CITY OF LINCOLN
NORTH 56TH STREET & I-8O
REDEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into between the CITY OF LINCOLN, NEBRASKA, a municipal corporation in the State of Nebraska (City), and Hartland Homes, Inc., a Nebraska corporation (Hartland), Schwisow Construction, Inc., a Nebraska corporation (Schwisow), and Developments Unlimited, LLP, a Nebraska limited liability partnership (Developments Unlimited). Hartland, Schwisow and Developments Unlimited are collectively referred to herein as Redevelopers.

The parties agree:

1. 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 North 56th Street and I-80 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 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."

2. The Redevelopment Plan calls for the City to support commercial redevelopment efforts in the community redevelopment area as shown on Attachment A, including but not limited to the area (1) north and west of the intersection of Interstate 80 and North 56th Street, (2) on the west side of North 56th Street south of Arbor Road, and (3) on the west side of North 56th Street south of proposed Alvo Road (Community Redevelopment Area).

3. Hartland and Schwisow own the following described properties within the Community Redevelopment Area which will be subject to the terms of this Agreement:

a. Hartland Property -

b. Schwisow Property -

The Hartland Property and the Schwisow Property are hereinafter collectively referred to as the "H & S Property." In order to support the above-described commercial redevelopment efforts and redevelopment of the H & S Property, it is necessary to construct the following Public Improvements:

a. <u>Phase I Sanitary Sewer</u>. The Phase I Sanitary Sewer shall mean the trunk sanitary sewer main extending from a point south of Salt Creek and west of North 70th Street, northward under Salt Creek to a point on the north side of Salt Creek, thence westerly to a point near North 56th Street and Alvo Road, as provided and described in the City of Lincoln Wastewater Capital improvements Program for fiscal year 2008-2009.

b. Phase II Sanitary Sewer. The Phase II Sanitary Sewer shall mean the trunk sewer main extending from the Phase I Sanitary Sewer, northward along North 56th Street to a point north of the north right-of-way line of Interstate 80.

c. Phase I Water Main. The Phase I Water Main shall mean the water main as provided and described in the Water System Capital Improvements Program for fiscal year 2006-2007 extending from a point south of Salt Creek northward along North 56th Street to Arbor Road and thence west along Arbor Road approximately 1/4 mile.

d. Phase II Water Main. The Phase II Water Main shall mean that portion of the water main provided and described in the Water System Capital Improvements Program for fiscal year 2011-2012 extending from Arbor Road northward to the north line of the Interstate 80 right-of-way.

The Public Improvements are generally depicted on the map attached hereto as Attachment B.

4. *Neb. Rev. Stat.* §§ 18-2107 and 18-2150 (Reissue 1997) authorize the City to arrange or contract for the furnishing of the Public Improvements as a Redevelopment Project for or in connection with redevelopment of the Community Redevelopment Area. The City believes it is necessary to use the tax increment revenues (tax increment financing (TIF) funds) under the Ad Valorem Tax Provision to pay for all or a portion of the Public Improvements.

5. The City is willing to support redevelopment of the Community Redevelopment Area served by the Public Improvements in accordance with the Redevelopment Plan by constructing the Public Improvements as a Redevelopment Project with the use of TIF funds.

6. The H & S Property and property owned by Developments Unlimited north and west of the intersection of Interstate 80 and North 56th Street are within the Community Redevelopment

Area and said properties are not sewerable and are without adequate fire protection until the Public Improvements are installed.

7. Redevelopers desire the Public Improvements to be constructed as soon as possible in order to facilitate redevelopment of their blighted and substandard properties and therefore, as an inducement for the City to designate said Public Improvements as a Redevelopment Project to be funded from TIF funds and enter into this Agreement, Redevelopers agree not to contest any taxable valuation assessed against their respective properties which do not cumulatively exceed $2.00 per square foot for land value of industrial or commercial zoned land and which do not cumulatively exceed $30,000 per lot for land value of final platted residential zoned lots.

8. Hartland and Schwisow will final plat the 115 residential lots as depicted on the Northbank Junction Preliminary Plat to create a private development consisting of new residential lots, and installation of the minimum improvements required by the subdivision ordinance of the City of Lincoln (Hartland Improvements). Hartland and Schwisow will use their best efforts to final plat the 115 residential lots within six (6) months following the execution of this Agreement. Hartland will further petition the City to rezone approximated ____ acres of the Hartland Property from AG Agriculture District to H-3 Highway Commercial District within thirty (30) days following execution of this Agreement.

9. The City and Redevelopers enter into this Agreement to implement the redevelopment of the Project Site by the construction of the Hartland Improvements and rezoning of the Hartland Property to facilitate redevelopment of their blighted and substandard properties by construction of the Public Improvements as defined above (collectively Project or Project Improvements) for the purposes and in accordance with the Redevelopment Plan.

10. The City and Redevelopers mutually agree that the redevelopment of the Project Site and construction of the Public Improvements to facilitate redevelopment of their blighted and substandard properties are in the vital and best interest of the City and are 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.

11. Responsibilities. The City's and the Redevelopers' responsibilities associated with redevelopment of the Project Site and construction of the Public Improvements are as follows:

a. Phase I Sanitary Sewer. The City shall use its best efforts to commence construction of the Phase I Sanitary Sewer by June 1, 2007. The City's construction costs for the Phase I Sanitary Sewer will be advanced to the City by the Redeveloper subject to reimbursement pursuant to paragraph 12 below. Funds shall be advanced as such costs are incurred and shall be payable within thirty (30) days of billing.

b. Phase II Sanitary Sewer. Redevelopers shall design and construct the Phase II Sanitary Sewer through the City's Executive Order process at Redevelopers' own cost and expense subject to reimbursement pursuant to paragraph 12 below.

c. Phase I Water. The City shall use its best efforts to construct the Phase I Water by August 31, 2007.

d. Phase II Water. Redevelopers shall design and construct the Phase II Water through the City's executive order construction process at their own cost and expense subject to reimbursement pursuant to paragraph 12 below.

e. The City shall annex that portion of existing North 56th Street right-of-way and such additional lands as may be necessary to bring the foregoing Public Improvements into the corporate limits of the City prior to the City or Redevelopers commencing construction thereof.

12. Reimbursement for Cost of Public Improvements.

a. Phase I Sanitary Sewer. The City agrees to reimburse Redevelopers for the Phase I Sanitary Sewer construction costs funded by Redevelopers from the following sources of funds:

(i) Capital Improvement Program. The City agrees that any unfunded cost of the Phase I Sanitary Sewer will be funded by the City at its expense in Year One of the 2008-2009 Six-Year Capital Improvement Program. The City agrees to reimburse Redevelopers for the cost to construct the Phase I Sanitary Sewer by October 31, 2007 to the extent the City has any unspent Capital Improvement Program Funds appropriated in Fiscal Years 2005/2006 and 266/2007 for said project. The City further agrees to reimburse Redevelopers for the balance of said cost from appropriated funds for Year One of the 2008-2009 Six-Year Capital Improvement Program by October 31, 2008. Notwithstanding the above, timely performance of the City's obligation to reimburse Redevelopers by October 31, 2008 may be delayed, but not extinguished if the City Council for the City of Lincoln fails to approve a _____% rate increase for sanitary sewer in fiscal year 2007/2008 and 2008/2009, provided that in such event reimbursement shall be made by no later than October 31, _____.

(ii) TIF Funds. The City shall, to the extent TIF funds are lawfully available from the Tax Increment Provision, pay Redevelopers interest on the funds advanced for construction of the Phase I Sanitary Sewer at the rate of 4% per annum not until paid or the tax increment period expires whichever occurs first. If TIP funds are not available when interest is due, the obligation

to pay intereset may be delayed, but not extinguished and shall be paid as TIP funds become available.

b. Phase II Sanitary Sewer and Phase II Water. The City shall, to the extent allowed by law, and then only to the extent funds are lawfully available from the Tax Increment Provision, reimburse the actual costs of the Redevelopers to design and construct the Phase II Sanitary Sewer and Phase II Water, including the City's fixed engineering fee and any inspection or other fee. Redevelopers understand and agree that reimbursements from TIF funds shall be paid in the following order of Priority:

First Priority – reimburse the City for cost of the TIF Indebtedness including bond counsel fees, fiscal advisory fees, placement fees, capitalized interest and reserves;

Second Priority – interest on the Phase I Sanitary Sewer funding;

Third Priority – Phase II Water;

Fourth Priority – Phase II Sanitary Sewer;

Fifth Priority - Extension of tapable size sewer and water mains to serve existing businesses within the Community Redevelopment Area;

Sixth Priority - Improvements to Arbor Road and/or North 56th Street within the Community Redevelopment Area.

Because the amount of the City's reimbursement will exceed $10,000.00, Redevelopers agree that no contract for the construction of said Public Improvements shall be awarded or entered into until after competitive bidding in accordance with city procedures. Redevelopers understand and agree that Redevelopers will be solely responsible for the cost to construct said Public Improvements regardless of any expectation for reimbursement pursuant to this paragraph and in this regard shall defend and hold the City harmless from and against any claims related to the same arising out of the

administration of the Tax Increment Provision, specifically including any shortfall in anticipated receipts from the Tax Increment Provision for any reason whatsoever, including but not limited to the taxable valuation of the H & S Property and other properties within the Community Redevelopment Area being less than anticipated by the parties. Any reimbursement to be paid from TIF funds shall not constitute a general obligation or debt of the City. Only costs incurred after the effective date of this Agreement shall be eligible for reimbursement; provided that the City shall not be liable nor be required to reimburse any such costs in the event this Agreement is not approved for any reason, including for reasons alleged to be the fault of the City. Where reasonable and appropriate, the Redevelopers shall utilize unit price or itemized contracts specifically showing the eligible items or quantities prior to letting or entering into the same. Undertakings involving private construction in the public right of way shall comply with all applicable law, including provisions of the Lincoln Municipal Code, the city standard specifications and the City's executive order construction process for the bidding and letting of the same, where applicable.

c. Cost Containment. The Redevelopers shall submit authentic documentation to the Mayor on City approved forms or format for payment of any expenses related to the construction of the Public Improvements. The Redevelopers shall timely submit receipts or proof of payment in advance of requesting payment for the same. The Mayor shall approve or reject the same based on the review within thirty (30) days of receipt of the same. Overhead, overtime, incentive, office, mobilization, administration or similar generalized charges shall be allowed only as authorized by the Mayor in advance of incurring the same.

d. Administration. The Redevelopers shall be responsible for all components of the Redevelopers Responsibilities under paragraph 11 above including construction management, coordination of contractors and regulatory permitting and other requirements. Any excess funds resulting

from the Tax Increment Provision not needed or required to pay the associated debt incurred pursuant to this Agreement or otherwise incurred pursuant to the Redevelopment Plan in each year of the Tax Increment Provision shall be returned as provided in the Community Development Law. Any shortfall in anticipated receipts from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of property within the Community Redevelopment Area, shall be borne entirely by the Redevelopers without recourse of any kind against the City. The Redevelopers shall assist with any audit and make any and all pertinent documents available for inspection and copying by the City or its auditors in support of the same. The Redevelopers will be solely responsible for payment of all costs associated with Redevelopers Responsibilities under paragraph 11 above regardless of any expectation for reimbursement hereunder and in this regard shall defend and hold the City harmless from and against any claims related to the same or arising out of the administration of the Tax Increment Provision, specifically including any shortfall in anticipated receipts from the Tax Increment Provision for any reason whatsoever.

13. Grant of Right-of-Way or Other Easements to City. Redevelopers will grant to the City without additional consideration the appropriate easements and right-of-way located within their properties as may be required by applicable city specifications or construction standards related to the Public Improvements in a form acceptable to the City Attorney. In addition, Redevelopers will grant to the City without additional consideration the appropriate right-of-way public access easements and utility easements in a form acceptable to the City Attorney as they relate to any site related road widening and pedestrian streetscape improvements. The City is authorized to utilize condemnation, if necessary, to acquire any additional right-of-way, permanent easements and temporary construction easements needed for construction of the Public Improvements. In addition,

Redevelopers abutting the north right-of-way line of Arbor Road will grant to the City without additional consideration the appropriate permanent easements for public streets and utilities to provide 60 feet of right-of-way from the centerline of Arbor Road.

14. Architect and Landscape Designer. The uniform procedure for the selection of professional consultants set forth in Executive Order No. 68026, dated August 6, 2003, need not be utilized to select Civil Design Group as Project engineers as Civil Design Group has performed preliminary design work and continuing utilization of Civil Design Group as Project engineer will avoid delay, inefficiencies, lack of coordination, and duplication of effort. Notwithstanding the above, the use of Civil Design Group or any other another engineer is subject to the City's prior approval of the engineer and engineer's fee.

15. Guaranteed Payment of Phase I Sanitary Sewer Funding. Redevelopers agree to provide to the City, prior to the City's award of a construction contract for the Phase I Sanitary Sewer, a bond, escrow, letter of credit, or other security agreement approved by the City Attorney in the amount of the construction contract, less any unspent Capital Improvement Program funds appropriated in fiscal years 2005/2006 and 2006/2007 for said project, to guarantee Redevelopers' agreement to advance funds to the City for said construction cost.

16. Representations. Redevelopers represent and agree that their undertakings, pursuant to this Agreement, have been, are, and will be, for the purpose of facilitating redevelopment of their properties and not for speculation in land holding.

17. Restrictions on Assignments of Rights or Obligations. Redevelopers represent and agree that prior to completion of the Hartland Improvements and Redevelopers' Responsibilities provided for above there shall be no sale or transfer of the Project Site or assignment of Redevelopers' Responsibilities under this Agreement to any party without the prior written approval

of the City (which shall not be unreasonably withheld), other than 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 Redevelopers; 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 Redevelopers 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 Redevelopers in writing.

18. Use Restrictions. During the Tax Increment Period and in consideration of this agreement, the Redevelopers agree to prohibit the following uses on their properties as use restrictions contemplated under the Community Development Law.

a. Any business whose predominant operation is the retail sale of alcoholic beverages (predominant shall mean retail gross sales of alcoholic beverages, including mixed drinks, in excess of 50% of gross sales on the premises) or any such business that has an unreasonable pattern of unlawful disturbances or liquor law violations;

b. Any business whose predominant operation is the retail sale of tobacco products (predominant shall mean retail gross sales of tobacco products, including mixed products, in excess

of 50% of gross sales on the premises) or any such business that has an unreasonable pattern of unlawful disturbances or tobacco law violations;

c. Any business operated or held out to the public as a sexually oriented business including any business in sexually oriented entertainment or materials such as any: sexually oriented show, movie, picture, exhibition, performance, demonstration, film, video, book, or other depictions of a sexually explicit nature; sexually oriented live entertainment or exotic dance; exotic lingerie; sex toys or sexually oriented paraphernalia; sexually oriented telecommunication, internet or similar service; sexually oriented massage parlor; or escort service.

d. Any business whose predominant operation is the use, storage or processing of hazardous or potentially hazardous materials as defined under applicable law, including any salvage or recycling operation.

e. Any business involving gambling or wagering even if otherwise permitted by law including bingo, slot machines, video lottery machines, casino games, or off-site pari-mutuel wagering sites, but excluding the retail sale of lottery tickets and keno as permitted by applicable law.

f. Any business involving sale or display of weapons, off-site outdoor advertising on the premises, illegal activities, or sale of any illegal goods or products.

19. Representations and Warranties of Redevelopers. Redevelopers represent and warrant to City as follows:

a. Organization; Power; Good Standing. Hartland and Schwisow are corporations duly organized and validly existing in good standing under the laws of the State of Nebraska and have all requisite power and authority to own and operate their properties and carry on its business as now being conducted and to enter into this Agreement and perform the obligations hereunder.

Developments Unlimited is a limited liability partnership duly organized and validly existing under the laws of 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.

b. Authority Relative to Agreement. This Agreement has been duly executed and delivered by Redevelopers and constitutes a legal, valid and binding obligations of Redevelopers, 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.

c. Effect of Agreement. The execution, delivery and performance of this Agreement by Redevelopers have been duly authorized by all necessary action by Redevelopers 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 Redevelopers, and will not violate any instrument, agreement, order, judgment, decree, statute, regulation, or any other restriction of any kind to which Redevelopers are a party.

20. Valuation of Property Within the Project Area. The City intends to use the ad valorem tax provisions set forth in *Neb. Rev. Stat.* § 18-2147 et seq. to generate approximately Two Million Dollars ($2,000,000.00) which shall be used to finance the Public Improvements in accordance with the Redevelopment Plan and this Agreement. The tax increment is to be derived from the increased valuation of the H & S Property and the other properties within the Community Redevelopment Area determined in the manner provided for in Article 8, Section 12 of the Constitution of the State of Nebraska and the Community Development Law (as amended). From and after the date of this Agreement for a period of fifteen (15) years after the effective date of the tax increment financing

provisions for the Project or so long as any of the tax increment indebtedness with respect to the Project remains outstanding and unpaid, whichever period of time is shorter, Hartland and Schwisow agree not to contest any taxable valuation assessed against the H & S Property which does not cumulatively exceed $2.00 per square foot for industrial or commercial zoned land. Hartland and Schwisow further agree not to contest any taxable valuation assessed for the H & S Property which does not cumulatively exceed $30,000 per residential lot, provided that the subdivision of the Project Site and construction of the Project Improvements is completed as provided in this Agreement

21. Restriction on Transfer. Hartland and Schwisow will not, for a period of fifteen (15) years after the effective date of the ad valorem tax provision, or so long as the tax increment indebtedness remains outstanding whichever period of time is shorter (tax increment period), convey the H & S Property or any portion thereof to any entity which would result in such property being exempt from ad valorem taxes levied by the State of Nebraska or any of its subdivisions.

22. Agreement to Pay Taxes and Tax increment Deficiency. Redevelopers agree to pay all real property taxes levied upon their properties 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 addition, to the extent of any deficiency in the Tax Increment Provision for required debt service, the Redevelopers agree to pay the same upon written request of the City and shall pay the same for each year that there exists a deficiency in the Tax Increment Provision. If Redevelopers are required to pay any such deficiency, the City shall reimburse all sums paid by Redevelopers for such purpose if and when TIP funds do become

available from the Tax Increment Provision to meet current debt service and reimburse Redevelopers for such payments.

23. 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.

24. Remedies. Except as otherwise provided in this Agreement, in the event of any default in performance of this Agreement by the City or Redevelopers, 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 which may be necessary to cure and remedy the default.

25. 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.

26. 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 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, 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.

27. Rights and Remedies Cumulative. The rights and remedies of the parties to this Agreement shall be cumulative and the exercise by either party of any one 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 is in writing and only to the extent specified in writing.

28. 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 Redevelopers or any successors in interest due to any default or breach by the City under the terms of this Agreement.

29. Approvals. For purposes of this Agreement and the approvals and disapprovals required, Redevelopers shall be entitled to rely on the written approval or disapproval of the City Council, the Mayor, or the Director of the Department of Urban Development or its successor as constituting the approval or disapproval required by any one or more of them. City shall be entitled to rely on the written approval of the presidents of Redevelopers as constituting the approval or disapproval of Redevelopers.

30. Notices and Demands. A notice under this Agreement by either party to the other shall be deemed delivered on the date it is postmarked, sent postage prepaid, or delivered personally to Redevelopers, as follows:

Duane L. Hartman, President
Hartland Homes, Inc.
P. O. Box 22787
Lincoln, NE 68542

John Schleich
Developments Unlimited
8644 Executive Woods Drive
Lincoln, NE 68516

Randall J. Harre, President
Schwisow Construction
5905 West O Street
Lincoln, Nebraska 68522

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.

31. Access to Project Area. During construction of the Project Improvements, Redevelopers shall permit the representatives of the City to enter all areas under their control 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 Public Improvements.

32. Provisions Run With the Land. This Agreement shall run with the H & S Property and shall inure to and bind the parties and their successors in interest.

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

34. 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.

35. Expiration of Agreement. This Agreement shall expire upon expiration of the Tax Increment Period, or retirement of the tax increment indebtedness, whichever first occurs.

Executed by City this _____ day of _____, 2007.

ATTEST:

CITY OF LINCOLN, NEBRASKA,
A Municipal Corporation

_____
City Clerk

By: _____
Coleen J. Seng, Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____ 2007, by Coleen J. Seng, Mayor of the City of Lincoln, Nebraska. on behalf of the City.

_____
Notary Public

Executed by Redevelopers, this _____ day of _____, 2007.

HARTLAND HOMES, INC.,
a Nebraska corporation

By: _____
President

SCHWISOW CONSTRUCTION, INC.,
a Nebraska corporation

By: _____
President

DEVELOPMENTS UNLIMITED, LLP,
a Nebraska limited liability partnership

By: **Ridge Development Company,**
a Nebraska corporation, Member

By: _____
Thomas E. White
President of Development

By: _____
John C. Brager
President of Construction

By: **Southview, Inc.,**
a Nebraska corporation, Member

By: _____
John F. Schleich, President

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____ 2007, by Duane L. Hartman, President of Hartman Homes, Inc., a Nebraska corporation, on behalf of the corporation.

_____
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____ _____ 2007, by Randall J. Harre, President of Schwisow Construction, Inc., a Nebraska corporation, on behalf of the corporation.

_____
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2007, by Thomas E. White, President of Development of Ridge Development Company, a Nebraska corporation, as a Member of Developments Unlimited, LLP, a Nebraska limited liability partnership, on behalf of the limited liability partnership.

_____
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2007, by John C. Brager, President of Construction of Ridge Development Company, a Nebraska corporation, as a Member of Developments Unlimited, LLP, a Nebraska limited liability partnership, on behalf of the limited liability partnership.

_____
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing was acknowledged before me this ____ day of _____, 2007, by John F. Schleich, President of Southview, Inc., a Nebraska corporation, as a Member of Developments Unlimited, LLP, a Nebraska limited liability partnership, on behalf of the limited liability partnership.

_____
Notary Public