

REDEVELOPMENT CONTRACT

BETWEEN

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF
HOLDREGE, NEBRASKA

AND

CPR PROPERTIES, L.L.C.,
a Nebraska Limited Liability Company,

Effective Date: January 1, 2023

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REDEVELOPMENT CONTRACT

This Redevelopment Contract is made and entered into as of the ____ day of _____, 2022, by and between the Community Redevelopment Authority of the City of Holdrege, Nebraska ("Authority") and CPR Properties, L.L.C., a Nebraska limited liability company ("Redeveloper").

WITNESSETH:

WHEREAS, 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 Redevelopment Contract, acting by and through its Chair or Vice Chair and Members;

WHEREAS, the City of Holdrege, Nebraska (the "City"), in furtherance of the purposes and pursuant to the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 to 18-2154, Revised Statutes of Nebraska, (Reissue 2012), as amended (collectively the "Act"), has adopted a Redevelopment Plan for a blighted and substandard area designated by the City;

WHEREAS, pursuant to Section 18-2119 of the Act, Authority has solicited proposals for redevelopment of a portion of the redevelopment area included in the Redevelopment Plan, and Redeveloper submitted a redevelopment proposal; and

WHEREAS, Authority and Redeveloper desire to enter into this Redevelopment Contract for redevelopment of a portion of the subject redevelopment area;

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

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Contract.

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

- (a) "*Act*" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Revised Statutes of Nebraska (Reissue 2012), as amended, and acts amendatory thereof and supplemental thereto.
- (b) "*Authority*" means the Community Redevelopment Authority of the City of Holdrege, Nebraska.
- (c) "*City*" means the City of Holdrege, Nebraska.
- (d) "*Holder*" means the holders of TIF Indebtedness issued by the Authority from time to time outstanding.
- (e) "*Payment Date*" means each May 15 and September 15.
- (f) "*Premises*" or "*Redevelopment Area*" means all of that certain real property situated in the City of Holdrege, Phelps

County, Nebraska, which includes the property that is the subject of this Redevelopment Contract, and is more particularly described on Exhibit A attached hereto and incorporated herein by this reference.

- (g) "*Project*" means the improvements to the Premises, as such improvements are described in Exhibit B attached hereto and incorporated herein by this reference.
- (h) "*Project Costs*" means only costs or expenses incurred by Redeveloper or the City to develop, construct, and equip the Project, pursuant to the Act.
- (i) "*Redevelopment Contract*" means this redevelopment contract between the Authority and the Redeveloper with the effective date of January 1, 2023, with respect to the Project.
- (j) "*Redevelopment Plan*" means the Redevelopment Plan, prepared by the Authority and approved by the City pursuant to the Act, as amended from time to time.
- (k) "*TIF Indebtedness*" means any bonds, notes, loans, and advances of money or other indebtedness, including interest and premiums, if any, thereon, incurred by the Authority pursuant to Article III hereof and secured in whole or in part by TIF Revenues.

- (l) "*TIF Revenues*" means incremental ad valorem taxes generated by the Project which are allocated to and paid to the Authority pursuant to the Act.

Section 1.02 Construction and Interpretation.

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

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

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

(c) The phrase "at any time" shall be construed as meaning "at any time or from time to time."

(d) The word "including" shall be construed as meaning "including, but not limited to."

(e) The words "will" and "shall" shall each be construed as mandatory.

(f) The words "herein," "hereof," "hereunder," "hereinafter" and words of similar import shall refer to the Redevelopment Contract as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.

(g) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.

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

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations by Authority

Authority makes the following representations and findings:

(a) Authority is a duly organized and validly existing community redevelopment authority under the Act.

(b) The Redevelopment Plan has been duly approved and adopted by the City pursuant to Section 18-2116 and 18-2117 of the Act.

(c) The Authority has requested proposals for redevelopment of the Redevelopment Area pursuant to section 18-2119 of the Act, and deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper as specified herein.

(d) The Redevelopment Project will achieve the public purposes of the Act by, among other things, increasing employment, improving public infrastructure, increasing the tax base, and lessening of blight and substandard conditions in the Redevelopment Area.

Section 2.02 Representations and Warranties of Redeveloper.

Redeveloper hereby covenants, warrants and represents to the Authority that:

(a) The Redeveloper is a Nebraska limited liability company and has the power to enter into this Redevelopment Contract and perform all obligations contained herein.

(b) The execution and delivery of the Redevelopment Contract and the consummation of the transactions therein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which Redeveloper is a party or by which Redeveloper is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Redeveloper contrary to the terms of any instrument or agreement.

(c) There is no litigation pending, or to the best of Redeveloper's knowledge, threatened, against Redeveloper, or its members, affecting Redeveloper's ability to carry out the development, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Contract or, except as disclosed in writing to the Authority, as to any other matter materially affecting the ability of Redeveloper to perform its obligations hereunder.

(d) Any financial statements of the Redeveloper, or its members, delivered to the Authority prior to the date hereof are true and correct in all respects and fairly present the financial condition of the Redeveloper, or its members, and the Project as of the dates thereof; no materially adverse change has occurred in the financial condition reflected therein since the respective dates thereof; and no additional borrowings have

been made by the Redeveloper, or its members, since the date thereof except in the ordinary course of business, other than the borrowing contemplated hereby or borrowings disclosed to or approved by the Authority.

(e) All Project Cost estimates provided to the Authority by Redeveloper were provided in good-faith and, to the best of Redeveloper's knowledge and belief, accurately depict the estimated or projected Project Costs and may be relied upon by the Authority for any purpose.

(f) All Project Costs Certifications provided to the Authority by Redeveloper will be provided in good-faith and, to the best of Redeveloper's knowledge and belief, will accurately depict the actual Project Costs and may be relied upon by the Authority for any purpose.

(g) All legal descriptions or Phelps County Assessor parcel identification numbers furnished to Authority by Redeveloper were or will be provided in good-faith and, to the best of Redeveloper's knowledge and belief, were or will be accurate and may be relied upon by the Authority for any purpose.

(h) Redeveloper will maintain records of all documents evidencing Project Costs incurred (i.e., receipts, signed contracts, invoices, cancelled checks and all other forms or evidence of payment, etc.) for a period of twenty years after the effective date of this Agreement and will provide the Authority with copies of all such records within thirty (30) days of a written request for the same made by the Authority at any time before the commencement of that twenty-year period or within that twenty-year period.

(i) Redeveloper will retain copies of all supporting documents associated with the Redevelopment Plan or the Project, whether received by Redeveloper or generated by Redeveloper, for a period of twenty years after the effective date of this Agreement and will provide the Authority with copies of all such records within thirty (30) days of a written request for the same made by the Authority at any time before the commencement of that twenty-year period or within that twenty-year period. For purposes of this provision, supporting documents include, but are not limited to, any substandard and blighted study conducted in connection with the Redevelopment Plan or the Project, any cost-benefit analysis conducted in connection with the Redevelopment Plan or the Project, and any invoice, receipt, claim or contract received or generated that provides support for receipts or payments associated with the Redevelopment Plan or the Project.

ARTICLE III

OBLIGATIONS OF THE AUTHORITY

Section 3.01 Division of Taxes.

In accordance with Section 18-2147 of the Act, the Authority hereby amends the Redevelopment Plan of the Authority by providing that any ad valorem tax on real property in the Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this Agreement as provided in Section 18-2147 of the Act. The effective date of this Agreement shall be January 1, 2023.

Section 3.02 Issuance of TIF Indebtedness.

The Authority shall pay to Redeveloper on each Payment Date, beginning with the first Payment Date after the effective date specified in Section 3.01 of this Agreement (May 15, 2024), and ending on the Payment Date which is on or before the day which is 15 years from such effective date (September 15, 2038), one hundred percent (100%) of the TIF Revenues received by the Authority with respect to the Project from ad valorem taxes which were first delinquent during the period beginning on May 1, 2024, and ending on or before the current Payment Date; provided, however, that in no event shall the total amount paid to Redeveloper exceed the lesser of \$200,000.00 or the total certified Project Costs. Proceeds of the TIF Indebtedness not issued, loaned or granted to the Redeveloper pursuant to this Redevelopment Contract shall be solely used by the Authority, in its discretion, in carrying out the remainder of the Project, if any, or, in carrying out its purposes under the Act. The Authority may issue additional TIF Indebtedness from time to time in such amounts as it determines can be paid from TIF Revenues in excess of amounts necessary to pay the TIF Indebtedness issued to Redeveloper pursuant to this Section 3.02. Proceeds of such subsequent TIF Indebtedness shall be used by the Authority, in its discretion, in carrying out its purposes under the Act, including completion of this Project.

Section 3.03 Pledge of TIF Revenues.

The Authority hereby pledges the TIF Revenues as security for the TIF Indebtedness. The TIF Indebtedness issued to Redeveloper shall be secured by a first priority pledge of the TIF Revenues. Subsequent TIF Indebtedness shall be secured by

a subordinate pledge of the TIF Revenues. TIF Revenues not applied to payment of TIF Indebtedness to Redeveloper in a calendar year pursuant to Section 3.02 hereof are pledged for and shall be applied to fund or repay TIF Indebtedness of the Authority utilized, in its discretion, in carrying out its purposes under the Act, including completion of the Project.

Section 3.04 Creation of Fund.

Authority will create a special fund to collect and hold the TIF Revenues. Such special fund shall be used for no purpose other than to pay TIF Indebtedness issued pursuant to Sections 3.02 and 3.03 above.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project ; Insurance; Public Use.

(a) Redeveloper will complete the Project identified on Exhibit B hereto by January 1, 2024. Redeveloper shall be solely responsible for obtaining all permits and approvals necessary to develop, construct and equip the Project. Until construction of the Project has been completed, Redeveloper shall make 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 the Project. Promptly after completion by the Redeveloper of the Project, the Redeveloper shall furnish to the Authority a Certificate of Completion. The certification by the Redeveloper shall be a conclusive determination of satisfaction of the agreements, covenants and warranties in this Redevelopment Contract with respect to the obligations of Redeveloper and its

successors and assigns to construct the Project. As used herein, the term "completion" shall mean substantial completion of the Project.

(b) Any contractor chosen by the Redeveloper shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations. The Authority and the Redeveloper shall be named as additional insureds. Any contractor chosen by the Redeveloper, or the Redeveloper as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include "All Risk" insurance for physical loss or damage. The contractor or the Redeveloper, as the case may be, shall furnish the Authority with a Certificate of Insurance evidencing policies as required above, upon the request of the Authority. Such certificates shall state that the insurance companies shall give the Authority prior written notice in the event of cancellation of or material change in any of the policies.

Section 4.02 Cost Certification.

Redeveloper shall submit to the Authority a certification of Project Costs, after expenditure of such Project Costs, prepared by a certified public accountant or other person acceptable to Authority. Redeveloper may, at Redeveloper's option, submit one or more partial Project Costs Certifications prior to expenditure of all Project Costs. All Project Costs Certifications shall be subject to review and approval and audit by the Authority. Determinations by the Authority whether costs included in the Project Costs

Certification are properly included in Project Costs, as defined in this Agreement, shall be made in its sole discretion and shall be conclusive and binding on Redeveloper.

Section 4.03 Other Agreements.

Redeveloper will enter into and perform Redeveloper's obligations under such other agreements as are reasonably necessary in connection herewith.

Section 4.04 No Discrimination.

Redeveloper agrees and covenants for itself, its successors and assigns that as long as any TIF Indebtedness is outstanding, it will not discriminate against any person or group of persons on account of race, sex, color, religion, national origin, ancestry, disability, marital status or receipt of public assistance in connection with the Project. Redeveloper, for itself, its successors and assigns, agrees that during the construction of the Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance. Redeveloper will comply with all applicable federal, state and local laws related to the Project.

Section 4.05 – Pay Real Estate Taxes.

Redeveloper intends to create a taxable real property valuation of the Project of \$800,000.00, by no later than as of January 1, 2024. The most recent valuation, as of 2022, is approximately \$49,694.00. During the period that any TIF Indebtedness is outstanding, Redeveloper will (1) not protest a real estate property valuation on the Premises of \$800,000.00 or less after substantial completion or occupancy; (2) not convey the Premises or structures thereon to any entity which would be exempt from

the payment of real estate taxes or cause the nonpayment of such real estate taxes; and (3) cause all real estate taxes and assessments levied on the Premises to be paid prior to the time such become delinquent during the term that any TIF Indebtedness is outstanding.

Section 4.06 – Assignment or Conveyance Renders Null and Void.

If Redeveloper should convey, assign or transfer the Premises, the Project or any interest therein prior to the termination of the 15-year period commencing on the effective date specified in Section 3.01 hereof, without the prior written consent of the Authority, this Redevelopment Contract shall become null and void and all obligations of the Authority hereunder shall cease.

Section 4.07– Reimbursement of Costs.

Redeveloper shall pay to the City, within 15 days after execution of this Redevelopment Contract, the total sum of \$10,000.00, which amounts represent a \$5,000 processing fee plus a \$5,000 administrative fee, which is intended to constitute a reimbursement of costs incurred by the City and the Authority in connection with the Redevelopment Plan, the Project, and this Redevelopment Agreement.

ARTICLE V

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

Redeveloper shall pay all Project Costs, if any, which are in excess of the amounts paid from the proceeds of the TIF Indebtedness granted to Redeveloper. Prior to issuance of the TIF Indebtedness, Redeveloper shall provide Authority with evidence

satisfactory to the Authority that private funds have been committed to the Redevelopment Project in amounts sufficient to complete the Redevelopment Project.

Section 5.02 Encumbrances.

Redeveloper shall not create any lien, encumbrance or mortgage on the Project, or the Premises, except encumbrances which secure indebtedness incurred to develop, construct and equip the Project or for any other physical improvements to the Premises.

ARTICLE VI

DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of Authority and Redeveloper.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Contract or any of its terms or conditions, by either party hereto or any successor to such party, and specifically including Redeveloper's representations and warranties set forth in Section 2.02 hereof, such party, or successor, shall, upon written notice from the other, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Contract shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Contract, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach

of their obligations. Redeveloper specifically waives the defense of statute of limitations as relates to any claim the Authority may pursue to enforce its rights under this Redevelopment Contract.

Section 6.02 Limitation of Liability; Indemnification.

Notwithstanding anything in this Article VI or this Redevelopment Contract to the contrary, neither the Authority, the City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Contract. The obligation of the Authority and the City on any TIF Indebtedness shall be limited solely to the TIF Revenues pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither the Authority nor the City shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. To the extent permitted by Nebraska law, the Redeveloper releases the Authority and the City from, agrees that the Authority and the City shall not be liable for, and agrees to indemnify and hold the Authority and the City harmless from, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project.

To the extent permitted by Nebraska law, the Redeveloper will indemnify and hold each of the Authority and the City and their directors, officers, agents, employees and members of its governing body free and harmless from any loss, claim, damage, demand, tax, penalty, liability, disbursement, expense, including litigation expenses, attorneys' fees and expenses, or court costs arising out of any damage or injury, actual

or claimed, of whatsoever kind or character, to property (including loss of use thereof) or persons, occurring or allegedly occurring in, on or about the Project during the term of this Redevelopment Contract or arising out of any action or inaction of Redeveloper, whether or not related to the Project, or resulting from or in any way connected with specified events, including the management of the Project, or in any way related to the enforcement of this Redevelopment Contract or any other cause pertaining to the Project.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notice Recording.

This Redevelopment Contract or a notice memorandum of this Redevelopment Contract shall be recorded with the Phelps County Register of Deeds with respect to the Premises.

Section 7.02 Governing Law.

This Redevelopment Contract shall be governed by the laws of the State of Nebraska, including, but not limited to, the Act.

Section 7.03 Binding Effect; Amendment.

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

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

ATTEST: COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
HOLDREGE, NEBRASKA

_____, Secretary By: _____, Chairman

STATE OF NEBRASKA)
) ss:
COUNTY OF PHELPS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____ and _____, Chairman and Secretary, respectively, of the Community Redevelopment Authority of the City of Holdrege, Nebraska, on behalf of the Authority.

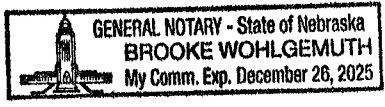
Notary Public

CPR PROPERTIES, L.L.C., a Nebraska limited liability company, Redeveloper

By: *Chris McQuillan*
Chris McQuillan, Managing Member

STATE OF NEBRASKA)
) ss.
COUNTY OF PHELPS)

The foregoing instrument was acknowledged before me this 2ND day of AUGUST, 2022, by Chris McQuillan, Managing Member of CPR Properties, L.L.C., a Nebraska limited liability company, on behalf of said company.



Brooke Wohlgemuth
Notary Public

EXHIBIT A

DESCRIPTION OF PREMISES

A tract of land located in the City of Holdrege, Phelps County, Nebraska, identified by the Phelps County Assessor's Office as Parcel No. 0001506.00--and more particularly described as follows: The South 30 feet of Lot 5, and all of Lots 6, 7 and 8, Block 34, Einsel's Second Addition to the City of Holdrege, Phelps County, Nebraska EXCEPT that part of Lot 8 taken by the State of Nebraska for Highway Right-of-Way purposes by Return of Appraisers filed October 19, 1981 at Misc. Book 32, Page 393, TOGETHER with the East Half of the vacated alley abutting said lots on the West.

EXHIBIT B

DESCRIPTION OF PROJECT

Use of TIF Revenues generated from the Premises described in Exhibit A, not to exceed the lesser of \$200,000.00 or the total certified Project Costs, in conjunction with other sources of financing, to construct a 1,250 square foot building for a Jimmy John's restaurant, all on the premises described in Exhibit A, to include, site preparation, demolition and removal of existing structures, grading and other dirt work, other onsite infrastructure, utility extensions and connections (water, sanitary sewer, storm, gas and electric), public parking, sidewalks, landscaping, and other public improvements related to the same.