

**VILLAGE OF WATERLOO
RESOLUTION NO. 05-24-16-01**

WHEREAS, the Village of Waterloo acting as the Community Development Authority of the Village of Waterloo, Nebraska (the "Authority") and Properties Unlimited, L.L.C. (the "Redeveloper") previously entered into a Redevelopment Contract dated December 8, 2008 (the "Redevelopment Contract") to develop the Project; and,

WHEREAS, the Agency and the Redeveloper desire that the Redevelopment Contract be amended and assigned to extend the right of the Redeveloper to pledge additional lots in the Project Area for purpose of dividing *ad valorem* real estate taxes pursuant to § 18-2147 of the Revised Statutes of Nebraska, to authorize the issuance of the Redevelopment Bond and to provide for the fulfillment of certain conditions by the parties

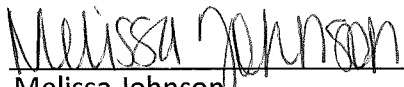
WHEREAS, this Resolution has been considered at a public hearing, notice of which has been duly published and given pursuant to the provisions of the Act.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF WATERLOO, NEBRASKA, AS FOLLOWS:

THAT, the Amended Redevelopment Contract between the Village of Waterloo, Nebraska (acting as the "Authority") and Properties Unlimited, L.L.C. (the "Redeveloper") is hereby approved.

PASSED THIS 24 DAY OF MAY, 2016

ATTEST:


Melissa Johnson
Clerk




Ken Hitchler
Chairperson

REDEVELOPMENT CONTRACT

THIS CONTRACT is entered into by and between the Village of Waterloo, Nebraska (the "Authority") and Property Unlimited, L.L.C., a Nebraska Limited Liability Company (the "Redeveloper") to implement the Property Unlimited L.L.C. Redevelopment Plan, Amendment One.

RECITALS:

WHEREAS, on March 22, 2016, the Village Board of the Village of Waterloo, acting as the redevelopment authority, approved the Property Unlimited L.L.C. Redevelopment Plan, Amendment One (the "Redevelopment Plan") which provides for the redevelopment of certain substandard and blighted property into a commercial center; and,

WHEREAS, the Redevelopment Plan provided for the use of the excess *ad valorem* real property taxes generated by such redevelopment to assist in offsetting certain project costs; and,

WHEREAS, this Contract is a redevelopment contract prepared pursuant to the Nebraska Community Development Law (the "Act") in order to implement the Redevelopment Plan.

IN CONSIDERATION OF THESE MUTUAL COVENANTS THE PARTIES AGREE AS FOLLOWS:

SECTION 1. DEFINITIONS

The following terms, whether plural or singular, shall have the following meanings for purposes of this Contract.

1.1 "Authority" shall mean the Village of Waterloo, Nebraska, acting as a community redevelopment authority, or such successor entity lawfully established pursuant to the applicable provision of the Nebraska Community Development Act.

1.2 "Redeveloper" shall mean Property Unlimited, L.L.C.

Property Unlimited Redevelopment Contract

- 1.3 "Redevelopment Plan Area" shall mean the Waterloo Business Park Commercial Condominium Association and abutting public rights-of-way, as described in the Redevelopment Plan.
- 1.4 "Redevelopment Project" shall mean the construction of the improvements, site preparation and construction of an expansion of the commercial center as described in the Redevelopment Plan.
- 1.5 "Redevelopment Site" shall mean the area legally described on Exhibit "A" and generally located on Exhibit "B", both attached hereto.
- 1.6 "Redevelopment Note" shall mean any obligation issued by the Authority and secured by the excess *ad valorem* taxes generated within the Redevelopment Site.
- 1.7 "Excess *ad valorem* taxes" shall mean the additional real estate property taxes generated by this Redevelopment Project pursuant to Section 18-2147 of the Nebraska Revised Statutes.

SECTION 2. OBLIGATIONS OF THE AUTHORITY

The Authority shall:

- 2.1 Execute and deliver to the Redeveloper at closing the Redevelopment Note in substantially the same form as the copy attached hereto as Exhibit "C".
- 2.2 Grant Redevelopment Loan proceeds to the Redeveloper up to the sum of \$500,000.00.
- 2.3 Pay debt retirement principal and interest from the excess *ad valorem* real property taxes (TIF). Interest on monies in the special fund shall accrue first to debt retirement interest and then to principal.
- 2.4 Ensure that prior to expenditure or disbursement of Redevelopment Loan proceeds, the following shall be obtained, to wit:
 - 2.4.1 Redeveloper shall provide the Authority with evidence, acceptable to the Authority, that the private funds have been irrevocably committed to the Redevelopment Project in the amount sufficient to complete the Redevelopment Project.
- 2.5 Establish a special fund under Section 18-2147 of the Nebraska Revised Statutes for the purpose of collecting the excess *ad valorem* taxes generated by the

Property Unlimited Redevelopment Contract

Redevelopment Project. Monies collected and held in the special fund shall be used for no purpose other than to repay the Redevelopment Loan.

SECTION 3. OBLIGATIONS OF THE REDEVELOPER

The Redeveloper shall:

- 3.1 Cause the Redevelopment Project to be completed on or before December 30, 2016, or such longer period as the parties hereto may subsequently agree.
- 3.2 Cause all real estate taxes and assessments levied on the Redevelopment Project to be paid prior to the time such become delinquent.
- 3.3 Loan redevelopment funds to the Authority in the principal amount of \$500,000.00 as set forth in Section 2, which, when combined with other private funds available, will be sufficient to construct the Redevelopment Project. Execution and delivery of the Redevelopment Promissory Note shall be at closing which shall be as soon as reasonably possible after execution of this Contract but not more than 60 days thereafter. At closing, the loan to be accomplished by this Section and the obligation of the Authority to use the redevelopment loan proceeds for redevelopment purposes under Section 2 may be accomplished by offset so that the Redeveloper retains the loan proceeds. If the Authority so requests, the Redeveloper shall, from time to time, furnish the Authority with satisfactory evidence as to the use and application of the redevelopment loan proceeds.
 - 3.3.1 Such loan funds shall be disbursed as provided in Section 2.
 - 3.3.2 Such loan shall bear a 6.50% per annum interest rate.
 - 3.3.3 The principal shall be repaid by the Authority solely from the special fund established pursuant to Section 2, as excess *ad valorem* real property taxes, pursuant to the Redevelopment Plan and Section 18-2147 of the Nebraska Revised Statutes, become available to the Authority for such use. To the extent such excess *ad valorem* taxes are unavailable to the Authority, the loan shall be forgiven and the obligations of the Redeveloper shall remain unaffected.
- 3.4 Shall pay the Authority, at Bond closing, a fee of \$5200.00 to cover legal costs incurred by the Authority in this Redevelopment Project.

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- 3.5 Shall provide the Authority with annual progress reports during the redevelopment and allow the Authority reasonable access to any relevant financial records of the Redeveloper pertaining to the Redevelopment Project. Provide the Village with funds from Available Monies, not to exceed Five Hundred (\$500.00) annually, to pay those direct costs of the Village in administering this Contract; provided, that the Village costs of administering this Contract shall be included within the annual fee paid pursuant to the prior Project, while such prior TIF Note is outstanding and that together the total fee paid shall not exceed \$500.00 annually.
- 3.6 With regard to Redeveloper's property owned at or subsequent to the effective date of this Contract and during the period that the Redevelopment Note (TIF Funds) is outstanding, (1) not protest a real estate improvement valuation on the Redevelopment Site of \$3,500,000.00 or less after substantial completion; (2) not convey the Redevelopment Site 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; (3) not apply to the Douglas County Assessor for the structures, or any portion thereof, to be taxed separately from the underlying land of the Redevelopment Site; (4) maintain insurance for ninety percent (90%) of the full value of the structures on the Redevelopment Site; (5) in the event of casualty, apply such insurance proceeds to their reconstruction; and (6) cause all real estate taxes and assessments levied on the Redevelopment Site to be paid prior to the time such become delinquent. In lieu of the above, the Redeveloper may surrender any remaining amount outstanding of the Redevelopment Promissory Note to Authority. Each of the foregoing covenants shall be referenced in a Notice of Redevelopment Contract which may be recorded with the Douglas County, Nebraska Register of Deeds in lieu of the recording of the Contract. The Redeveloper agrees to include the same restrictions in any subsequent sale, assignment, sale leaseback or other transfer of the property, but shall not be responsible otherwise for the actions of the third parties if these covenants are breached by such third parties if the Redeveloper no longer owns the property.

SECTION 4. FINANCING OBLIGATIONS

4.1 Effective Date. The parties agree that the effective date of the division of *ad valorem* real property taxes on the Redevelopment Site shall be January 1, 2017.

4.2. The Authority shall pledge the excess *ad valorem* real property taxes security for any Redevelopment Note according to its terms issued pursuant to the Redevelopment Plan.

SECTION 5. PROVISIONS OF THE CONTRACT

5.1 Captions. Captions used in this Contract are for convenience and are not used in the construction of this Contract.

Property Unlimited Redevelopment Contract

- 5.2 Applicable Law. Parties to this Contract shall conform to all existing and applicable ordinances, resolutions, state laws, federal laws, and all existing and applicable rules and regulations. Nebraska law will govern the terms and the performance under this Contract.
- 5.3 Merger. This Contract shall not be merged into any other oral or written contract, lease or deed of any type. No provision of his Contract shall create any easement or right of entry to the Redevelopment Site for the benefit of either any third party or the general public, other than the specific provisions of the Redevelopment Note.
- 5.4 Modification. This Contract contains the entire contract of the parties. No representations were made or relied upon by either party other than those that are expressly set forth herein. No agent, employee or other representative of either party is empowered to alter any of the terms herein unless done in writing and signed by an authorized officer of the respective parties.
- 5.5 Assignment. The Redeveloper may not assign its rights under this contract without the express prior written consent of the Authority; such consent not to be unreasonably withheld.
- 5.6 This Contract shall be binding upon the Redeveloper's successors and assigns, and shall run with the land described in Exhibit "A", attached hereto, to the benefit of the Authority.

SECTION 5. AUTHORIZED REPRESENTATIVE

In further consideration of the mutual covenants herein contained, the parties hereto expressly agree that for the purposes of notice, including legal service of process, during the term of this Contract and for the period of any applicable statute of limitations thereafter, the following named individuals shall be the authorized representatives of the parties:

- (1) Authority:
Village Clerk
Village of Waterloo
P.O. Box 127
Waterloo, NE 68069
- (2) Redeveloper:
Property Unlimited, L.L.C., a Nebraska Limited Liability Company
Steve Franson, Manager
23502 Denton Street
Waterloo, NE 68022

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Property Unlimited Redevelopment Contract

Either party may designate additional representatives or substitute representatives by giving written notice thereof to the designated representative of the other party.

Executed this 24 day of May, 2016.

ATTEST:

AUTHORITY:

Melissa Johnson
CLERK

Kenneth L. Stull
CHAIRPERSON

Executed this 24 day of May, 2016.

REDEVELOPER:

Property Unlimited, L.L.C., a Nebraska
Limited Liability Company

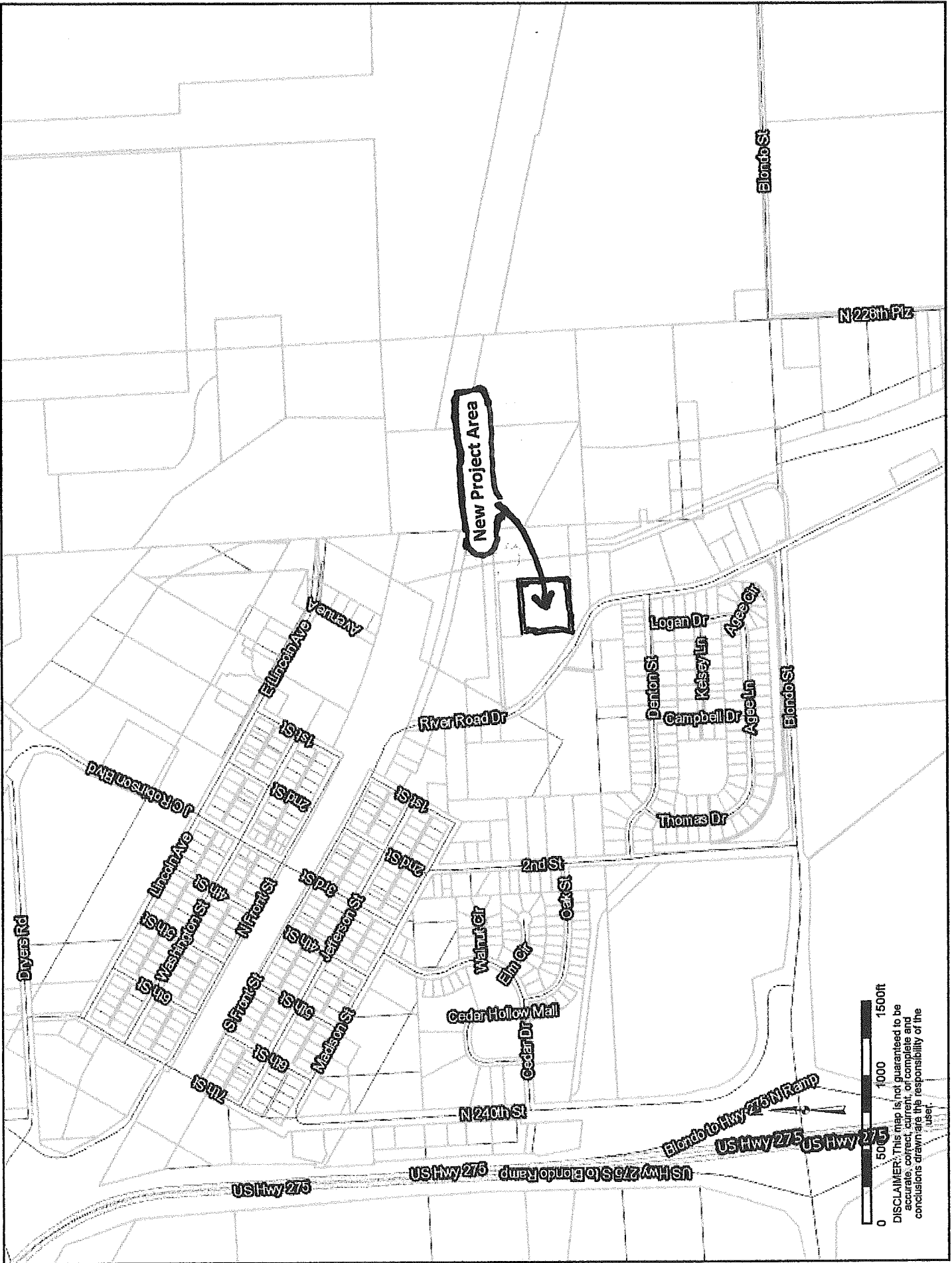
By Steve Franson
Steve Franson, Manager

EXHIBIT "A"
PROPERTY UNLIMITED L.L.C. REDEVELOPMENT PLAN
AMENDMENT ONE
VILLAGE OF WATERLOO, NEBRASKA

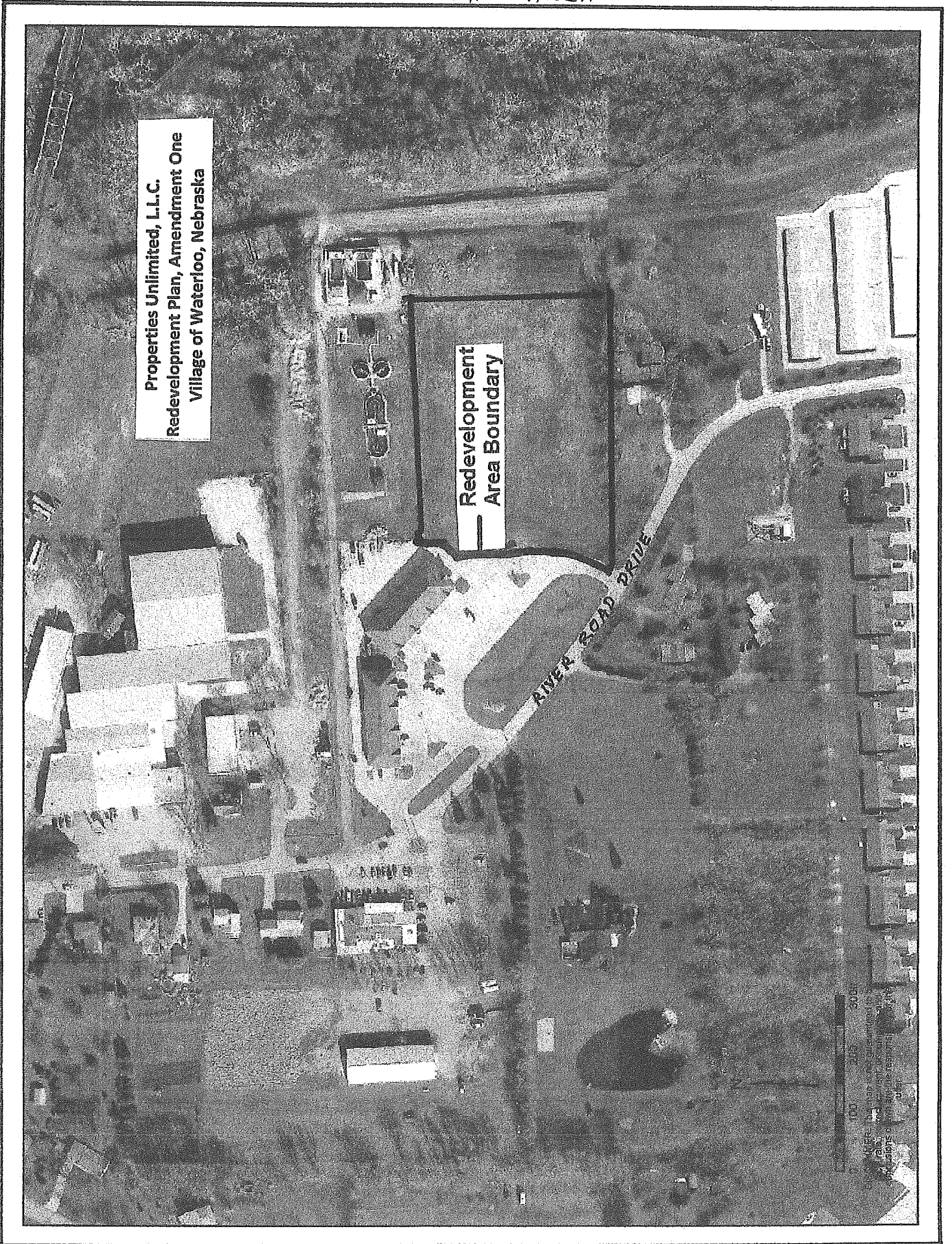
Lots to be included in the Redevelopment Project:

Lots 2499, 2501, 2503, 2505, 2507, 2509, 2511 and 2512 in Waterloo Business Park Commercial Condominiums, Village of Waterloo, Douglas County, Nebraska

APPROXIMATE LOCATION EXHIBIT B1



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Properties Unlimited, L.L.C.
Redevelopment Plan, Amendment One
Village of Waterloo, Nebraska

Redevelopment
Area Boundary

RIVER ROAD DRIVE

100 200 300
AREA: 100,000 sq. ft.
DATE: 10/15/2015
SCALE: 1" = 100'

KB

EXHIBIT "C"

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "33 ACT") AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE '33 ACT SHALL BE IN EFFECT WITH RESPECT THERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE '33 ACT AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE CITY OF OMAHA PRIOR TO TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION AN OPINION OF COUNSEL, SATISFACTORY TO THE VILLAGE OF WATERLOO TO THE EFFECT THAT REGISTRATION UNDER THE '33 ACT IS NOT REQUIRED.

REDEVELOPMENT PROMISSORY NOTE

\$500,000.00

May 24, 2016

FOR VALUE RECEIVED, the undersigned Village of Waterloo (the "Authority") promises to pay Property Unlimited, L.L.C., a Nebraska Limited Liability Company, 23502 Denton Street, Waterloo, NE 68069, (the "Holder", and/or its assigns), the principal sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00), together with interest thereon at the rate of 6.5% per annum from January 1, 2017 (the "Effective Date") until either paid in full or the excess *ad valorem* taxes are no longer available to be received by the Authority. The principal balance and interest thereon shall be due and payable to the Holder of this Redevelopment Promissory Note (the "Note") as and at such time as any excess *ad valorem* taxes generated by the Redevelopment Project as set forth in that certain Redevelopment Contract, as from time to time amended, dated the 24th day of May, 2016, by and between the Authority and the Holder, are received by the Authority and available for the retirement of this debt. When the excess *ad valorem* taxes collected by Douglas County (subject to real estate tax collection fee by Douglas County) are received by the Authority, such monies are immediately placed in the Special Fund of the Authority established under Section 18 2147 of the Nebraska Revised Statutes. Within thirty days of said monies being placed in the Special Fund, such monies shall be available to and paid to the Holder.

In the event of default under this Note, all sums secured by this Note or any other agreement securing this Note shall bear interest at a rate equal to six and one half percent (6.5%) above the national prime rate as published by the Wall Street Journal, from time to time, however, in the event said interest rate exceeds the maximum rate allowable by law then such rate of interest shall equal the highest legal rate available.

Authority may prepay the principal amount outstanding in whole or in part, without the prior consent of the Holder.

In the event the monies collected and held in that Special Fund and pursuant to the Redevelopment Contract are insufficient to pay in full all amounts due and owing at a date sixteen (16) years from January 1, 2017 (the "Effective Date"), and all excess *ad valorem* taxes generated by the Redevelopment Project, as set forth in the Redevelopment Contract, have been collected by the Authority and have been paid, immediately upon being available pursuant to the terms of this Note,

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Property Unlimited Redevelopment Bond

towards the retirement of the amounts due hereunder, then, at said date or upon the date such excess *ad valorem* taxes have been collected and paid, the Holder shall waive any unpaid portion of the principal and interest due upon written request of the Authority. Excess *ad valorem* taxes due and owing pursuant to the Redevelopment Contract, but not collected at the expiration of the fifteen year term pursuant to Section 18 2147 of the Nebraska Revised Statutes, shall be placed in the Special Fund when received by the Authority and then distributed to the Holder pursuant to this Note.

In the event of Default this Note is referred to an attorney for collection the Holder shall be entitled to reasonable attorney fees allowable by law and all court costs and other expenses incurred in connection with such collection if Holder so prevails.

The Authority shall only be in Default in the event the Authority shall fail to pay in accordance with this Note, when due, any amount required hereunder and on deposit in the Special Fund.

Demand, presentment, protest and notice of nonpayment under this Redevelopment Promissory Note are hereby waived.

No delay or omission on the part of the Holder in exercising any remedy, right or option under this Redevelopment Promissory Note shall operate as a waiver of such remedy, right or option. In any event, a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion.

Any notice provided for in this Note to the Authority or the Holder shall be in writing and shall be given by regular mail to the Holder or Authority, or at such other address as either party may designate by notice in writing.

This Note shall be governed by and construed in accordance with the laws of the State of Nebraska. All payments hereunder shall be payable in lawful money of the United States of America and shall be legal tender for public and private debts at the time of payment.

Executed this 14 day of June, 2016.

ATTEST:

AUTHORITY:

Melissa Johnson
CLERK

Kenneth G. Stutz
CHAIRPERSON

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