

**CITY OF LINCOLN
REDEVELOPMENT AGREEMENT
(Perot Systems Project)**

THIS REDEVELOPMENT AGREEMENT (Perot Systems Project) is entered into between the CITY OF LINCOLN, NEBRASKA, a municipal corporation in the State of Nebraska ("City"), and KDC-LINCOLN INVESTMENTS ONE LLC, a Delaware limited liability company, with a place of business at 8115 Preston Road, Ste 700, Dallas Texas 75225 ("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 NW Corridors 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. 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 Redevelopment Plan calls for the City to support commercial redevelopment efforts within the University of Nebraska Technology Park, a portion of which is to be developed pursuant to this Agreement and is described on Exhibit "A" attached and incorporated by this reference (the "**Project Site**"). Pursuant to *Neb. Rev. Stat.* § 18-2147, et seq., the Redevelopment Plan contains a provisions 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 provisions are hereinafter referred to as the “**Ad Valorem Tax Provision.**” Redeveloper would not be undertaking the development of the Project, as defined in Recital G below, without the Ad Valorem Tax Provision.

C. The City published its Invitation for Redevelopment Proposals for a redevelopment project on the Project Site, as defined below.

D. Redeveloper has submitted a Proposal for Redevelopment to the City (“**Proposal**”), in response to the City’s Invitation for Redevelopment Proposals with respect to redevelopment of the Project Site.

E. Redeveloper is willing to redevelop the Project Site containing approximately 20.3 acres by entering into a 60-year (renewable) long-term ground lease (the “**Ground Lease**”) with University of Nebraska Technology Park, LLC (“**TheTech Park**”), and constructing thereon an approximately 150,000 square foot building and improvements for commercial use by Perot

Systems Corporation, including parking and related uses as provided in this Agreement (“**Redeveloper Private Improvements**”), all as reflected on the Site Plan attached as Exhibit “B” and described on Exhibit “C”, both of which are incorporated by this reference; provided City is willing to assist Redeveloper by paying directly to The Tech Park the Ground Lease rent due for the initial 60 year term of the Ground Lease (the “**Initial Term Ground Lease Payment**”) and to reimburse the City and Redeveloper for the cost of certain related public improvements consisting of the extension of Cattail Road on the south and Research Drive on the north of the Project Site, and the extension and relocation of utilities, construction of public sidewalks, street lighting, and the planting of street trees (all as more particularly described below as either the “**Tech Park Public Improvements**” or “**Redeveloper Public Improvements**”), all of which are deemed essential to preparation of the Project Site for uses in accordance with the Redevelopment Plan. Collectively, the Initial Term Ground Lease Payment, the Redeveloper Public Improvements and the Tech Park Public Improvements all constitute “**Eligible Project Costs**”, which designation shall mean that such costs are eligible for reimbursement under the Act as described on Exhibit “E” attached and incorporated by this reference.

F. *Neb. Rev. Stat. §§ 18-2107 and 18-2150* (Reissue 1997) authorize the City to provide grants to private parties in order to accomplish rehabilitation or redevelopment in accordance with the Redevelopment Plan and to arrange or contract for the furnishing of public improvements for and in connection with redevelopment of the Project Site. In order to make a grant to the Redeveloper, the City intends to issue tax increment financing indebtedness (“**TIF Indebtedness**”) to be repaid with the tax increment revenues generated under the Ad Valorem

Tax Provision (the “**Tax Increment Revenues**”) as described on Exhibit “D” attached and incorporated by this reference.

G. The City and Redeveloper desire to enter into this Agreement to implement the redevelopment of the Project Site by the construction of the Redeveloper Private Improvements, Tech Park Public Improvements, and the Redeveloper Public Improvements (collectively, “**Project**”) for the purposes and in accordance with the Redevelopment Plan.

H. 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. Ground Lease. As a condition of the performance by Redeveloper of its obligations under this Agreement, Redeveloper shall enter into the Ground Lease for the Project Site stating an initial term of sixty (60) years with The Tech Park, dated on or after September 24, 2008, which provides for the use and development of the Project Site. The Ground Lease shall require Redeveloper to pay the Initial Term Ground Lease Payment in the form of a capitalized ground lease payment which shall be an Eligible Project Cost and which will be paid by the City from the Project Fund pursuant to paragraph 4 below. If Redeveloper is not provided assurance by the City on or before September 24, 2008, that the Net TIF Proceeds (TIF Proceeds less the First Priority in paragraph 9) will not be less than \$3,100,000, Redeveloper may terminate this Agreement and the City shall record a notice of termination of record.

2. Construction of Redeveloper Private Improvements. Redeveloper at its own cost and expense shall construct the Redeveloper Private Improvements described in Recital E above. Redeveloper will use its best efforts to substantially complete construction of the Redeveloper Private Improvements within twelve (12) months following the funding of the Project Fund with TIF Proceeds.

3. Construction of Public Improvements.

A. The Tech Park Public Improvements

The Tech Park shall design and secure all permits required for the construction of Research Drive (as further described in subparagraph B below), subject to payment from the Project Fund, as defined in paragraph 9 below. The costs incurred by The Tech Park in such design and permitting shall be Eligible Project Costs for which The Tech Park shall be entitled to reimbursement pursuant to paragraph 4 below. Redeveloper understands and agrees that to the extent that the Project Fund is insufficient to pay for the full cost of the Tech Park Public Improvements, it shall be responsible for any shortfall. The City agrees that completion of Research Drive is the desired but not needed access point for the Redeveloper Private Improvements, and the City will consider the completion of the Cattail Road extension to the Project Site as sufficient access for purposes of issuing the certificate of occupancy for the Redeveloper Private Improvements.

B. Redeveloper Public Improvements

Redeveloper shall be responsible for constructing the Redeveloper Public Improvements through the City's Executive Order construction process pursuant

to contracts or arrangements made by Redeveloper, which shall qualify as Eligible Public Costs and shall include:

- (i) the grading and construction of the portions of Cattail Road and Research Drive (“**Street Improvements**”) as described in detail on Exhibit “F” hereof;
- (ii) the construction and installation of public utilities in the adjacent public rights-of-way as shown in detail on Exhibit “G” (“**Utility Improvements**”); and
- (iii) the construction of public sidewalks, streetscapes, street lighting, and planting of street trees in the public right-of-way (collectively, “**Streetscape**”)

(collectively, the “**Redeveloper Public Improvements**”). Because the cost of the Redeveloper Public Improvements will exceed \$25,000, Redeveloper shall comply with the City’s competitive bidding requirements in accordance with the City procedures.

To the extent the Project Fund is insufficient to pay the cost of the Redeveloper Public Improvements, Redeveloper shall be responsible for the payment of any shortfall therefor. The Redeveloper Public Improvements are Eligible Project Costs for which Redeveloper shall be entitled to receive reimbursement pursuant to paragraph 4 below.

4. Reimbursement for Eligible Project Costs. The City shall, to the extent allowed by law, and then only to the extent funds are lawfully available from the TIF Indebtedness and held in the Project Fund, pay to The Tech Park the Initial Term Ground Lease Payment. The City

shall, to the extent allowed by law, and then only to the extent funds are lawfully available from the TIF Indebtedness and held in the Project Fund, reimburse the Redeveloper for Redeveloper's hard and soft costs for the Redeveloper Public Improvements, including but not limited to Redeveloper's general construction conditions not to exceed 6% of Redeveloper's hard and soft costs of the Redeveloper Public Improvements, as reflected on Exhibit "E" attached and incorporated by this reference (with interest thereon from the date incurred by Redeveloper until the date reimbursed to Redeveloper by the City at the rate of 8% per annum). Any reimbursement to be paid from TIF Indebtedness shall not constitute a general obligation or debt of the City and shall be limited to those amounts held in the Project Fund. Only Eligible Project Costs incurred after the effective date of this Agreement shall be eligible for reimbursement. The City shall not be liable nor be required to reimburse Redeveloper for any Eligible Project Costs incurred by Redeveloper in the event this Agreement is not approved for any reason, including for reasons alleged to be the fault of the City. Any shortfall between the amount in the Project Fund and the reimbursements to be paid from the Project Fund as set forth in this paragraph 4 for any reason whatsoever shall be borne entirely by the Redeveloper without recourse of any kind against the City.

5. Cost Certification. Redeveloper shall submit authentic documentation to the City on forms or format reasonably required by the City for payment of any expenses related to construction of the Eligible Project Costs. The City shall accept a Real Estate Settlement Statement for evidence of the Initial Term Ground Lease Payment. Redeveloper shall timely submit receipts, invoices, or proof of payment concurrently with the request for payment of Redeveloper Public Improvement costs. The City shall approve or reject the same based on the

review, and shall pay all approved items, within ten (10) business days of receipt of the same; provided, however, the City shall generally approve requests for payment made by Redeveloper that are consistent with this Agreement.

6. Administration. Redeveloper shall be responsible for all components of the Redeveloper Private Improvements and the Redeveloper Public Improvements, including construction management, coordination of contractors and regulatory permitting and other requirements (other than the design and permitting activities that constitute the the Tech Park Public Improvements). The City agrees to reasonably cooperate with and assist Redeveloper with local permitting and infrastructure development for the Project. Any excess funds resulting from the capture of the incremental tax revenue created by the Project not needed or required to pay the TIF Indebtedness under this Redevelopment Agreement in each year of the TIF Amortization Period shall be returned as provided in the Act or such excess amount shall be used to prepay the principal obligation of the TIF Indebtedness described in Section 9 below. Any shortfall between the amount in the Project Fund and the reimbursements to be paid from the Project Fund as set forth in paragraph 4 for any reason whatsoever shall be borne entirely by Redeveloper without recourse of any kind against the City. Redeveloper 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. Redeveloper will be solely responsible for payment of all the Project Costs in excess of the amounts in the Project Fund and in this regard shall defend and hold the City harmless from and against any claims related to the same, specifically including any shortfall between the annual debt service on the TIF Indebtedness and the actual Tax Increment Revenues from the Ad Valorem Tax Provision for any reason whatsoever, specifically including a decline in taxable

valuation of the Project Site and improvements thereon. Specifically, if for any reason the Tax Increment Revenues created by the Project is insufficient to make the annual debt service obligations of the TIF Indebtedness, Redeveloper agrees to pay to the City an amount which when added to the actual tax revenue is sufficient to make such debt service on the TIF Indebtedness. Such additional obligation shall be in the form of a payment in lieu of taxes and shall be made upon thirty (30) days advance written notice from the City.

7. Grant of Funds. In order to support redevelopment of the Project and as an inducement for Redeveloper to enter into the Ground Lease and construct the Redeveloper Private Improvements, the City agrees to the extent allowed by law and then only to the extent funds ("**TIF Proceeds**") are lawfully available from issuance of the TIF Indebtedness to make a grant of funds to Redeveloper from the TIF Proceeds for Eligible Project Costs to be held in the Project Fund and expended in accordance with the schedule of priorities described in paragraph 9 below. The maximum amount of funds to be granted to Redeveloper shall consist of (1) the Initial Term Ground Lease; Payment (which payment the City will make to The Tech Park); and (2) as each are completed, the costs incurred by Redeveloper for the Redeveloper Public Improvements. Any reimbursement to be paid from TIF Proceeds shall not constitute a general obligation or debt of the City. Any shortfall between the amount in the Project Fund and the reimbursements to be paid from the Project Fund as set forth in this Agreement for any reason whatsoever shall be borne entirely by Redeveloper without recourse of any kind against the City.

8. Grant of Right-of-Way or Other Easements to City; Security for Public Improvements. The Tech Park will grant or dedicate to the City without additional consideration the appropriate right-of-way and/or easements as may be required by applicable City

specifications or construction standards related to the Redeveloper Public Improvements in a form acceptable to the City Attorney. Specifically, the additional right-of-way for Cattail Road and Research Drive, along with the necessary easements for necessary utilities for the Project, shall be dedicated as part of the subdivision approval of the Project Site. The Tech Park also agrees to and will place with the City any security required by the City with respect to the the Tech Park Public Improvements and the Redeveloper Public Improvements to be made as part of the approval of the final plat of the Project Site.

9. Issuance of TIF Indebtedness. On or before September 24, 2008, the City shall deposit approximately \$3,100,000 into a dedicated fund for the Eligible Project Costs (the “**Project Fund**”). The City shall have previously adopted an Intent of Reimbursement Resolution permitting the City to reimburse itself for the funding of the Project Fund from the TIF Proceeds, defined below. The City shall also issue TIF Indebtedness in the estimated amount of \$3,500,000 to a lender(s), noteholder(s), or bondholder(s) and receive the proceeds for the issuance and sale of such TIF Indebtedness (the “TIF Proceeds”). Upon receipt of the TIF Proceeds, the City shall reimburse itself for the sum deposited into the Project Fund and shall deposit the balance of the TIF Proceeds into the Project Fund which shall be paid in the following priorities:

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

Second Priority –Pay directly to UN Tech Park the Initial Term Ground Lease Payment;

Third Priority – Reimburse Redeveloper for the Redeveloper Public Improvements

as they are each completed, comprised of:

- Street Improvements
- Utility Improvements
- Streetscape;

Fourth Priority – Reimburse Redeveloper for the hard and soft costs associated with obtaining LEED certification for the Redeveloper Private Improvements as described on Exhibit “H” attached and incorporated by this reference;

Fifth Priority – Reimburse The Tech Park for the Tech Park Public Improvements;

Sixth Priority - Reimburse Redeveloper for the hard and soft costs associated with the extension of additional telecommunications services to the Project; and

Seventh Priority - To the extent that the Project Fund has excess funds after the payment of priorities “First” through “Sixth”, any excess funds shall be held by the City as a debt service reserve fund to be drawn upon by the Redeveloper for the payment in lieu of taxes required under paragraphs 6 or 16 of this Agreement.

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

11. Restrictions on Assignments of Rights or Obligations. Redeveloper represents and agrees that prior to substantial completion of the Redeveloper Private Improvements and the Redeveloper Public Improvements, as determined by a certification by the Redeveloper’s architect or engineer (the “**Completion Certification**”), there shall be no sale or transfer of the

Project Site or assignment of its rights or obligations under this Agreement unless the acquiring party assumes in writing all of the obligations of Redeveloper under this Agreement in an instrument satisfactory to the City and in form recordable in the Office of the Register of Deeds.

12. Representations and Warranties of Redeveloper. Redeveloper represents and warrants to City as follows:

a. Organization; Power; Good Standing. Redeveloper is a limited liability company duly organized and validly existing in good standing under the laws of the State of Delaware and 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.

b. 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.

c. 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.

13. Valuation of Property Within the Project Area. The City intends to use the Ad Valorem Tax Provisions to generate approximately Three Million Five Hundred Thousand and No/100 Dollars (\$3,500,000.00) in TIF Indebtedness, which shall be used to finance the Eligible Project Costs and the costs of issuance of the TIF Indebtedness in accordance with this Redevelopment Agreement. The Tax Increment Revenues are 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 Tax Increment Revenues which are to be used to pay debt service for the TIF Indebtedness incurred for the Eligible Project Costs will be derived from the increased valuation from redeveloping the Project Site as provided in this Agreement. Redeveloper and The Tech Park agree not to contest any taxable valuation assessed for the Project Site and improvements thereon which does not exceed Twenty-Three Million Five Hundred Thousand and No/100 Dollars (\$23,500,000.00) ("**Project Value Floor**") from and after the 2010 tax period and for a period of not to exceed fifteen (15) years thereafter or so long as any of the TIF Indebtedness with respect to the Project remains outstanding and unpaid, whichever period of time is shorter. The City and Redeveloper acknowledge that the amount of the TIF Indebtedness has been projected based on a fourteen (14) year amortization of the TIF Indebtedness beginning with the 2010 tax year (the "**TIF Amortization Period**").

14. Restriction on Transfer. Redeveloper will not, for a period of fifteen (15) years after the effective date hereof, or so long as the TIF Indebtedness remains outstanding, whichever period of time is shorter (the "**Tax Increment Period**"), convey the Project Site or any portion

thereof to any entity which would result in the Project Site or any portion thereof being exempt from ad valorem taxes levied by the State of Nebraska or any of its subdivisions.

15. 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 Project Site or the Redeveloper Private Improvements for tax purposes but not below the Project Value Floor during the Tax Increment Period.

16. Agreement to Pay Tax Increment Deficiency. In the event of any deficiency between the Tax Increment Revenues and the required annual debt service on the TIF Indebtedness, Redeveloper agrees to pay the amount of the deficiency to the City within thirty (30) days of a written request of the City with documentation of the calculation of the deficiency. If Redeveloper is required to pay any such deficiency, the City shall reimburse all sums paid by Redeveloper for such purposes if and when Tax Increment Revenues do become available from the Ad Valorem Provision to meet current debt service and reimburse Redeveloper for such deficiency payments.

17. Reimbursement of Grant. Redeveloper agrees to repay the City the grant of funds provided for in paragraph 7 to the extent released by the City from the Project Fund above in the event Redeveloper fails to substantially complete the Redeveloper Private Improvements as provided in paragraph 2 above and upon such payment of funds, this Agreement shall be null and

void. In such event, this Agreement shall terminate and the City shall record a notice of termination of record.

18. Financing Creating Encumbrances Restricted.

a. Prior to completion of Redeveloper Private Improvements, as certified by the City, neither Redeveloper nor any successors in interest to the Project Site as Redeveloper shall engage in any financing or any other transaction creating any 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 necessary to design, develop, construct, maintain, repair, replace and insure the Redeveloper Private Improvements and the Redeveloper Public Improvements. Redeveloper shall promptly notify the City of any mortgage that has been created on or attached to the Project whether by voluntary act of Redeveloper or otherwise. Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to any portion of the 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 the Redeveloper Private Improvements, as determined by the Completion Certificate, any loan proceeds secured by any interest in the Project Site shall be used solely for the payment of costs and expenses related to development and construction of the Redeveloper Private Improvements and the Redeveloper Public Improvements based on the Redeveloper's architect's or engineer's certification as to percentage of completion.

b. In the event that any foreclosure of any mortgage, deed of trust or other encumbrance should occur prior to the furnishing of the Certificate of Completion or at any time when any casualty damage to the Redeveloper Private 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 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. Alternatively, in lieu of any obligation of construction or reconstruction under this subparagraph, Redeveloper, the holder of any mortgage or any other purchaser at a foreclosure sale shall have the option to reimburse the City as described in paragraph 17.

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 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, Redeveloper and each holder or a mortgage shall (and every mortgage made prior to substantial completion of the Redeveloper Private 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 lien of its mortgage.

e. Rights Applicable to Other Forms of Encumbrance (Deed of Trust). The rights and obligations of this Agreement relating to 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 mortgage foreclosures shall be applicable to procedures under any deed of trust or similar method of encumbrance.

19. Damage or Destruction of Redeveloper's Private Improvements. During the construction period, Redeveloper agrees to keep the construction area, including completed operations 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 Private 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, the sole remedy of the City shall be to require Redeveloper to, and Redeveloper shall, pay to the City the amount of Tax Increment Revenues received by the City in the preceding year times the number of years remaining in the TIF Amortization Period. During the Tax Increment Period, Redeveloper shall include by restrictive covenant an enforceable obligation on the 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 owner or tenant's obligation to restore the Redeveloper Private Improvements to its prior

condition within twelve (12) months from the date of the damage or destruction, diligently pursuing the same to completion.

20. 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.

21. Remedies. Except as otherwise provided in this Agreement, in the event of any default in performance of this Agreement by the City or Redeveloper (or any successor in interest to 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 which may be necessary to cure and remedy the default.

22. 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.

23. 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, delays caused by inclement weather, 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.

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 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 in writing and only to the extent specified in writing.

25. Conflicts of Interest: City Representatives Not Individually Liable. 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. Approvals. For purposes of this Agreement and the approvals and disapprovals required, Redeveloper 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. The City shall be

entitled to rely on the written approval of Ab Atkins as constituting the approval or disapproval of Redeveloper.

27. 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 Redeveloper, at 8115 Preston Road, Suite 700, Dallas TX 75225, Attention: Tobin Grove, 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.

28. Access to Project Area. 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.

29. 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.

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

31. 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.

33. Audit Provision. The Project and the use of the TIF Revenues shall be subject to audit pursuant to Chapter 4.66 of the Lincoln Municipal Code. Redeveloper shall make available to a contract auditor, as defined therein, copies of all financial and performance related records and materials germane to the Redeveloper Public Improvements, as allowed by law.

33. Fair Employment. Redeveloper shall not discriminate against any employee (or applicant for employment) with respect to compensation, terms, advancement potential, conditions, or privileges of employment, because of such person's race, color, religion, sex, disability, national origin, ancestry, age, or marital status pursuant to the requirements of Lincoln Municipal Code Chapter 11.08, and Neb. Rev. Stat. § 48-1122, as amended.

34. Expiration of Agreement. This Agreement shall expire upon expiration of the Tax Increment Period, or retirement of the TIF Indebtedness, whichever first occurs.

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, on behalf of the City.

Notary Public

Exhibit A

Legal Description of Project Site

Lot One (1), University of Nebraska Technology Park 3rd Addition, Lincoln,
Lancaster County, Nebraska.

perotsystems

LINCOLN, NEBRASKA

TABULATIONS

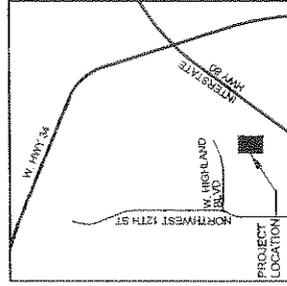
TOTAL SITE = 20.30 ACRES

BUILDING = 150,000 SF

PARKING PROVIDED = 924

Exhibit B Site Plan

VICINITY MAP



AUGUST 14, 2008



ALLIANCE ALLIANCE

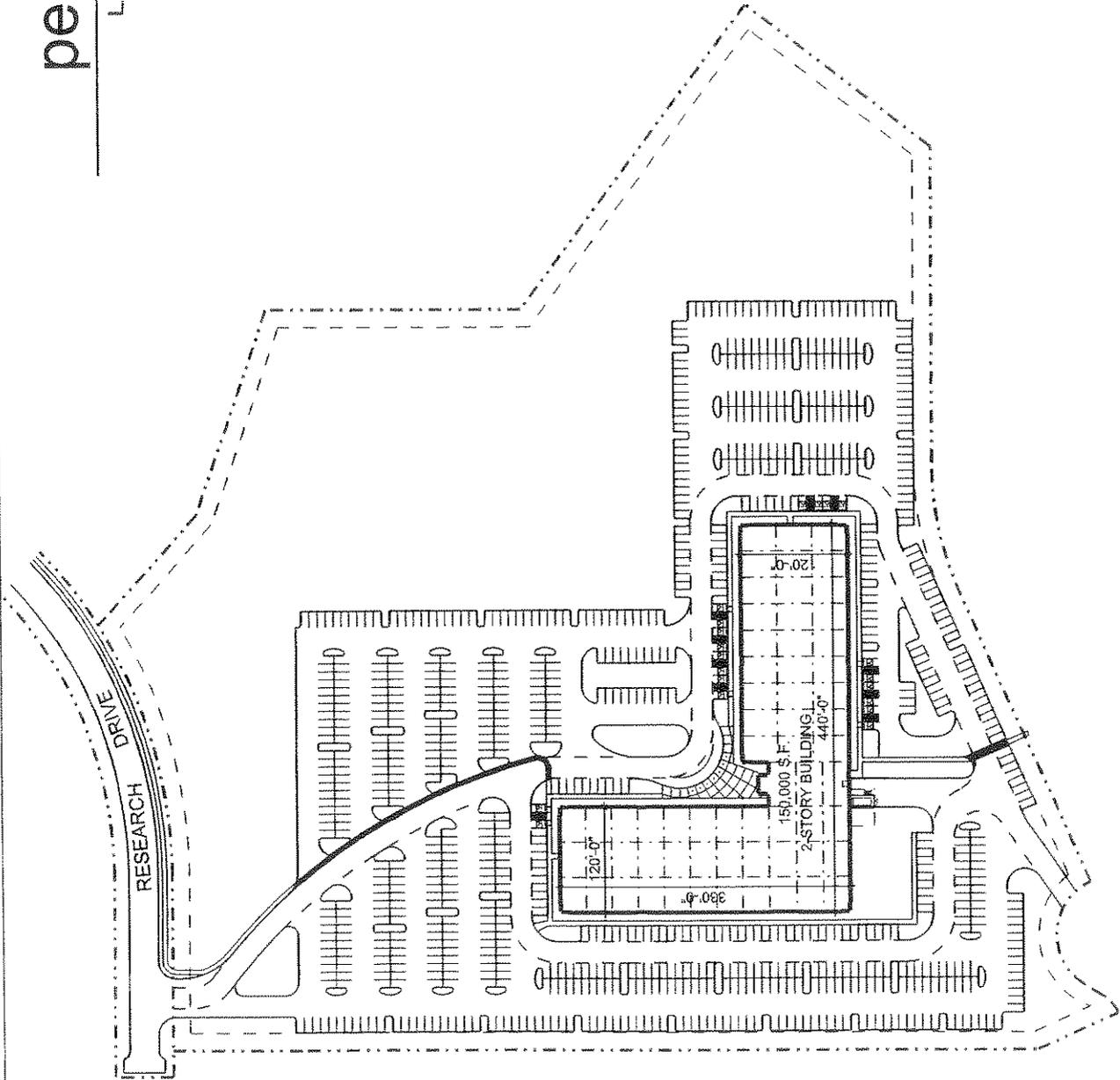


Exhibit C

Narrative Description of the Project

The construction of an approximately 150,000 square foot office building on 20.3 acres and comprising the Project Site, and the construction of public improvements in the public rights-of-way identified as Cattail Road and Research Drive.

Exhibit D

TIF Indebtedness and Tax Increment

1. Principal Amount: The principal amount of the TIF Indebtedness shall be the amount which, together with interest accruing thereon, can be fully amortized by December 31, 2024, solely from the Tax Increment Revenues based on the current aggregate ad valorem tax rate applicable to the Project Site multiplied by an assumed valuation of \$23,500,000, subject to required debt service coverage, required reserved, and cost of issuance.

2. Payments: Semi-annually with interest only until real estate taxes are collected for tax year 2010 in amounts sufficient to fully amortize the TIF Indebtedness on or before December 31, 2024, all as determined by the City.

3. Maturity Date: On or before December 31, 2023.

Exhibit E

Eligible Project Costs

The Eligible Project Costs shall consist of the following:

1. City's cost of issuance of the TIF Indebtedness
2. Initial Term Ground Lease Payment
3. Street Improvements (including the costs of designing and securing permits for same)
4. Utility Improvements as part of Redeveloper Public Improvements
5. Street lights, sidewalks, and street trees as part of the Redeveloper Public Improvements
6. Eligible costs for assisting Redeveloper with obtaining LEED certification for Redeveloper Private Improvements
7. The costs of design and permits required for the construction of Research Drive as part of the Tech Park Public Improvements
8. Costs associated with the extension of additional telecommunications services to the Project
9. Any payments in lieu of tax required to be made by Redeveloper.

Exhibit F

Street Improvements

The Street Improvements shall consist of the construction of an approximately 39-foot wide concrete public street located in the 66-foot wide public rights-of-way for:

- a. **Cattail Road.** For a distance of approximately 305 linear feet, plus the cul-de-sac built in accordance with Lincoln Design Standards; and
- b. **Research Drive.** For a distance of approximately 1,140 linear feet from Discovery Drive to the western boundary of the Project Site.

Exhibit G

Utility Improvements

The Utility Improvements shall consist of the following improvements located in the public rights-of-way:

- a. **Cattail Road:** Water Main
Storm Sewer

- b. **Research Drive:** Sanitary Sewer
Storm Sewer
Water Main

and related design, testing, and City fees.

Exhibit H

LEED Certification

A program will be implemented to target basic certification for LEED NC version 2.2. Redeveloper will administer the LEED program, target specific LEED credits, track progress of credit documentation, and confirm documents are submitted to LEED online for action by USGBC. The shell building will be designed to accommodate the specific LEED credits targeted by KDC. The following are some of the items that currently planned that will generate points necessary for LEED certification:

- 1) Raised Access Flooring (RAF): The majority of the building will consist of 14 inch RAF. The steel floor panels are largely recycled materials which add to the overall recycled content of the building while creating the opportunity for all of the points associated with under floor air devices (UFAD).
- 2) Under floor air devices(UFAD): UFAD contributes to energy savings, improves indoor air quality and enhances individual climate control. In these 3 areas alone, UFAD will contribute to between 4 and 6 LEED points.
- 3) Site preparation: Additional site prep is required to accomodate 14 inch RAF at the first floor which might be in the form of additional cut and fill and / or additional panel height at level one. This necessitated by UFAD to accommodate the air plenum at level one.
- 4)Building Energy Modeling: Computer modeling shall be implemented against a baseline assumption as required to accurately assess the positive energy consumption impact from the use of UFAD, insulated glass, reflective roof membranes, high efficiency a/c equip, wall and roof insulation, etc.
- 5) Enhanced Commissioning: Assures that equipment and controls are functioning properly and that energy savings and comfort levels predicted by the design and by the energy modeling will be realized in the operation of the building on a long term basis.
- 6) High efficiency equip at the roof top units (RTUs): Contributes to achieving LEED points under Energy and Atmosphere and saves energy / operating costs.
- 7) Administration: Implementation of building documentation and posting to LEED-on-line items such as content and use of recycled and regional materials.