



MIDWEST HOUSING
DEVELOPMENT FUND, INC.

July 21, 2016

Brian Bywater
Schuyler Development Corporation, Inc.
301 E. 11th Street
Schuyler, NE 68661

RE: Schuyler Workforce Housing Project MHDF Loan – extension of commitment date

Dear Brian,

Midwest Housing Development Fund, Inc. (MHDF) will provide a loan in the amount of \$275,000 to Schuyler Development Corporation, Inc. This was detailed in a letter dated May 27, 2016 which offered the commitment until July 15, 2016. The purpose of this letter is to extend the commitment to September 15, 2016.

The purpose of the loan will be used to assist in the financing for the project known as Schuyler Workforce Housing project which will consist of eight single-family and two duplexes (four units) rent to own homes newly constructed in Schuyler, Nebraska.

Based upon the initial financial projections and assumptions that you have provided to us, MHDF will fund a loan in the amount of \$275,000. The loan will have a fixed rate of interest at 3.5%, a loan origination fee of \$2,750 (1%) included in the principal balance, a term of 10 years from the date the last building is placed in service, available for construction and permanent financing, annual interest only payments, and a balloon payment due and payable in full at the earliest of the sale of the home or maturity. MHDF will require a lien on the property which will be subordinated as needed to the construction and/or permanent financing lender at the time the loan is advanced. Fees associated with recording of the property, releases, etc. will be the responsibility of Schuyler Development Corporation, Inc.

The above loan and terms are conditional upon approval of the MHDF Loan Committee. This commitment is available until September 15, 2016. Thank you for the opportunity to assist in your financing needs and to partner with you on a great project.

Sincerely,

Lara Huskey
Senior Vice President
Midwest Housing Development Fund



Cornerstone Bank
1631 16th Street
Central City, Nebraska 68826
Phone: 308-946-3862
Fax: 308-946-3863

May 31, 2016

Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

To Whom It May Concern:

Cornerstone Bank will be pleased to provide construction financing for the Schuyler Community Development, Inc. regarding its NIFA Workforce Housing Initiative in Schuyler, Nebraska. This commitment is contingent upon final approval of underwriting and documents associated with the project.

The proposed terms of the Construction loan will be as follows:

Borrower: Schuyler Community Development, Inc.
Amount: Up to \$2,500,000
Rate: 4.30% fixed
Maturity: 18 months
Payments: Interest will be paid annually and principal will be due at maturity
Collateral: First Mortgage on the property, in an amount equal to the construction loan
Prepayment Penalty: none
Guarantees: Parties acceptable to the Bank will provide an unlimited guaranty of the loan amount during construction. Guarantors will provide the Bank with annual financial statements and any additional information reasonably requested by the Bank. For this project Mesner Development Co. and Clifford and Kathryn Mesner, individually will be the Guarantors of the loan.

Fees: Hard charges associated with the project (title work, appraisals, flood determinations, recording fees, etc) will be charged. An origination charge of .25% of the loan amount (\$6,250) will be charged as well.

Cornerstone Bank reserves the right to amend these requirements upon final review of all documentation. This commitment is available until December 31, 2016.

Thank you for the opportunity to provide financing for the Schuyler NIFA Workforce Housing Initiative.

Sincerely,

Aaron Purvis
Vice President



June 9, 2016

Mesner Development Co.
Cliff Mesner
2604 26th Ave.
Central City, NE 68826

RE: Housing Proposal

Cliff,

Thank you for the opportunity to present a proposal for the 8 house and 2 duplex project that is being proposed for Schuyler. Please be informed that Pinnacle Bank is willing to participate in the term financing needed by Schuyler Community Development Inc. on this project once construction is complete provided certain aspects of the project are met.

Amount: Approx. 2,275,000.00 to be funded when houses are complete

Term: 62 months with a balloon payment

Rate: 4.20% fixed for the 62 month term of the note

Payment: Interest only paid on a monthly basis

Security: First Deed of Trust on lots where houses and duplexes are to be built

Loan to Value: 80% of the lower of Cost or Appraised value

However, this commitment is subject to a number of items that are ongoing at the present time. They would include but not be specifically limited to:

- (1) Loan Guarantee from NIFA on the newly developed WHIPP housing program
- (2) Rent guarantees from major Community Employers
- (3) Interest Rate buy down from NIFA to assist in lowering payment to something that can be covered by rent
- (4) Satisfaction of adequate funding to satisfy the soft second position cash needs
- (5) Commitment of Schuyler Community Development Agency for a soft third position on the lots

I realize this is a Pilot Program for NIFA as well as the communities involved but Pinnacle Bank would like to be a part of the project if at all possible.



MEMBER FDIC

Sincerely,
Pinnacle Bank

A handwritten signature in cursive script, reading "Charles P. Heavican". The signature is written in dark ink and is positioned above the printed name.

Charles P Heavican
Market Pres.

**KAREL AND SECKMAN
ATTORNEYS AT LAW
1109 "C" Street
P.O. Box 466
SCHUYLER, NEBRASKA 68661**

**TELEPHONE (402) 352-5118
FAX (402) 352-2027**

**LARRY J. KAREL
RICHARD T. SECKMAN**

May 27, 2016

Clifford Mesner
2604 26th Avenue
Central City, NE 68826

Robin Ambroz
NIFA
1230 O Street, Suite 200
Lincoln, NE 68508-1402

Re: City of Schuyler, Nebraska
Work Force Housing Initiative Application

Dear Mr. Mesner and Ms. Ambroz:

Please be advised that I am the City Attorney for the City of Schuyler, Nebraska, and I have been involved in various meetings and City Council meetings. The City of Schuyler, Nebraska, has been fully involved in the Work Force Housing Initiative application with NIFA. It has been proposed that the City of Schuyler, Nebraska, provide the lots to the project, receiving in return a "soft third" mortgage for the purchase price of said lots behind the primary bank loan, and the loan from Midwest Housing Development Fund, Inc.

In order to complete this transaction, it has been necessary to transfer all of the lots of Water Tower Subdivision of the City of Schuyler, Nebraska, to the Community Development Agency of the City of Schuyler, Nebraska, which by ordinance consists of the City Council of the City of Schuyler, Nebraska. These lots have been transferred to the Community Development Agency in anticipation of completing a housing project. An ordinance and 30 day right of remonstrance pursuant to Nebraska Statute Section 16-202 has already been completed, and the Community Development Agency has full authority to convey the lots pursuant to an appropriate purchase agreement. Therefore, the Community Development Agency has not yet transferred the lots, awaiting the final commitment of the other parties, and a purchase agreement, and then the Community Development Agency is prepared to move forward at that appropriate time.

Linda
May 27 Mesner, Ambroz

May 27, 2016
Page 2

Very truly yours,

A handwritten signature in black ink, appearing to read "R. T. Seckman". The signature is fluid and cursive, with the first name "R" being particularly large and stylized.

Richard T. Seckman
Attorney at Law
City Attorney for the
City of Schuyler, Nebraska

RTS:lf

cc: Dave Reinecke, Mayor (email)
Mary Peschel, City Clerk (email)
Jim McGowen, Superintendent (email)
Kem Cavanah (email)
Brian Bywater (email)



May 31, 2016

Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

To Whom It May Concern:

I am writing on behalf of Cargill-Schuyler, NE concerning our commitment to the Workforce Housing Initiative in Schuyler, Nebraska. Cargill understands the great need for affordable housing in the community and it is very appreciative of the support we are receiving from NIFA, Mesner Development Co., Midwest Housing Development Fund, the City of Schuyler and, hopefully, the Peter Kiewit Foundation.

We understand from the pro-forma that the average rent for homes to be built will be \$1,050 per month. In order to make sure this project goes forward, we will guarantee up to \$900 per month per home in rent for up to 4 homes/townhomes for a period of 5 years.

We are hopeful that the community can find other businesses or organizations to guarantee other homes and to buy down the overall amount of rent as projected in the pro-forma for the project.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Gillig", with a long horizontal flourish extending to the right.

Jarrod Gillig
General Manager

June 10, 2016

Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

To Whom It May Concern:

I am writing on behalf of CHI Health Schuyler concerning our commitment to the Workforce Housing Initiative in Schuyler, Nebraska. CHI Health Schuyler understands the great need for affordable housing in the community and it is very appreciative of the support we are receiving from NIFA, Mesner Development Co., Midwest Housing Development Fund, the City of Schuyler and, hopefully, the Peter Kiewit Foundation.

We understand from the pro-forma that the average rent for homes to be built will be \$1,050 per month. In order to make sure this project goes forward, we will guarantee up to \$900 per month per home in rent for one home/townhome for a period of 5 years.

We are hopeful that the community can find other businesses or organizations to guarantee other homes and to buy down the overall amount of rent as projected in the pro-forma for the project.

Sincerely,



Connie Peters,
President, Regional Hospital
CHI Health Schuyler



QC Supply, LLC
P.O. Box 581
Schuyler, NE 68661
Fax: 402-352-8825
Phone: 402-352-3167
1-800-433-6340

June 7, 2016

Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln NE 68508-1402

To Whom It May Concern:

I am writing on behalf of QC Supply concerning our commitment to the Workforce Housing Initiative in Schuyler, Nebraska. QC Supply understands the great need for affordable housing in the community and it is very appreciative of the support we are receiving from NIFA, Mesner Development Co., Midwest Housing Development Fund, the City of Schuyler and, hopefully, the Peter Kiewit Foundation.

We understand from the pro-forma that the average rent for homes to be built will be \$1,050.00 per month. In order to make sure this project goes forward, we will guarantee up to \$900.00 per month per home in rent for one home/townhome for a period of 5 years.

We are hopeful that the community can find other businesses or organizations to guarantee other homes and to buy down the overall amount of rent as projected in the pro-forma for the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Luster". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jason Luster, CEO
QC SUPPLY, LLC



Schuyler Community Schools

401 Adam Street, Schuyler, Ne 68661
Superintendent Dr. Daniel Hoelsing
Phone: 402-352-2421 Fax: 402-352-5552

June 10, 2016

Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

To Whom It May Concern:

I am writing on behalf of Schuyler Community Schools concerning our commitment to the Workforce Housing Initiative in Schuyler, Nebraska. Schuyler Community Schools understands the great need for affordable housing in the community and it is very appreciative of the support we are receiving from NIFA, Mesner Development Co., Midwest Housing Development Fund, the City of Schuyler and, hopefully, the Peter Kiewit Foundation.

We understand from the pro-forma that the average rent for homes to be built will be \$1,050 per month. In order to make sure this project goes forward, we will guarantee up to \$900 per month per home in rent for up to 4 homes/townhomes for a period of 5 years.

We are hopeful that the community can find other businesses or organizations to guarantee other homes and to buy down the overall amount of rent as projected in the pro-forma for the project.

Sincerely,

Daniel J. Hoelsing
Superintendent

Dr. Daniel Hoelsing
Superintendent
401 Adam Street
Schuyler, NE 68661
Phone: 402-352-3527
Fax: 402-352-5552

Darli Vrba
K-12 Special Education Administrator
200 W. 10TH Street
Schuyler, NE 68661
Phone: 402-352-5514
Fax: 402-352-2644

Dave Gibbons
PK-12 Director of Curriculum, School
Improvement and Special Services
200 West 10th Street
Schuyler, NE 68661
Phone: 402-352-5514 Fax: 402-352-2644