of-Way of West 4<sup>th</sup> Street between the East Right-of-Way line on North Hastings Avenue and the West Right-of-Way line of North Denver Avenue; and
3. The vacated East-West Alley located between West 3<sup>rd</sup> Street and West 4<sup>th</sup> Street that bisects City of Hastings Original Town Subdivision Block Fifteen (15), City of Hastings, Adams County, Nebraska.

**EXHIBIT "A"**  
**SITE PLAN**

Exhibit A



**EXHIBIT "B"**  
**LEGAL DESCRIPTION OF REDEVELOPER PROPERTY**

Lots 1 through 24, Block 15, Original Town of Hastings, Adams County,  
Nebraska.





**ACCEPTANCE**

This Certificate of Completion of Project Improvements is hereby accepted by the Community Redevelopment Authority of the City of Hastings, Nebraska, this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF HASTINGS,  
NEBRASKA

ATTEST:

\_\_\_\_\_

Chairman

By: \_\_\_\_\_  
Secretary

**EXHIBIT "D"**  
**CROSS EASEMENT AGREEMENT**

## **BUILDING EASEMENT AGREEMENT**

This Building Easement Agreement (“Agreement”) is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2016, by and between the City of Hastings, a municipal corporation (“City”) and City Block Center Hospitality, LLC, a Nebraska limited liability company, City Block Center Housing, LLC, a Nebraska limited liability company, City Block Center Mixed-Use, LLC, a Nebraska limited liability company, and [Redeveloper Affiliate] Condominium Association, a Nebraska nonprofit corporation, (collectively, the “Condo”).

### RECITALS

- A. The City is the owner of certain real property located in Hastings, Nebraska and more particularly described on the attached Exhibit A (the “City Property”).
- B. The City Property contains certain improvements, including a Conference/Convention Center (“Convention Center”).
- C. The Condo is the owner of certain real property located adjacent to the City Property and more particularly described on the attached Exhibit B (the “Condo Property”).
- D. The Condo Property is a condominium regime that contains certain improvements, including a hotel, retail and office space, and housing units (the “Condo Improvements”).
- E. The Convention Center and the Condo Improvements share certain common areas, facilities, and an adjoining wall.
- F. The South wall of the Convention Center is part of and in common with a portion of the North wall of the Condo Improvements (the “Party Wall”), and the City and the Condo (collectively referred to herein as the “Owners”) desire to establish certain rights and obligations with respect to the Party Wall.

- G. The Owners desire to establish certain easements relating to use of and access to the hallway located in the Convention Center adjacent to the southeast portion of the Convention Center as depicted on the attached Exhibit C (the "Hallway").
- H. The Owners desire to establish certain easements relating to use of and access to the Convention Center lobby as depicted on the attached Exhibit C (the "Lobby").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owners hereby agree as follows:

#### **ARTICLE I. PARTY WALL AGREEMENT.**

1.1. **Declaration of Party Wall.** It is hereby agreed and declared that the Party Wall, and any extensions of it, shall be legally deemed to be a party wall in all respects and shall be subject to the rights and obligations set forth in this Agreement.

1.2. **Damage and Repairs.**

a. In the event of damage or destruction of the Party Wall from any causes, other than negligence of either Owner, the then Owners shall, at joint and equal expense, repair or rebuild the Party Wall on the same spot and on the same line, and be of the same size and of the same or similar materials and of like quality, and each Owner, his heirs, successors, and assigns shall have the right to the use of the Party Wall so repaired or rebuilt. The Owners agree that repairs and reconstruction of the Party Wall shall be undertaken wherever a condition exists which may result in damage or injury to person or property if repair or reconstruction work is not undertaken. Either Owner, upon discovering the possibility of damage or destruction, shall notify the other of the nature of the damage, the work required to remedy the situation, and the estimated cost of the repair or reconstruction. The other Owner shall then have twenty (20) days from the receipt of the notice either to object to the repairs or reconstruction or to pay the party's share of the cost of the work. However, in the event of an emergency (i.e., a condition that is immediately threatening to the safety of persons or property), the other Owner shall then have five (5) days from the receipt of the notice, which notice shall state that an emergency exists, either to object to the repairs or reconstruction or to pay the party's share of the cost of the work.

b. If either Owner's negligence shall cause damage to or destruction of the Party Wall, the negligent party shall bear the entire cost of repair or reconstruction.

c. If either Owner shall neglect or refuse to pay the Owner's share of repair or replacement, or all of the cost in case of negligence, the other Owner may have the Party Wall repaired or restored and shall be entitled to have a lien and lis pendens recorded on the property of the Owner failing to pay for the amount of such defaulting party's share of the repair or replacement cost.

1.3. **Easements.**

a. Each Owner and his respective successors, heirs, or assigns shall have any easement in that part of the land of the other on which the Party Wall is located, as may be necessary or desirable to carry out the terms of this Agreement.

b. Each Owner and his respective successors, heirs, assigns, contractors, licensees, agents, and employees shall have an easement in that part of the land of the other necessary or desirable to repair, restore, or extend the Party Wall.

c. Each Owner shall permit the other party and said other party's contractors, licensees, agents, and employees to enter his property for the purpose of repairing and/or restoring the Party Wall and shall secure the permission of the tenants, if any, occupying the property for such entrance.

1.4. **Use of Party Wall.** Either Owner shall have the right to use the side of the Party Wall facing the Owner's lot in any lawful manner, including attaching structural or finishing materials to it.

1.5. **Transfer of Title to a Property.** Upon any transfer of title to either the City Property or the Condo Property, the Owner of said property ("Grantor") and the Purchaser ("Grantee") of such property shall be jointly and severally liable for all unpaid amounts pertaining to the Party Wall accrued up to the date of the conveyance without prejudice to the rights of the Grantee, but the Grantee shall be exclusively liable for such amounts accruing after the conveyance. In the event that an Owner shall place a mortgage on the property, the lien of the mortgage shall be deemed to attach to the Owner's rights, privileges, and obligations under this Agreement so that if the Owner should be in default of any of the terms of the mortgage and the default shall result in foreclosure of the mortgage, all of the rights, privileges, and obligations shall inure to the mortgagee and its assigns. However, notwithstanding anything to the contrary set forth in this Agreement, if the holder of a first mortgage of record or other purchaser of a lot acquires title as a result of a foreclosure of the first mortgage, the purchaser and any successors and assigns shall not be liable for the amounts which became due prior to the acquisition of title in the foreclosure action.

1.6. **Insurance.** Without otherwise limiting any insurance obligations of the parties, each Owner shall be required to obtain and maintain "All Risk" insurance for his/her respective property, including an amount equal to the full replacement value of the Party Wall without deductions for depreciation. The policies of physical damage insurance shall, if the same are available without any increase in the premium for the insurance coverage, contain waivers of subrogation and waivers of any defense based on coinsurance of or pro rata reduction of liability or of invalidity arising from any acts of the insured. Duplicate originals of a party's policy of physical damage insurance and of all renewals of such insurance, together with proof of payment of premiums, shall upon request be delivered to the other party ten (10) days prior to the expiration of the then current policies. Owners shall not do or permit any act or thing to be done in or to the Party Wall which is contrary to law or which invalidates or is in conflict with the party's policy of physical damage insurance. A party who fails to comply with the provisions of this paragraph shall pay all costs, expenses, liens, penalties, or damages which may be imposed upon the Parties by reason thereof.

## **ARTICLE II. LOBBY AND HALLWAY EASEMENTS**

2.1. **Grant of Easement.** The City, as the owner of the City Property, for itself and its successors and assigns hereby grants to the Owners of the Condo Property, and their successors and assigns, a non-exclusive easement for access to and use of the Hallway and the Lobby (collectively, the "Easement Area"). This Easement grants the Owners of the Condo Property and their employees, customers, and guests the right to all normal, reasonable, and customary uses of the Easement Area during the Hours of Operation, as defined below.

2.2. **Easement Use and Hours of Operation.** For the purpose of the easements granted herein, the "Hours of Operation" for the Lobby shall be all business hours that the Convention Center is open, in the City's sole discretion, and the "Hours of Operation" for the Hallway shall be: \_\_\_\_\_.

The Hallway provides access from the outside of the buildings to both the Convention Center and the Condo Property, and nothing in this Agreement shall prevent the City from limiting or prohibiting access from the Hallway to the remainder of the Convention Center at any time in the City's sole discretion, and nothing in this Agreement shall prevent the Condo from limiting or prohibiting access from the Hallway to any part of the Condo Property at any time in the Condo's sole discretion.

2.3. **Maintenance.** The owner of the City Property will be responsible for all costs and expenses associated with operating, maintaining, repairing, replacing, and remodeling the Easement Area and any fixtures, equipment and supplies therein. The owner of the City Property agrees to maintain the

Easement Area in good working order and keep the Easement Area clean and sanitary at all times.

2.4. **Liability.** The sole right granted herein is the right to use the Easement Area for the purposes described herein and each Owner shall be liable to the other Owner for any damage caused by the use of the Easement Area by it or its invitees, customers, agents, guests, successors or assigns. Neither Owner shall cause, permit, or allow any use of the Easement Area that will materially interfere with the use of the Easement Area by either Owner, or the use of either party's respective property. Provided, however, neither Owner shall be liable for damage, if any, which may be caused by normal and reasonable use of the Easement Area.

### **ARTICLE III. GENERAL TERMS AND AGREEMENTS**

3.1. **Easements and Restrictions to Run with the Land.** The benefits, burdens, and restrictions created by this Agreement shall constitute covenants running with the land and shall benefit and be binding upon all present and future owners, and their respective successors and assigns, of any portion of either Property and upon each person having any interest therein derived through any owner thereof.

3.2. **Termination of Easements and Restrictions.** This Agreement and the easements, conditions, obligations, and restrictions declared, granted, established, and conveyed herein are permanent in nature and may be terminated only by an agreement in writing signed by the owner of the City Property and the owner of the Condo Property.

3.3. **Modification or Clarification of Easements.** In the event that subsequent to, and as a result of, any construction, addition, reconstruction or replacement of any improvements, it becomes necessary to correct, modify, define or precisely locate any easement granted pursuant to this Agreement, the owner of the City Property and the owner of the Condo Property agree to cooperate in the preparation, execution, delivery, and recording of any instrument necessary or reasonably appropriate to such purpose. This Agreement may only be amended, modified or supplemented by an agreement in writing and signed by the owner of the City Property and the owner of the Condo Property.

3.4. **Further Actions.** The owner of the City Property and the owner of the Condo Property shall execute and deliver all further documents and take all further actions reasonably necessary or appropriate to effectuate the purposes of this Agreement.

3.5. **Governing Law.** This Agreement is entered into in and shall be governed by and construed in accordance with the internal laws of the State of Nebraska.

3.6. **Severability.** If any term or provision of this Agreement is ever determined to be invalid or unenforceable for any reason, such term or provision shall be severed from this Agreement without affecting the validity or enforceability of the remainder of this Agreement.

3.7. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the City, the Condo, and their successors and assigns. Notwithstanding the foregoing, a party shall only be liable for the performance of the obligations arising under and pursuant to this Agreement to the extent such obligations arose during the time such party had an interest in the Property.

3.8. **Waiver.** No waiver of any provision of this Agreement shall be binding unless executed in writing by the party making the waiver. No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver unless the written waiver so specifies.

3.9. **Time of the Essence.** Time is of the essence in this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Building Easement Agreement as of the date first set forth above, fully intending the same to be binding upon them, their personal representatives, receivers and assigns.

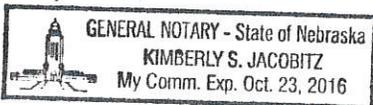
**“CITY”**

CITY OF HASTINGS, a municipal corporation

By: Vern P. Powers  
Name: Vern P. Powers  
Title: Mayor

STATE OF NEBRASKA )  
 ) ss.  
COUNTY OF ADAMS )

This Building Easement Agreement was acknowledged before me on this 13<sup>th</sup> day of JUNE, 2016, by VERN P. POWERS, MAYOR of the City of Hastings, a municipal corporation, on behalf of the City.



Kimberly S. Jacobitz  
Notary Public







**EXHIBIT A**  
**CITY PROPERTY LEGAL DESCRIPTION**

**EXHIBIT B**  
**CONDO PROPERTY LEGAL DESCRIPTION**

**EXHIBIT C  
EASEMENT AREA**

4838-5755-7807, v. 2

**EXHIBIT "E"**  
**COMMUNITY REDEVELOPMENT AUTHORITY**  
**SECURITY AND PLEDGE AGREEMENT**

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**SECURITY AND PLEDGE AGREEMENT**

THIS SECURITY AND PLEDGE AGREEMENT, made and entered into this \_\_\_ day of \_\_\_\_\_, 2016, by and between the COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF HASTINGS, NEBRASKA, a municipal corporation (the “**Pledgor**”), and \_\_\_\_\_, a national banking association (the “**Bank**”).

**The Recitals**

In support of the underlying agreement, the parties hereby state and recite as follows:

- 1.1 Pledgor has entered into a Redevelopment Contract with City Block Center Hospitality, LLC, City Block Center Housing, LLC, and City Block Center Mixed-Use, LLC (collectively, the “**Redeveloper**”), dated the \_\_\_\_\_ day of \_\_\_\_\_ (the “**Redevelopment Contract**”), wherein the Redeveloper agreed to undertake a “**Project**” for the redevelopment of the certain real property located within a blighted and substandard area of Hastings, Nebraska. Said property legally described as follows:

\_\_\_\_\_, Adams County,  
Nebraska

- 1.2 The Project constitutes a “**Redevelopment Project**” within the meaning of §18-2103(12) of the Nebraska Community Development Law (the “**Act**”).
- 1.3 The Community Redevelopment Authority of Hastings, Nebraska, constitutes the “**Authority**” within the meaning of §18-2103(1) of the Act.
- 1.4 Pursuant to the Act, Hastings City Council, acting as the governing body of the Pledgor has approved the Auditorium/City Block Redevelopment Plan (Plan Modification VIII to Redevelopment Plan I) with respect to the Project (the “**Plan**”).
- 1.5 Pursuant to §18-2147 of the Act, any ad valorem tax levied upon the Project shall be subdivided, for a period not to exceed fifteen (15) years after the effective date of the Plan (the “**Tax Increment Period**”), 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 hereof, 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 Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money

to, or indebtedness incurred by, whether funded, refunded, assumed or otherwise, such authority for financing or refinancing, in whole or in part, a Redevelopment Project;

- c. A Resolution approving the Plan was passed and approved by the Hastings City Council;
- d. Pursuant to §18-2148 of the Act, the County Assessor of Adams County, Nebraska, shall determine the “**Redevelopment Project Valuation**” of the Project which is the assessed valuation as of \_\_\_\_\_;
- e. Pursuant to §18-2147(2) of the Act, to the extent that all ad valorem taxes paid annually with respect to the Project exceed those that would otherwise be payable upon the Redevelopment Project Valuation (the “**Annual Tax Increment Receipts**”), such incremental amount, when collected, is to be allocated and paid by the County Assessor of Adams County, Nebraska, to a special fund of the City to pay the principal, premium, if any, and interest on indebtedness incurred with respect to the Project;
- f. Bank will advance funds to the Redeveloper (the “**Tax Increment Debt**” or “**TIF Debt**”) pursuant to a Promissory Note of even date herewith and made, executed and delivered by the Redeveloper to Bank (the “**Redevelopment Promissory Note**”);
- g. Pursuant to §18-2157(2) of the Act and the Redevelopment Plan, Pledgor has agreed to pay the Bank the Annual Tax Increment Receipts to secure, pay and/or amortize the Redevelopment Promissory Note;
- h. Pursuant to §18-2150 of the Act, Pledgor is authorized to Pledge the Annual Tax Increment Receipts as security for repayment of the Redevelopment Promissory Note.
- i. Pledgor has agreed to pledge to Bank the Annual Tax Increment Receipts to repay Bank the principal and interest now or hereafter due under the Redevelopment Promissory Note and,
- j. As a condition to the advancing of the funds under the Redevelopment Promissory Note, Bank has required that Pledgor execute and deliver this Security and Pledge Agreement wherein and whereby Pledgor will pledge the Annual Tax Increment Receipts under the Redevelopment Plan as security for repayment of the Redevelopment Promissory Note throughout a period not exceeding the Tax Increment Period, all in accordance with the Plan and Act.

## The Agreement

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and the rights and duties provided in the Act, the parties hereto agree as follows:

### SECTION ONE PLEDGE AND SECURITY INTEREST

Pledgor hereby grants to Bank a pledge of, and security interest in, all sums due under the Redevelopment Plan and received by it representing the Annual Tax Increment Receipts, as collateral security for the prompt and full payment, when due, of all sums now or hereafter payable, or to become payable, under the Redevelopment Promissory Note. This Agreement shall constitute a “**security agreement**” within the meaning of the Nebraska Uniform Commercial Code and Bank will be accorded all rights and remedies of a “**secured party**” thereunder. Bank agrees to apply the Annual Tax Increment Receipts to amounts due from Redeveloper under the Redevelopment Promissory Note. Pledgor hereby covenants and represents with and to Bank as follows:

- (a) The Annual Tax Increment Receipts have not been pledged to any other person or entity;
- (b) The pledge hereunder creates a first perfected security interest in the Annual Tax Increment Receipts;
- (c) Pledgor will not pledge the Annual Tax Increment Receipts to any other person or entity;
- (d) Without Bank’s prior written consent, Pledgor shall not amend the Plan or the Redevelopment Contract in any way that would reduce the Annual Tax Increment Receipts from the Project;
- (e) Pledgor has accepted the “Certificate of Completion” for the Project that is referred to in Section 6.07 of the Redevelopment Contract;
- (f) As of the date of this Agreement, Redeveloper is not in default under the Redevelopment Contract;
- (g) Redeveloper has met all conditions to payment of the Annual Tax Increment Receipts by Pledgor.

In the event that the Annual Tax Increment Receipts are in excess of the amounts needed from time to time to pay the current payments due under the Redevelopment Promissory Note, Bank agrees that any excess payment shall be used to prepay the Redevelopment Promissory Note. Any prepayment shall not affect the semi-annual installments of principal and interest to be made by Redeveloper under the Redevelopment Promissory Note.

SECTION THREE  
TERM

The term of this Agreement shall continue to be in effect for a term commencing as of the date hereof and shall continue until the date on which the Redevelopment Promissory Note is paid in full, other than by renewal, refinancing, rescheduling, reamortization or consolidation with other loans or indebtedness, but in no event shall Pledgor's obligation to segregate Annual Tax Increment Receipts extend beyond:

- (a) the date upon which the Redevelopment Promissory Note is paid in full, other than by renewal, refinancing, rescheduling, reamortization or consolidation with other loans or indebtedness; or,
- (b) \_\_\_\_\_, the earlier of such dates being hereinafter referred to as the "**Termination Date**," at which time this Agreement shall terminate automatically.

This Agreement may be terminated prior to the Termination Date only upon written approval of the Pledgor, the Redeveloper and the Bank.

SECTION FOUR  
PAYMENT OF REDEVELOPMENT PROMISSORY NOTE

The parties agree that Pledgor shall pay over to Bank directly, from time to time, all sums received by Pledgor as Annual Tax Increment Receipts for the purpose of paying the Redevelopment Promissory Note, as the same become due and payable; provided that Pledgor may deduct one percent (1.0%) of the Annual Tax Increment Payments and retain such amount as a collection fee. Payments from Pledgor to Bank shall be made on the fifteenth (15th) day of July and December each year beginning 2018. Before the date on which each payment is due, Bank shall send an invoice to Redeveloper and Pledgor indicating the amount due under the Redevelopment Promissory Note on the next payment date. Payments by Pledgor shall be made by check and sent to Bank at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SECTION FIVE  
LIMITED OBLIGATION AND DUTY OF PLEDGOR: DISCLAIMER

Pledgor is not a party to, and is in no manner personally liable for, any payments or other obligation to be performed under the Redevelopment Promissory Note, or any other document or agreement entered into or delivered in connection therewith, excepting only this Agreement and the Redevelopment Agreement. Pledgor shall be under no duty to invest any sums received by it

hereunder or received in respect of the Annual Tax Increment Receipts, nor shall Pledgor be required to disburse any amount so held, except to Bank, or such other party or parties as Bank may designate in writing to Pledgor. Pledgor expressly disclaims any representation or warranty that the Annual Tax Increment Receipts will be sufficient at any time for any payment now or hereafter due under the Redevelopment Promissory Note. Neither this Agreement, the Plan or any other instrument or Agreement entered into with respect to the Project shall in any manner be construed as a charge against its credit or taxing power for any purpose whatsoever.

SECTION SIX  
NO SETOFF

The funds held in the Annual Tax Increment Receipts shall be held separate and apart from all other funds of the Pledgor and shall not be subject to setoff by the Pledgor in any manner against any claim against the Bank, the Redeveloper, or their respective successors and assigns or affiliates.

SECTION SEVEN  
ASSIGNMENT BY BANK; NOTICE

This Agreement may be assigned by the Bank at any time upon giving written notice of such assignment to Pledgor. In the event that Bank assigns this Agreement, such notification shall identify the Assignee and the date of assignment at which time such Assignees shall succeed to all rights and benefits of Bank hereunder.

SECTION EIGHT  
COOPERATION; FURTHER ASSURANCES

The parties hereto mutually agree to cooperate with each other in delivering any further documents, agreements, instruments or further assurances reasonably necessary or appropriate to carry out the agreements herein contemplated, and the purposes of the Act, the Plan and the Redevelopment Contract.

SECTION NINE  
AMENDMENT

This Agreement may be amended or modified, in whole or in part, at any time by the written agreement by the parties hereto and approved in writing by Redeveloper.

SECTION TEN  
BENEFIT

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

SECTION ELEVEN  
INCORPORATION OF EXHIBITS

All documents and instruments attached and marked as exhibits shall be fully incorporated in this Agreement.

SECTION TWELVE  
NOTICES

All notices or other communications required or permitted hereunder shall be sufficiently given if in writing and deposited in the United States mail, first class postage prepaid, and addressed as follows:

If to Pledgor:

Community Redevelopment Authority  
Of the City of Hastings, Nebraska  
Attn: City Clerk  
City of Hastings  
220 N. Hastings Avenue  
Hastings, NE 68901

If to Bank:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Redeveloper:

City Block Center Affiliates  
c/o Chief Industries  
Attn: Executive Officer  
3942 West Old Highway 30  
P.O. Box 2078  
Grand Island, NE 68802

[SIGNATURE PAGES TO FOLLOW]



BANK:

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF NEBRASKA    )  
  ) ss:  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_,  
2016, by \_\_\_\_\_, the \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

[Signature page for Community Redevelopment Authority Security and Pledge Agreement]

**EXHIBIT "F"**  
**ELIGIBLE EXPENDITURES**

TIF Eligible Expenditures for this Project shall include any eligible expenditures under the Nebraska Community Development Law, including without limitation: predevelopment work including but not limited to architectural, engineering, and environmental services, market studies, traffic studies and other studies related to the Project; site acquisition; site preparation; environmental remediation; utility and infrastructure construction and improvements; paving; façade improvements; construction and installation of sidewalks, landscaping, and streetscape improvements; construction of public parking facilities and fire access improvements; construction of improvements reasonably related to convention and civic centers; façade and structural enhancements that exceed building code requirements but are required by the City for this Project; and any other necessary public improvements essential for uses in accordance with the Redevelopment Plan

**EXHIBIT "G"**  
**MEMORANDUM OF REDEVELOPMENT AGREEMENT**

This Memorandum of Redevelopment Agreement ("Memorandum") is made this \_\_\_ day of \_\_\_\_\_, 2016 by and between The Community Redevelopment Authority of the City of Hastings, Nebraska, ("CRA"), the City of Hastings, a Nebraska municipal corporation (the "City"), City Block Center Hospitality, LLC, a Nebraska limited liability company, City Block Center Housing, LLC, a Nebraska limited liability company, and City Block Center Mixed-Use, LLC, a Nebraska limited liability (collectively, "Redeveloper").

1. **Redevelopment Agreement.** The CRA, the City and Redeveloper have entered into that certain Redevelopment Agreement dated as of this even date, describing certain public improvements being made by the CRA in the Redevelopment Area, certain municipal improvements being made by the City in the Redevelopment Area, and certain private improvements being made to real property owned by Redeveloper legally described on Exhibit "A" attached hereto.

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

3. **Remaining Terms.** The rest and remaining terms of the Redevelopment Agreement are hereby incorporated into this Memorandum as if they were set forth in full. A full and correct copy of the Redevelopment Agreement may be inspected at the office of the City Clerk of Hastings, Nebraska.

[SIGNATURE PAGES TO FOLLOW]

Executed this \_\_\_\_ day of \_\_\_\_\_, 2016.

**“CRA”**  
COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
HASTINGS, NEBRASKA, a  
Municipal Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF NEBRASKA    )  
  ) ss:  
COUNTY OF ADAMS    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016 by \_\_\_\_\_, \_\_\_\_\_ of the Community Redevelopment Authority of the City of Hastings, Nebraska, a Nebraska municipal corporation, on behalf of the municipal corporation.

\_\_\_\_\_  
Notary Public



**"REDEVELOPER"**

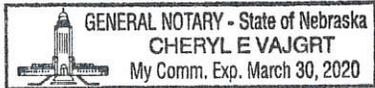
City Block Center Hospitality, LLC, a  
Nebraska limited liability company

By: Chief Industries, Inc., Manager

By: David Ostdiek  
Name: David Ostdiek  
Title: Executive Vice President / CFO

STATE OF NEBRASKA )  
 ) ss:  
COUNTY OF HALL )

The foregoing instrument was acknowledged before me this 10th day of June, 2016 by David Ostdiek, EVP/CFO of Manager of City Block Center Hospitality, LLC, on behalf of the limited liability company.



Cheryl E Vajgrt  
Notary Public

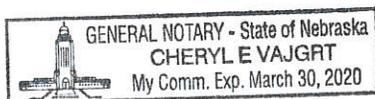
City Block Center Housing, LLC, a Nebraska  
limited liability company

By: Chief Industries, Inc., Manager

By: David Ostdiek  
Name: David Ostdiek  
Title: Executive Vice President / CFO

STATE OF NEBRASKA )  
 ) ss:  
COUNTY OF HALL )

The foregoing instrument was acknowledged before me this 10th day of June, 2016 by David Ostdiek, EVP/CFO of Manager of City Block Center Housing, LLC, on behalf of the limited liability company.



Cheryl E Vajgrt  
Notary Public

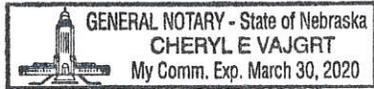
City Block Center Mixed-Use, LLC, a  
Nebraska limited liability company

By: Chief Industries, Inc., Manager

By: David Ostdiek  
Name: David Ostdiek  
Title: Executive Vice President / CFO

STATE OF NEBRASKA    )  
                                  ) ss:  
COUNTY OF HALL        )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of June, 2016 by David Ostdiek, EVP / CFO of Manager of City Block Center Mixed-Use, LLC, on behalf of the limited liability company.



Cheryl E Vajgrt

Notary Public