
**CITY OF LINCOLN
REDEVELOPMENT AGREEMENT
(Washington Square)**

THIS REDEVELOPMENT AGREEMENT (Washington Square Project) is entered into between the **CITY OF LINCOLN, NEBRASKA**, a municipal corporation in the State of Nebraska ("City"), and **WASHINGTON SQUARE, L.L.C.**, a Nebraska limited liability company ("Redeveloper").

RECITALS

A. The City has undertaken a program for the redevelopment of blighted and substandard areas in the City of Lincoln, Nebraska. As part of that program the City has prepared and approved the Washington Square Redevelopment Project ("Washington Square Redevelopment Project") as part of the South 19th Street Redevelopment Plan ("Redevelopment Plan") a copy of which, together with any and all amendments thereto, is on file in the Office of the City Clerk of the City ("City Clerk"). The Redevelopment Plan has been adopted in compliance with the Nebraska Community Development Law codified at *Neb. Rev. Stat* §§18-2101 through 18-2144 (the "Act").

B. The Washington Square Redevelopment Project in the Redevelopment Plan calls for the City to support a new housing project providing affordable home-ownership opportunities on Lots A and B and the south half of the vacated alley abutting Lot A on the North, McClay and Hall's Subdivision a/k/a 1531 South 19th Street, and Lot A, Noble's

Subdivision and the east half of the vacated alley abutting on the west a/k/a 1541 South 19th Street, Lincoln, Lancaster County, Nebraska (“Project Site”).

C. *Neb. Rev. Stat. § 18-2107* (Reissue 1997) authorizes the City to enter into contracts with redevelopers of property containing covenants and conditions regarding the use of such property as the City may deem necessary to prevent the recurrence of substandard and blighted areas.

D. Redeveloper is willing to enter into this Agreement and through a minimum investment of Two Million Three Hundred Thousand and No/100ths Dollars (\$2,300,000.00) to acquire and redevelop the Project Site and provide affordable home-ownership opportunities by demolishing the two existing apartment buildings located on said site and constructing thereon 16 single-family dwellings in accordance with Special Permit No. 08011 approved by Resolution No. PC08011 adopted by the Lincoln City-Lancaster County Planning Commission on February 27, 2008 (“Redeveloper Improvements”), provided City is willing to assist Redeveloper by making a grant to Redeveloper to be used to pay for a portion of the costs of acquisition, demolition and site preparation and the construction of sidewalks and curb cuts and the planting of street trees (“Redevelopment Project Costs”) to the extent Tax Increment Revenues are available. The City and Redeveloper agree that such assistance is deemed essential to preparation of the Project Site for affordable home-ownership opportunities and to encourage redevelopment of other surrounding properties.

E. The City is willing to support redevelopment of the Project Site in accordance with the Redevelopment Project provided Redeveloper is willing to restrict the use of the Project Site to certain approved uses and is further willing to agree to covenants and conditions regarding the sale of the 16 single-family dwellings to owner-occupants.

F. Pursuant to *Neb. Rev. Stat.* § 18-2147, et seq., the Redevelopment Plan contains a provision which provides that any ad valorem tax levied upon real property in the Redevelopment Project for the benefit of any public body shall be divided, for a period not to exceed fifteen years, after the effective date of such provision by the governing body as follows:

- 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 valuation 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
- 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 be used solely to pay the principle of the interest on, and any premiums due in connection with the bonds of, 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, the Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon taxable real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.

Said provision is hereinafter referred to as the “Ad Valorem Tax Provision.”

G. *Neb. Rev. Stat.* §§ 18-2107 and 18-2150 (Reissue 1997) authorize the City to provide grants to private parties in order to accomplish acquisition and rehabilitation or redevelopment of the Project Site in accordance with the Redevelopment Plan. In order to make the grant to the Redeveloper, the City intends to issue tax increment financing indebtedness (“TIF Bond”) to be repaid with the tax increment revenues generated under the Ad Valorem Tax Provision (“TIF Tax Revenues”).

H. The City and Redeveloper desire to enter into this Agreement to implement the Redevelopment Project for the above purposes and in accordance with the Redevelopment Plan.

I. The City and Redeveloper mutually agree that the redevelopment of the Project Site is in the vital and best interest of the City and is in furtherance of the health, safety, and welfare of its residents, and is in accordance with the public purposes and provisions of applicable laws and requirements under which the Redevelopment Plan has been undertaken.

NOW, THEREFORE, in consideration of the above recitals which are hereby made part of this Agreement and of the mutual covenants contained herein the parties do agree as follows:

1. Acquisition. Redeveloper shall acquire the Project Site.
2. Design Documents. Redeveloper has prepared Schematic Design Plans (hereinafter "Design Documents") for the Redeveloper Improvements and the same have been reviewed and approved by the City's Director of Urban Development. Said Design Documents are attached hereto marked as Exhibit 1 and are incorporated herein by this reference. Redeveloper shall submit any material changes in the Design Documents as approved to the Director of Urban Development for his review and approval.
3. Construction of Redeveloper Improvements. Redeveloper at its own cost and expense shall construct the Redeveloper Improvements in accordance with the approved Design Documents. Redeveloper agrees to use commercially reasonable efforts to substantially complete construction of the Redeveloper Improvements as provided for in paragraph 8 below. The City shall not be liable nor be required to reimburse Redeveloper

for any costs incurred by Redeveloper for the Redeveloper Improvements in the event this Agreement is not approved for any reason, including for reasons alleged to be the fault of the City.

4. Penal Bond. Pursuant to *Neb. Rev. Stat. § 18-2151*, Redeveloper shall furnish or cause to be furnished to the City, prior to commencement of construction of the Redeveloper Improvements, a penal bond in an amount equal to the costs of the Redeveloper's Improvements with a corporate surety authorized to do business in the State of Nebraska. Such penal bond shall be conditioned upon the Redeveloper or Redeveloper's contractor at all times making payment of all amounts lawfully due to all persons supplying or furnishing the Redeveloper, the Redeveloper's contractor, or his or her subcontractors with labor or materials performed or used in the prosecution of the Redeveloper Improvements. Proof of such penal bond shall be supplied to the City prior to the construction of the Redeveloper Improvements.

5. Indemnification. Redeveloper agrees to indemnify and hold City harmless to the extent of any payments in connection with carrying out construction of the Redeveloper Improvements the City may be required to make for failure of Redeveloper or Redeveloper's contractor to make payments of all amounts lawfully due to all persons supplying or furnishing Redeveloper's contractor or his or her subcontractors with labor or materials performed or used in construction of the Redeveloper Improvements.

6. Duty to Maintain. Redeveloper shall, following construction, keep the Redeveloper Improvements in a safe and sanitary condition and shall take all action reasonably necessary to (a) maintain, in good order and condition and state of repair, all interior and exterior portions of the buildings including the routine and reasonable

preventive maintenance of the buildings and their service facilities such as the wiring, plumbing, heating and air conditioning systems, interior insect treatment, and all glass including plate glass, exterior doors and automatic doors, and (b) maintain the grounds in a safe and sanitary condition including but not limited to sweeping and removal of trash, litter and refuse, repair and replacement of paving as reasonably necessary, maintenance of landscaped areas (including replacement and replanting), removal of snow and ice from sidewalks, driveways, and parking areas, in order to keep the same free from dilapidation or deterioration and free from conditions which endanger life or property by fire or other causes. This Paragraph shall survive the Tax Increment Period and continue thereafter for thirty (30) years.

7. Owner-Occupancy.

A. Definitions.

i. Mortgage Lender shall include any lien holder, mortgagee of a mortgage, trustee and beneficiary of a deed of trust or other holder of a similar type of lien or encumbrance of the Washington Square Redevelopment Project.

ii. Redeveloper Party shall mean (i) the Redeveloper, Mortgage Lender, members and/or general partners of the Redeveloper of any business or entity which Redeveloper, its members or its general partners has any ownership in, affiliates to, or control over and the successor or assign of said parties, and (ii) who is a titleholder of any of the initial 16 single-family dwellings in the Washington Square Redevelopment Project and is not a First Owner-Occupant Purchases as defined below.

iii. First Owner-Occupant Purchaser shall mean the titleholder who makes the first purchase of each of the 16 single-family dwellings from the Redeveloper

Party and who maintains a permanent residence in the single-family dwelling, and does not permit occupancy of the dwelling by anyone other than the titleholder and the family of the titleholder within the meaning of the term “family” as defined in Title 27 of the Lincoln Municipal Code.

iv. Owner-Investor shall mean the titleholder who purchases any of the 16 single-family dwellings from a Redeveloper Party and who does not maintain a permanent residence in such single-family dwelling and permits occupancy of the dwelling by anyone other than titleholder and the family of the titleholder within the meaning of the term “family” as defined in Title 27 of the Lincoln Municipal Code.

B. First Owner-Occupant Purchaser. Redeveloper Party shall use its best efforts to ensure that all 16 single-family dwellings constructed as part of the Redeveloper’s Improvements shall be sold to a First Owner-Occupant Purchaser. Best efforts shall include, but not be limited to, marketing each of the 16 single-family dwellings for sale only to prospective First Owner-Occupant Purchasers for a 180-day period by providing sales information on an internet website, posting ‘For Sale’ sign(s) at the Project Site, advertising and listing said dwelling units on a Multiple Listing Service that is available to Lincoln REALTORS® members.

In the event the Redeveloper Party is unable to enter into a purchase agreement and close on the sale of a single-family dwelling to a prospective First Owner-Occupant Purchaser within the above-referenced time frames and upon the terms set forth above, then the Redeveloper Party may offer said single family dwelling to a tenant for rental housing; provided that any written rental agreement shall contain a clause permitting the Redeveloper Party to terminate said rental agreement with thirty (30) days written

notice in the event the Redeveloper Party has either entered into a written purchase agreement with prospective First Owner-Occupant Purchaser to sell the dwelling or has transferred the dwelling unit to a First Owner-Occupant Purchaser. During such tenancy, Redeveloper Party shall continue to market said dwelling for sale to a First Owner-Occupant Purchaser as provided above.

In the event one or more of the 16 single-family dwellings is not sold by Redeveloper Party within four years following the issuance of a temporary or permanent certificate of occupancy ("Four-Year Period"), the Redeveloper Party shall reimburse the City the proportionate share (1/16) of the \$200,000 grant of funds provided for in paragraph 10 below for each of the 16 single-family dwellings which have not been sold.

In the event said single-family dwelling is sold by Redeveloper Party to an Owner-Investor, the Redeveloper Party shall reimburse the City a proportionate share (1/16) of the \$200,000 grant of funds provided for in paragraph 10 below. The Redeveloper Party shall make said payment to the City at the time of closing on the sale of the single-family dwelling to an Owner-Investor.

During the Four-Year Period, the Redeveloper shall submit a report to the City's Urban Development Department and the Near South Neighborhood Association on a regular basis (not less than semi-annually) to keep the City and the Near South Neighborhood Association up to date on the Redeveloper Party's sales efforts, the ownership status of each dwelling unit (i.e., whether the owner is a Redeveloper Party, a First Owner-Occupant Purchaser, or Owner-Investor) and the occupancy status of each dwelling unit (i.e., whether vacant or occupied by the First Owner-Occupant Purchaser or tenant).

8. Administration. Redeveloper shall be responsible for all components of the Redeveloper Improvements, including construction management, coordination of contractors and regulatory permitting and other requirements. The Redeveloper will be solely responsible for payment of all construction cost attributable to the Redeveloper Improvements regardless of any expectation for reimbursement hereunder.

9. Construction. Redeveloper will use its best efforts to substantially complete construction of the Redeveloper Improvements within one year following the execution of this Agreement.

10. Grant of Funds. In order to support acquisition and redevelopment of the Project Site and as an inducement for the Redeveloper to construct the Redeveloper Improvements, the City agrees, to the extent allowed by law and then only to the extent funds (TIF Funds) are lawfully available from the issuance of the TIF Bond, to make a grant of TIF Bond proceeds (TIF Proceeds) to Redeveloper in the amount of \$200,000, less the City's cost of issuing the TIF Bond. Redeveloper shall submit authentic and satisfactory documentation to the City to verify the grant was expended on eligible Project Costs. Any ineligible use of the grant shall immediately be repaid to the City.

11. Issuance of City Purchased TIF Bond. On or after the date of this Agreement, the City shall issue a TIF Bond in an estimated amount of \$200,000 to be purchased by the City and receive TIF Proceeds to be deposited into a fund account ("Project Account") to be used for payment of the City's TIF Bond cost of issuance and the grant for the Project Costs. TIF Proceeds shall be expended in the following priority:

FIRST PRIORITY: Reimburse the City for the cost of issuing the TIF Bond, including but not limited to bond counsel fees, fiscal advisory fees, placement fees, capitalized interest, and reserves.

SECOND PRIORITY: Payment of grant to Redeveloper for Project Costs.

12. Valuation of Property Within the Redevelopment Project Area. The City intends to use the Ad Valorem Tax Provision to generate TIF Proceeds which shall be used to finance the issuance of the TIF Bond and to make the grant to Redeveloper in accordance with this Redevelopment Agreement. The tax increment is to be derived from the increased valuation, determined in the manner provided for in Article 8, Section 12 of the Constitution of the State of Nebraska and the Community Development Act which will be attributable to the redevelopment contemplated under this Agreement. The TIF Tax Revenues which are to be used to pay debt service for the TIF Bond will be derived from the increased valuation from redeveloping the Project Site as provided in this Agreement. Redeveloper agrees not to contest any taxable valuation assessed for the Project Site and improvements thereon which does not exceed One Million Eight Hundred Forty Thousand and No/100 Dollars (\$1,840,000.00) commencing tax year 2008 and continuing for a period of not to exceed fifteen (15) years after the effective date hereof or so long as any portion of the TIF Bond with respect to the Redevelopment Project remains outstanding and unpaid, whichever period of time is shorter ("Tax Increment Period").

13. Restriction on Transfer. During the Tax Increment Period, Redeveloper will not (i) convey the Project Site or any portion thereof to any entity which will result in such property being exempt from ad valorem taxes levied by the State of Nebraska or any of its subdivisions; or (ii) in the event any portion of the underlying real estate is declared exempt

from ad valorem taxes, then the Redeveloper shall annually pay a fee in lieu of the amount of the increment of the ad valorem taxes that would have been generated if the underlying real estate was not declared exempt from ad valorem taxes.

14. Financing Creating Encumbrances Restricted.

a. Prior to completion of Redeveloper Improvements, neither Redeveloper nor any successors in interest with respect to the Project Site shall engage in any financing or any other transaction creating any Deed of Trust or Mortgage upon the Project Site, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to any of such Project Site, except for the purposes of obtaining funds only to the extent necessary to design, construct, maintain, repair, replace and insure the Redeveloper Improvements. Prior to completion of Redeveloper Improvements, Redeveloper or any successor in interest as Redeveloper shall notify the City in advance of any financing secured by a Deed of Trust or Mortgage that it proposes to enter into with respect to Project Site, and shall promptly notify the City of any Deed of Trust or Mortgage that has been created on or attached to Project Site whether by voluntary act of Redeveloper or otherwise. Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to any of Project Site and which is contested by Redeveloper, then Redeveloper may defend against such encumbrance or lien, provided that a sufficient bond or security is posted with the City and Redeveloper's lender to permit Redeveloper to avoid or prevent foreclosure of such encumbrance or lien. In addition, Redeveloper agrees that prior to completion of Redeveloper Improvements, any loan proceeds secured by any interest in the Project Site shall be used solely for the payment of costs and expenses related to the development of the Redeveloper Improvements. Redeveloper shall provide a

copy of all draw requests and bank approvals related to the Redeveloper Improvements to the Director of Urban Development in a timely fashion.

b. In the event that any foreclosure of any Deed of Trust or Mortgage or other encumbrance should occur prior to completion of the Redeveloper Improvements or at any time when any casualty damage to the Redeveloper Improvements has occurred and has not been fully restored, any party who obtains title to any portion of the Project Site from or through Redeveloper or the holder of any Deed of Trust or Mortgage or any other purchaser at foreclosure sale shall be obligated to commence construction or reconstruction within three (3) months from the date of acquisition of title by said party and to complete construction or restoration within twenty-four (24) months from the date of such acquisition.

c. Notice of Default. Whenever the City 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 City shall at the same time forward a copy of such notice or demand to each Holder of any Deed of Trust or Mortgage at the last address of such Holder as shown in the records of the Register of Deeds of Lancaster County.

d. Option to Cure. If thirty (30) days after any notice or demand with respect to any breach or default, such breach or default remains uncured, each such Holder shall (and every Deed of Trust, Mortgage or other instrument of encumbrance made prior to completion of the Redeveloper 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 and to add the cost thereof to the debt and the lien of its Deed of Trust or Mortgage; provided, that if the breach or default is with respect to construction of the Project Site,

nothing contained in this section or any other section of this Agreement shall be deemed to permit or authorize.

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

15. Damage or Destruction of the Redeveloper Improvements. During the Tax Increment Period, Redeveloper agrees to keep the construction area and completed premises insured against loss or damage by fire, and such other risks, casualties, and hazards as are customarily covered by builders' risk or extended coverage policies in an amount not less than the replacement value but allowing for reasonable coinsurance clauses and deductibles. In the event of any insured damage or destruction, Redeveloper agrees to restore the Redeveloper Improvements to its prior condition within twelve (12) months from the date of the damage or destruction, and shall diligently pursue the same to completion. In the event Redeveloper fails to restore the same for any reason, Redeveloper shall pay to the City the amount of tax increment received by the City in the preceding year times the number of years remaining in the Tax Increment Period or shall payoff in full the TIF Bonds. During the Tax Increment Period, Redeveloper shall include by restrictive covenant an enforceable obligation on the Redeveloper or other owner or tenant in possession to maintain property insurance on an extended coverage all-risk basis in an amount not less than the replacement value, allowing for reasonable coinsurance clauses

and deductibles and also subject to the Redeveloper or other owner or tenant's obligation to restore the Redeveloper Improvements to its prior condition within twelve (12) months from the date of the damage or destruction, diligently pursuing the same to completion.

16. Condemnation. If during the Tax Increment Period, all or any portion of the Project Site is condemned by a condemning authority other than the City, and the condemning authority or its successor in interest would not be obligated to pay real estate taxes upon that portion condemned, the City shall be entitled to claim against the Condemner an interest in the property equal to the present value of the pro rata share of tax increment indebtedness outstanding as of the date of taking.

17. Representations. Redeveloper represents and agrees that its undertakings, pursuant to this Agreement, have been, are, and will be, for the purpose of redevelopment of Project Site and not for speculation in land holding.

18. Restrictions on Assignments of Rights or Obligations. Redeveloper represents and agrees that prior to completion of the Redeveloper Improvements provided for above there shall be no sale or transfer of the Project Site or assignment of Redeveloper's rights or obligations under this Agreement to any party without the prior written approval of the City (which shall not be unreasonably withheld, conditioned, or delayed), other than deeds of trust, mortgages and involuntary transfers by reason of death, insolvency, or incompetence. The City shall be entitled to require, as conditions to any required approval, that:

a. Any proposed transferee shall have the qualifications and financial responsibility, as determined by the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by Redeveloper; and

b. Any proposed transferee, by instrument satisfactory to the City and in form recordable in the Office of the Register of Deeds, shall for itself and its successors and assigns and for the benefit of the City, have expressly assumed all of the obligations of Redeveloper under this Agreement; and

c. There shall be submitted to the City for review, not less than ten (10) days prior to the proposed execution thereof, all instruments and other legal documents involved in the transfer or described in this Agreement; and if disapproved by the City, its disapproval and reasons therefore shall be indicated to Redeveloper in writing.

19. Representations and Warranties of Parties.

a. Redeveloper represents and warrants to City as follows:

i. Organization; Power; Good Standing. Redeveloper is a Nebraska limited liability company duly organized and validly existing in good standing under the laws of Nebraska. Redeveloper is qualified to do business in the State of Nebraska and has all requisite power and authority to own and operate its properties and carry on its business as now being conducted and to enter into this Agreement and perform the obligations hereunder.

ii. Authority Relative to Agreement. This Agreement has been duly executed and delivered by Redeveloper and constitutes a legal, valid and binding obligation of Redeveloper, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies.

iii. Effect of Agreement. The execution, delivery and performance of this Agreement by Redeveloper have been duly authorized by all necessary action by Redeveloper and except as provided in this Agreement will not require the consent, waiver, approval, license or authorization of any person or public authority, and will not violate any provision of law applicable to Redeveloper, and will not violate any instrument, agreement, order, judgment, decree, statute, regulation, or any other restriction of any kind to which Redeveloper is a party.

b. City represents and warrants to Redeveloper as follows:

i. Authority Relative to Agreement. This Agreement has been duly executed and delivered by the City and constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies.

ii. Effect of Agreement. The execution, delivery and performance of this Agreement by City have been duly authorized by all necessary action by City and except as provided in this Agreement will not require the consent, waiver, approval, license or authorization of any person or public authority, and will not violate any provision of law applicable to City, and will not violate any instrument, agreement, order, judgment, decree, statute, regulation, or any other restriction of any kind to which City is a party.

20. Remedies. Except as otherwise provided in this Agreement, in the event of any default in performance of this Agreement by the City or Redeveloper, the party in default shall, upon written notice from the other, proceed immediately to cure or remedy

such default within thirty (30) days after receipt of notice. However, if the default cannot, in the exercise of reasonable diligence, be cured within thirty (30) days, then the defaulting party shall commence efforts to cure and shall diligently continue to cure the default. In the default is not cured, the non-defaulting party may institute any proceedings at law or inequity which may be necessary to cure and remedy the default.

21. Waiver. The parties shall have the right to institute actions or proceedings as they may deem necessary to enforce this Agreement. Any delay in instituting any action or otherwise asserting rights under this Agreement shall not operate as a waiver of rights or limit rights in any way.

22. Delay in Performance For Causes Beyond Control of Party. The parties or their successors or assigns shall not be in default of their obligations for delay in performance due to causes beyond their reasonable control and without their fault, including but not limited to acts of God, acts of the public enemy, acts of the federal or state government or subdivisions thereof, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, shortages of labor or materials, or delays of contractors, or subcontractors due to such causes. The purpose and intent of this section is that in the event of the occurrence of any such delay, the time for performance of the obligations of either party with respect to construction of improvements shall be extended for the period of delay. However, in order to obtain the benefit of the provisions of this section, the party seeking the benefit shall within twenty (20) days after the beginning of the delay of performance notify the other party in writing of the cause and the reasonably expected length of delay.

23. Agreement to Pay Taxes. Redeveloper agrees to pay all real property taxes levied upon the Project Site prior to the time the taxes become delinquent. This contractual obligation to pay such taxes prior to delinquency shall cease upon expiration of the Tax Increment Period, but the City in no way waives the statutory obligation to continue to pay real estate taxes. This provision shall not be deemed a waiver of the right to protest or contest the valuation of the lots or improvements for tax purposes in excess of the do-no protest amount of \$1,840,000.00.

24. Rights and Remedies Cumulative. The rights and remedies of the parties to this Agreement shall be cumulative and the exercise by either party of anyone or more remedies shall not preclude the exercise by it of any other remedies for any other default or breach by the other party. A waiver of any right of either party conferred by this Agreement shall be effective only if in writing and only to the extent specified in writing.

25. Conflicts of Interest: City Representatives Not Individually Liable. No officer or employee of the City shall have any personal interest, direct or indirect, in this Agreement. No official or employee of the City shall be personally liable to Redeveloper or any successors in interest due to any default or breach by the City under the terms of this Agreement.

26. Notices and Demands. A notice under this Agreement by a party to the other party shall be deemed delivered on the date it is postmarked, sent postage prepaid, certified or registered mail, or delivered personally to Redeveloper c/o Katie Halperin, 9025 Turnberry Circle, Lincoln, NE 68526, with a copy to Seacrest & Kalkowski PC, LLO, 1111 Lincoln Mall, Suite 350, Lincoln, NE 68508 and to the City at Mayor's Office, 555 South 10th Street, Lincoln, NE 68508, with a copy to City Attorney's Office, 575 South 10th Street,

Lincoln, NE 68508, or at such other address with respect to either party as that party may from time to time designate in writing and notify the other as provided in this section.

27. Access to Project Site. During construction of the Redeveloper Improvements, Redeveloper shall permit the representatives of the City to enter all areas of the Project Site and at any and all reasonable times, as the City may deem necessary for the purposes of inspection of work being performed in connection with the construction of the facility.

28. Provisions Run With the Land. This Agreement shall run with the Project Site and shall inure to and bind the parties and their successors in interest. This Redevelopment Agreement or a Memorandum hereof shall be recorded with the Register of Deeds of Lancaster County, Nebraska, against the Project Site, at the City's expense.

29. Headings. Headings of the sections of this Agreement are inserted for convenience only and shall be disregarded in interpreting any of its provisions.

30. Severance and Governing Law. Invalidation of any provision of this Agreement by judgment or court order shall not affect any other provisions which shall remain in full force and effect. This Agreement shall be construed and governed by the laws of Nebraska.

31. Expiration of Agreement. Unless otherwise expressly stated herein, the terms and conditions of this Agreement shall expire upon expiration of the Tax Increment Period. The City and Redeveloper each agree to execute any release necessary to be filed of record to evidence such expiration or termination of such terms and conditions.

32. Counterparts. This Agreement may be executed in one or more counterparts which, when assembled, shall constitute an executed original hereof.

Executed by **City** this _____ day of _____, 2008.

ATTEST:

CITY OF LINCOLN, NEBRASKA
a municipal corporation

City Clerk

By: _____
Chris Beutler, Mayor of Lincoln

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2008, by Chris Beutler, Mayor of the City of Lincoln, Nebraska, a municipal corporation.

(SEAL)

Notary Public

Executed by **Redeveloper** this _____ day of _____, 2008.

WASHINGTON SQUARE LLC
a Nebraska limited liability company

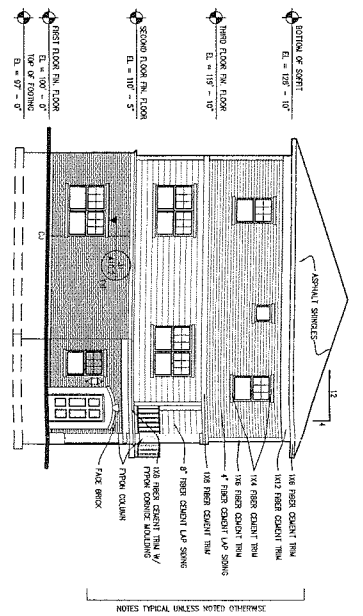
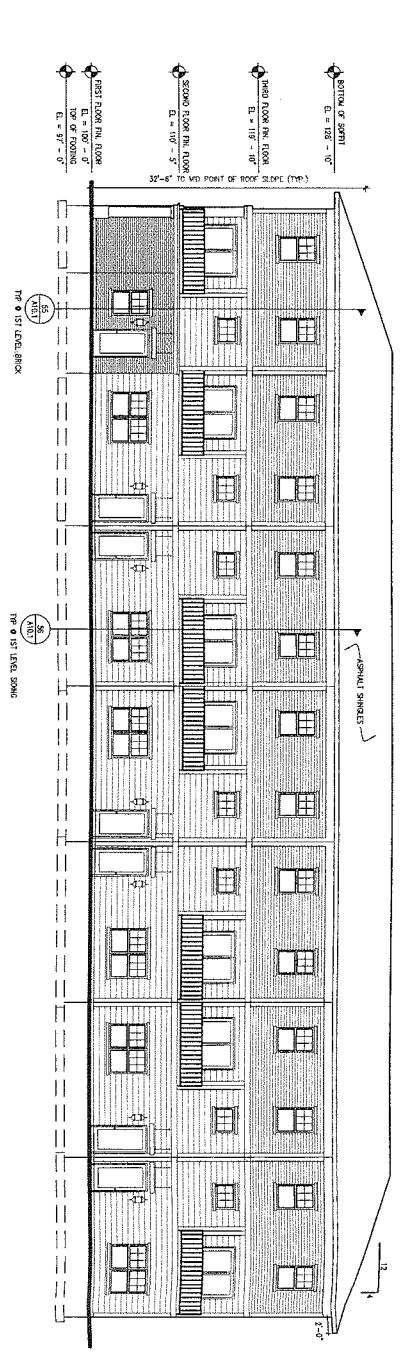
By: _____
Managing Member

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

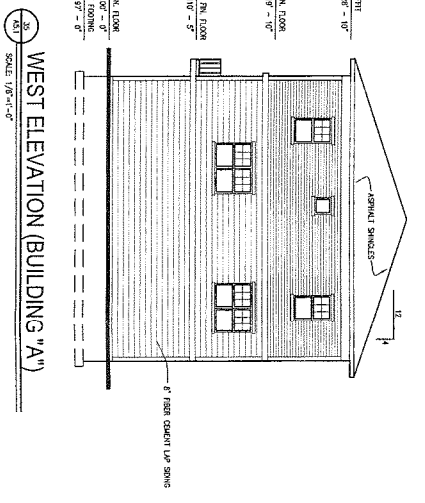
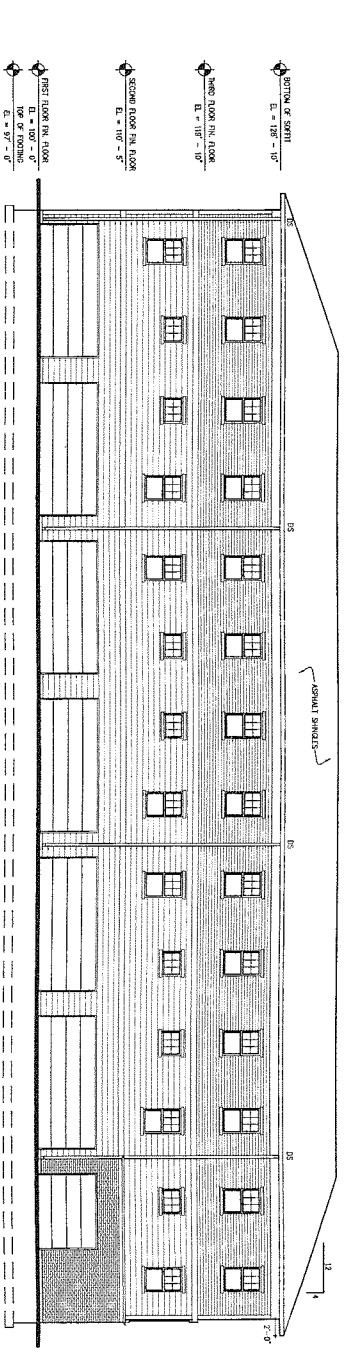
The foregoing instrument was acknowledged before me this _____ day of _____, 2008, by _____, as Managing Member of Washington Square LLC, a Nebraska limited liability company, on behalf of the limited liability company.

(SEAL)

Notary Public



NOTES: TYPICAL UNITS (SEE NOTES)

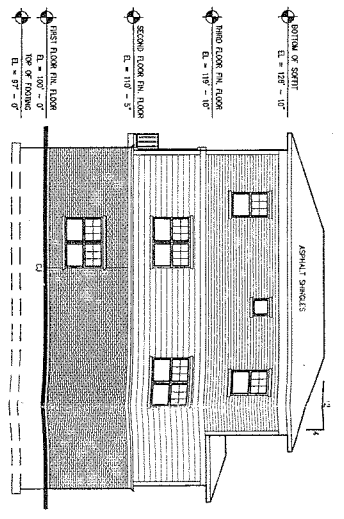
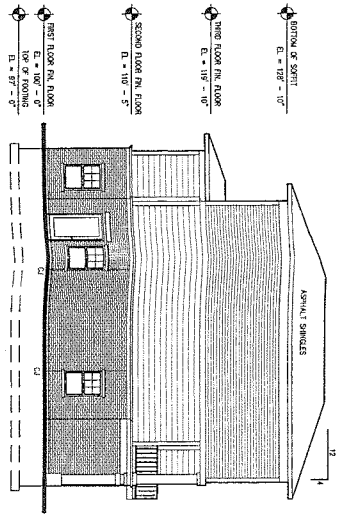
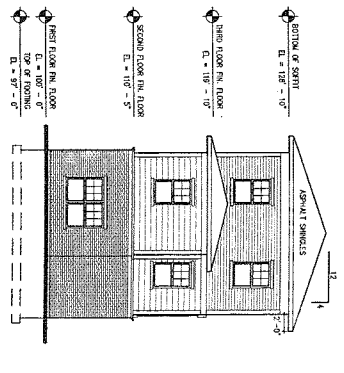
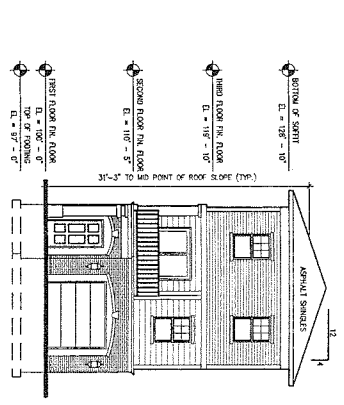


20 NORTH ELEVATION (BUILDING "A")
 SCALE: 1/8"=1'-0"

21 EAST ELEVATION (BUILDING "A")
 SCALE: 1/8"=1'-0"

22 SOUTH ELEVATION (BUILDING "A")
 SCALE: 1/8"=1'-0"

23 WEST ELEVATION (BUILDING "A")
 SCALE: 1/8"=1'-0"

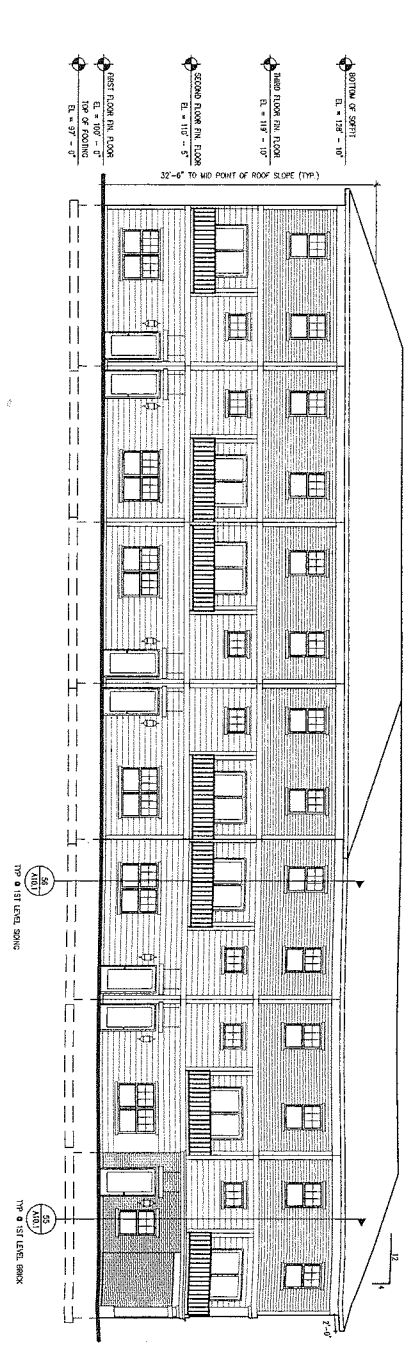


24 EAST ELEVATION (BUILDING "B")
 SCALE: 1/8"=1'-0"

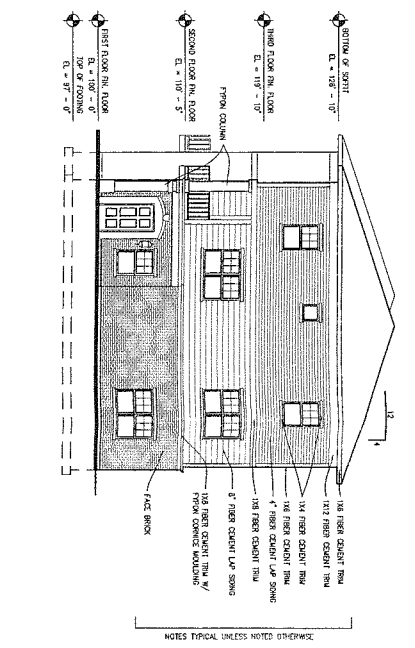
25 WEST ELEVATION (BUILDING "B")
 SCALE: 1/8"=1'-0"

26 SOUTH ELEVATION (BUILDING "B")
 SCALE: 1/8"=1'-0"

27 NORTH ELEVATION (BUILDING "B")
 SCALE: 1/8"=1'-0"

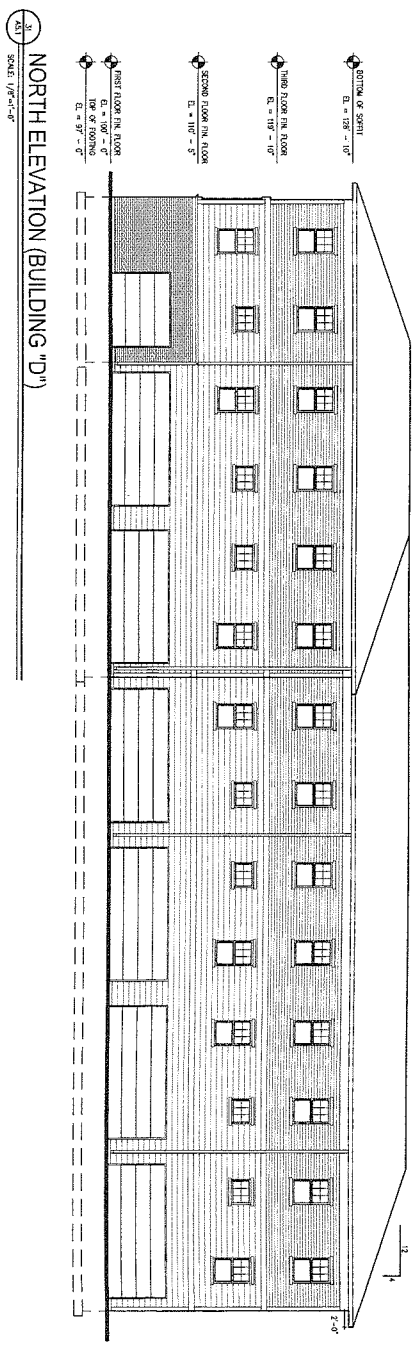


31 SOUTH ELEVATION (BUILDING "D")
 SCALE: 1/8"=1'-0"

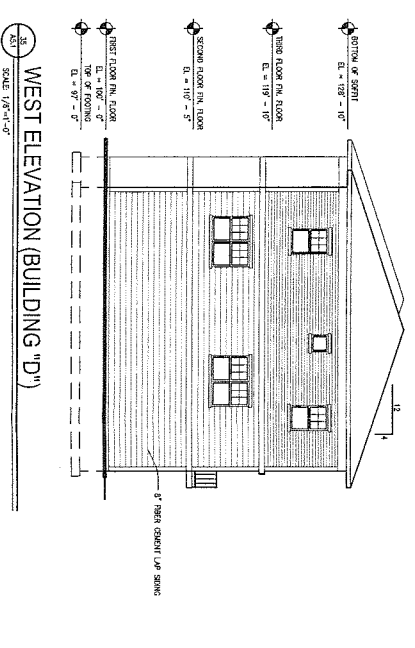


32 EAST ELEVATION (BUILDING "D")
 SCALE: 1/8"=1'-0"

NOTES TYPICAL UNLESS NOTED OTHERWISE



33 NORTH ELEVATION (BUILDING "D")
 SCALE: 1/8"=1'-0"



34 WEST ELEVATION (BUILDING "D")
 SCALE: 1/8"=1'-0"

35 EAST ELEVATION (BUILDING "C")
 SCALE: 1/8"=1'-0"

36 WEST ELEVATION (BUILDING "C")
 SCALE: 1/8"=1'-0"

37 SOUTH ELEVATION (BUILDING "C")
 SCALE: 1/8"=1'-0"

38 NORTH ELEVATION (BUILDING "C")
 SCALE: 1/8"=1'-0"