10-15-08

CITY OF LINCOLN
REDEVELOPMENT AGREEMENT

(Block 85 Redevelopment Project)

THIS REDEVELOPMENT AGREEMENT (Block 85 Project) is entered into between the **CITY OF LINCOLN, NEBRASKA,** a municipal corporation in the State of Nebraska ("City"), **HAYMARKET SOUTH, LLC**, a Nebraska limited liability company and its successors and assigns (collectively "HS"), **WRK, L.L.C.**, a Nebraska limited liability company and its successors and assigns (collectively "WRK") and **AIRSPACE LLC**, a Nebraska limited liability company and its successors and assigns (collectively "Airspace"). HS, WRK are sometimes collectively referred to herein as "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 Lincoln Center Redevelopment Plan a copy of which, together with any and all amendments thereto (collectively "Redevelopment Plan"), 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 Redevelopment Plan calls for the City to support commercial/office/residential redevelopment efforts on real estate owned by HS ("HS Property") and legally described as

Lots Thirteen (13), Fourteen (14) and Fifteen (15), Block Eighty-Five (85), in the Original Plat of Lincoln, Lancaster County, Nebraska, together with all of the vacated East-West 16-foot alley adjacent thereto on the South; and the North 67.00 feet of Lot Eighteen (18), Block Eighty-Five (85), in the Original Plat of Lincoln, Lancaster County, Nebraska, and Lots One (1), Two (2) and Three (3), and the North 5.00 feet of Lot Four (4), in Lincoln Land Co.'s Subdivision of Lots Sixteen (16) and Seventeen (17), Block Eighty-Five (85), in the Original Plat of Lincoln, Lancaster County, Nebraska, together with the North 67.00 feet of the vacated North-South 10 foot alley lying between said lots.

C. The Redevelopment Plan calls for the City to support commercial/office/residential redevelopment efforts on real estate on by WRK ("WRK Property") and legally described as Lot One (1) and Lot Three (3), Airspace Addition, Block Eighty-Five (85), Original Plat, Lincoln, Lancaster County, Nebraska. WRK Property and HS Property are sometimes collectively referred to herein as "Redeveloper Property".

D. The Redevelopment Plan calls for the City to support commercial/office/residential redevelopment efforts on real estate owned by Airspace ("Airspace Property") and legally described as Lot Two (2), Airspace Addition, Block Eighty-Five (85), Original Plat, Lincoln, Lancaster County, Nebraska.

E. The Block 85 Redevelopment Project area incorporates all of Block 85, including Block 85 alley(s) in Lincoln, Lancaster County, Nebraska, but excluding the south two Block 85 parcels identified by the Lancaster County Assessor's Office as (i) 10-26-212-019-000 [Lot 18, S75' & S75' Vac N-S Alley Adj & Lincoln Land Company's Sub (Of Lots 14 & 15) S15' Lot 4 & All Lots 5, 6 & 7, Lincoln Original, Block 85] and (ii) 10-26-212-010-000 [Lots 10-12, Lincoln Original, Block 85] and including that portion of "M" Street, 9th Street, Rosa Parks Way and 8th Street that abut Block 85 (collectively "Project Site").

F. The Redeveloper has requested the City to rezone the western one-half (1/2) of the Project Site to B-4 Lincoln Center Business District.

G. Neb. Rev. Stat. § 18-2103(12) (2007 Supp) authorizes the City to carry out plans for a program of compulsory repair and rehabilitation of buildings and other improvements in connection with redevelopment of the Project Site and to pay for the same from TIF Proceeds (as defined herein).

H. *Neb. Rev. Stat.* § 18-2107 (2007 Supp) 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.

I. Redeveloper is willing to enter into this Agreement and through a minimum investment of Eight Million One Hundred and Eight Thousand Six Hundred and Thirty Dollars ($8,108,630) to redevelop the Redeveloper Property by (a) salvaging and rehabilitating the Color Court building located on the HS Property ("Color Court Building"); (b) rehabilitating the Booth Fishery building located on the WRK Property ("Booth Fishery Building"); and (c) rehabilitating the Peanut Butter Factory building located on the WRK Property ("Peanut Butter Factory Building") as generally shown on Exhibit "A", attached hereto and incorporated herein by this reference (sometimes collectively referred to as "Redeveloper Improvements").

J. Airspace is willing to enter into this Agreement and through a minimum investment of One Million Dollars ($1,000,000) to redevelop the Airspace Property by constructing a new building located on the Airspace Property ("Airspace Building") as generally shown on Exhibit "A" (sometimes collectively referred to as "Airspace Improvements").

K. The Redeveloper Improvements and Airspace Improvements are sometimes collectively referred to herein as "Private Improvements".

L. In order to help remove blight and substandard conditions and improve conditions in an economically underutilized area, the City is willing to enter into this agreement and to make grants to the Redeveloper as its agent to be used to carry out the public improvements as described in Paragraph 13 below (collectively "Public Improvements).

M. The Private Improvements and Public Improvements are collectively known as the "Redevelopment Project Improvements" and are generally shown on the Site Plan in Exhibit "A". The costs of the Redevelopment Project Improvements are collectively known as the "Redevelopment Project Costs" and are shown on the Sources and Uses of Funds in Exhibit "C", which is attached hereto and incorporated herein by this reference. The City, Redeveloper and Airspace agree that such assistance is deemed essential to the preparation of the Project Site for commercial/office/residential space.

N. The City is willing to support the above described redevelopment of the Project Site in accordance with the Redevelopment Project; provided that, Redeveloper and Airspace are willing to restrict the use of the Redeveloper Property and Airspace Property to certain approved uses and is further willing to agree to covenants and conditions regarding compulsory maintenance and upkeep of the Private Improvements to prevent a recurrence of substandard and blighted conditions; and further provided that, Redeveloper is willing to restrict the use the grants provided hereunder for the sole purpose of design, construction and implementation of the Public Improvements on behalf of the City and in the manner contractually described herein.

O. 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 (15) 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."

M. *Neb. Rev. Stat.* § 18-2107 (2007 Supp) and § 18-2150 (Reissue 1997) authorize the City to provide grants to private parties in order to accomplish rehabilitation or redevelopment of the Project Site in accordance with the Redevelopment Plan. In order to make the grant or grants to the Redeveloper, the City intends to issue tax increment financing indebtedness instrument or instruments in tax exempt and taxable series (collectively "TIF Bond") to be repaid with the tax increment revenues generated under the Ad Valorem Tax Provision ("TIF Tax Revenues").

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

O. The City, Redeveloper and Airspace 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. Design Documents. HS has prepared exterior Schematic Design Plans (hereinafter "Design Documents") for the Color Court Building and the same have been submitted to and reviewed by the Urban Design Committee and approved by the City's Director of Urban Development. The primary Design Documents for the Color Court Building are attached hereto as Exhibit "D" and are incorporated herein by this reference. HS shall submit any material changes in the Design Documents as approved to the Director of Urban Development for his review and approval.

WRK has prepared exterior Design Documents for the Booth Fishery Building and Peanut Butter Factory Building and the same will be submitted to and reviewed by the Urban Design Committee and approved by the City's Director of Urban Development. The primary Design Documents for the Booth Fishery Building and Peanut Butter Factory Building are attached hereto as Exhibit "D". Once approved, WRK shall submit any material changes in the Design Documents as approved to the Director of Urban Development for his review and approval.

Airspace will prepare exterior Design Documents for the Airspace Building and the same will be submitted to and reviewed by the Urban Design Committee and approved by the City's Director of Urban Development. Once approved, the Airspace shall submit any material changes in the Design Documents to the Director of Urban Development for his review and approval.

2. Construction Documents. The Redeveloper shall prepare or cause to be prepared,

at Redeveloper's expense and with grants funds for Public Improvements described herein, detailed final construction plans and specifications for the Redevelopment Project Improvements (hereinafter "Construction Documents").

A. Private Improvements. The first floor of the Color Court Building located on the Redeveloper Property is to be designed for commercial uses and the upper floors for commercial, office or residential uses. The first floor of the Booth Building located on the Redeveloper Property is to be designed for commercial uses and the upper floors for commercial, office or residential uses. The first floor of the Peanut Butter Building located on the Redeveloper Property is to be designed for commercial uses and the upper floors for commercial, office or residential uses. The Airspace Improvement Building located on the Airspace Property is to be designed for commercial uses. Redeveloper shall submit such Construction Documents for the Private Improvements to the Director of the Urban Development Department for his review and approval; provided that his review and approval shall be limited to the design and type of materials to be used for the facade of the Private Improvements and to assure the Private Improvements meet the City of Lincoln's design standards. The Director shall so approve or reject the Construction Documents for the Private Improvements within fourteen (14) days after receipt thereof.

B. Public Improvements. The Public Improvements shall be designed in accordance with the City's Standard Specifications and shall be submitted to the Director of the Public Works and Utilities Department for review and approval pursuant to the City's executive order construction process.

3. <u>Construction of Redevelopment Project Improvements.</u>

A. Construction of Private Improvements. The Redeveloper, through a minimum investment of Eight Million One Hundred and Eight Thousand Six Hundred and Thirty Dollars ($8,108,630) and Airspace, through a minimum investment of One Million Dollars ($1,000,000), shall at their own cost and expense construct the Private Improvements substantially in conformance with the Design Documents. Redeveloper and Airspace agree to use commercially reasonable efforts to substantially complete construction of the Redeveloper Improvements and Airspace Improvements, respectively, as provided for in Paragraph 10 below and to pay in a timely manner Redeveloper's and Airspace's contractor, or his or her subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements as provided for in Paragraph 5 below. Promptly after completion of their respective Private Improvements and promptly after the Redeveloper or Airspace provides the City the proper documentation that Redeveloper's or Airspace's contractor, or his or her subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements have been properly paid in accordance with all the provisions of this Agreement, the City shall upon request by the Redeveloper and Airspace furnish a Certificate of Completion, the form of which is shown on Exhibit "E1", Exhibit "E-2" and Exhibit "E-3" which are attached hereto and incorporated herein by this reference. Such certification by the City shall be a conclusive determination of satisfaction of the agreements and covenants in this Agreement with respect to the obligations of Redeveloper and Airspace to construct their Private Improvements. The Certificate of Completion shall be recorded by the City in the office of the Register of Deeds for Lancaster County, Nebraska. If the City shall refuse or fail to provide the

certification in accordance with the provisions of this paragraph after being requested to do so by Redeveloper or Airspace, the City shall, within fifteen (15) days after written request by Redeveloper or Airspace, provide Redeveloper or Airspace with a written statement indicating in what respect Redeveloper or Airspace has failed to complete their respective Private Improvements subject to each such certification in accordance with the provisions of this Agreement and what measures or acts will be necessary, in the opinion of the City, for Redeveloper or Airspace to take or perform in order to obtain such certification. As used herein, the term "completion" shall mean substantial completion of the Private Improvements so that they may be reasonably used for their intended purposes.

B. Construction of Public Improvements.

To the extent allowed by law and then only to the extent TIF Proceeds are lawfully available and granted to the Redeveloper as described in Paragraph 11 below, the Redeveloper shall use the TIF Proceeds to construct the Public Improvements through the City's executive order construction process. The City shall not have any obligations to fund the Public Improvements or make grants to the Redeveloper in excess of the available TIF Proceeds as described in Paragraph 11 below. Redeveloper, at its election, may use its own funds to fund any Public Improvements costs that exceed the TIF Proceeds that are lawfully available and granted to the Redeveloper hereunder. Contracts for construction of the Public Improvements shall be bid in accordance with City procedures. Redeveloper shall reimburse LES for LES's cost to design and construct the reconfiguration of LES vault transforms, equipment and transmission lines within the Project Site.

4. Cost Certification. The Redeveloper shall submit authentic documentation to the City on approved forms or format for payment of any expenses related to construction of the Eligible Project Costs. The Redeveloper shall timely submit receipts, invoices, or proof of payment concurrently with the request for payment of Public Improvement costs. The City shall approve or reject the same with reasons stated, based on the review within ten (10) days of receipt of the same; provided, however, the City shall generally approve request for payment made by Redeveloper that are consistent with this Agreement. Reimbursement by the City to the Redeveloper shall be made promptly after approval by the City.

5. Penal Bond. Pursuant to *Neb. Rev. Stat.* § 18-215 1, Redeveloper and Airspace together shall furnish or cause to be furnished to the City, prior to commencement of construction of the Redevelopment Project Improvements, a penal bond in an amount of Five Thousand and No/100 Dollars ($5,000) with a corporate surety authorized to do business in the State of Nebraska. Such penal bond shall be conditioned upon the Redeveloper and Airspace at all times making payment of all amounts lawfully due to all persons supplying or furnishing the Redeveloper and Airspace, the Redeveloper's and Airspace's contractor, or his or her subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements. Proof of such penal bond shall be supplied to the City prior to the start of construction of the Redevelopment Project Improvements. Redeveloper and Airspace shall also each obtain and keep in force at all times prior to and until recording of the Certificate of Completion, a title insurance policy insuring the City against loss by the Redeveloper or Airspace of title or interest in Redeveloper Property and Airspace Property or the Redeveloper and Airspace for their respective Private Improvements by reason of construction liens, mechanic's liens or similar liens. Proof of such penal bond and title insurance policy shall be promptly supplied to the City.

Tthe City shall be supplied, upon written demand, with copies of all lien waivers of Redeveloper's contractor, or his or her subcontractors who performed labor or applied materials performed or used in the prosecution of the Private Improvements, and shall be entitled to inspect at reasonable times all records of Redeveloper and Airspace or their agents regarding such lien waiver procedures.

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

7. Duty to Maintain. Redeveloper shall, following construction, operate the Redeveloper Improvements in a safe and sanitary manner and shall take all action necessary to maintain, in good order and condition and state of repair, all interior and exterior portions of all buildings including the routine preventive maintenance of the building and its 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. Airspace shall, following construction, operate the Airspace Improvements in a safe and sanitary manner and shall take all

action necessary to maintain, in good order and condition and state of repair, all interior and exterior portions of all buildings including the routine preventive maintenance of the building and its 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.

8. Use Restrictions. Redeveloper and Airspace agree that during the Tax Increment Period no portion of the Redeveloper Property and Airspace Property shall be used for any of the following uses:

a. A liquor store selling alcoholic beverages for consumption off the premises, but excluding micro-brewing establishments that sells alcoholic beverage for consumption off the premises;

b. The retail sale of alcoholic beverages for consumption on the premises if such use, in the opinion of the City, has an unreasonable pattern of unlawful disturbances or alcoholic beverage law violations;

c. 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 use that has an unreasonable pattern of unlawful disturbances or tobacco law violations;

d. A sexually oriented business including live entertainment establishments as defined in Section 27.03.545 of the Lincoln Municipal Code and any other business engaged 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. The foregoing exclusion shall not include pay for view video/audio services, internet and other forms of telecommunication/communication systems offered or available to Lincoln residents.

e. 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, car wash, dry cleaning, vehicle body repair, paint, refinishing, or parts and equipment cleaning business; provided nothing herein shall be construed to prohibit dry cleaning pickup facility, convenience, food or fuel store.

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

f. Any business involving the sale or display of weapons, self-service laundromat for nonresidents or non-occupants of the Redeveloper Property and Airspace Property, illegal activities, or sale of any illegal goods or products.

g. Off-premises signs as defined in Section 27.69.020 of the Lincoln Municipal Code.

9. Construction Administration. Redeveloper shall be responsible for all components of the Redeveloper Improvements and Public 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. Airspace shall be responsible for all components of the Airspace Improvements, including construction management, coordination of contractors and regulatory permitting and other requirements. Airspace will be solely responsible for payment of all construction costs attributable to the Airspace Improvements regardless of any expectation for reimbursement hereunder. Subject to Paragraph 3B. above and Paragraph 13 below, the Redeveloper will be solely responsible for payment of all construction cost attributable to the Public Improvements in the amount of the TIF Proceeds, less the City's cost to issue the TIF Bond and subject to reimbursement as provided in Paragraph 17 for the Public Improvements.

10. Timing of Construction. Redeveloper will use commercially reasonable efforts to complete salvage and demolition of those portions of the existing buildings within one hundred and twenty (120) days following City Council's approval and the Mayor's execution of this Agreement and to substantially complete construction of the Redeveloper Improvements located upon the HS Property and WRK Property within eighteen (18) months following the completion of demolition. Airspace will use its best efforts to substantially complete construction of the Airspace Improvements on the Airspace Property within eighteen months following City Council approval and the Mayor's execution of this Agreement.

11. Grant of Funds. In order to support redevelopment of the Project Site and as an inducement for the Redeveloper and Airspace to construct the Redevelopment Project Improvements, the City agrees, to the extent allowed by law and then only to the extent funds are lawfully available from the issuance of the TIF Bond ("TIF Proceeds") as shown in Exhibit "C", to

make a grant or grants to Redeveloper in the total amount of the TIF Proceeds less the City's cost to issue the TIF Bond, subject to reimbursement as provided in Paragraph 17 below for Public Improvements. Redeveloper shall submit authentic and satisfactory documentation to the City to verify the grant was expended on eligible Redevelopment Project Costs. Any ineligible use of the grant shall immediately be repaid to the City.

12. Issuance of Redeveloper Purchased TIF Bond. On or after the date of this Agreement, the City shall issue one or more TIF Bond, in one or more tax exempt and taxable series, in the total contracted amount of Nine Hundred and Thirty-One Thousand Nine Hundred and Ninety-Five and 96/100 Dollars ($931,995.96) for net funds available (collectively "TIF Indebtedness") to be purchased by Redeveloper or Redeveloper's lender ("TIF Bond Purchaser"), in a written form acceptable to Redeveloper's attorney, and receive Bond Proceeds from TIF Bond Purchaser in said amount. The City and Redeveloper agree that the form of the TIF Bond and funding mechanism of the Bond Proceeds will be set up similar to a line of credit so that the TIF Bond Purchaser is required to pay the Bond Proceeds to the City on or before the date the City needs funds in the Project Account in order for the City to timely make a grant or grants from the Bond Proceeds to the Redeveloper as described herein. Subject to the terms of this Agreement, the City Finance Director on behalf of the City shall have the authority to determine the timing of issuing the TIF Indebtedness and all the other necessary details of the TIF Indebtedness.

13. Use of TIF Proceeds. The TIF Proceeds shall 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 or grants of funds for the costs of the Public Improvements. 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 or grants to reimburse Redeveloper for costs of the Public Improvements to be expended in the following order of priority:

a. Overhead utilities conversion to underground utilities, LES, Time Warner, Windstream and other data, phone, internet and cable utilities and related improvements as generally shown on Exhibit "B", which is attached hereto and incorporated herein by this reference, but excluding utility service lines;

b. Sanitary sewer, drainage and water improvements but excluding utility service lines, and alley resurfacing;

c. Site Preparation and streetscape--demolition and salvage of the Booth Fishery Building, and Peanut Butter Factory Building sites, including the Redevelopment Project Improvements and the protection of public right-of-ways; streetscape improvements, including streets, storm sewer, sidewalks, curb and gutters, pedestrian lighting, signage, pedestrian, landscape and irrigation improvements and materials and other related street and sidewalk improvements within the Project Site; and

d. West Parking--construction of angle parking South 8th Street along the west blocks face of Block 85 and the removal of abandon railroad tracks within the Project Site as generally shown on Exhibit "A" (collectively "West Parking").

In the event there is not enough available TIF Proceeds to complete an alphabetized Second Priority item(s) as shown above, the City Urban Development Director and the Redeveloper shall use their best efforts to agree to modify or reduce the scope, scale, size or phasing of the Second Priority item(s) to enable the available TIF Proceeds to fund the modified or reduced Second Priority item(s). Subject to the preceding sentence, the City Urban Development Director on

behalf of the City is hereby authorized to amend or modify the order of priority for the Second Priority items as shown above. Redeveloper agrees that upon receipt of said grant(s) from the City, Redeveloper shall deposit said funds in a separate account(s) that does not include any of the Redeveloper's funds for Private Improvements and pay for said Public Improvements from said separate account(s). The grants are restricted and earmarked for the funding of Public Improvements as described herein and the Redeveloper does not have discretionary judgment over the application of said grant funds.

14. Valuation of Property Within the Redevelopment Project Area. The City intends to use the Ad Valorem Tax Provision to generate tax increment financing funds which shall be used to finance the issuance of the TIF Bond and to make the grant or grants 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 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 on the TIF Indebtedness from the sale of the TIF Bond will be derived from the increased valuation from redeveloping the Redeveloper Property and Airspace Property as provided in this Agreement. Redeveloper and Airspace agree not to contest any taxable valuation assessed for the Redeveloper Property and Airspace Property and improvements thereon which does not exceed the following values commencing tax year 2009 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 Indebtedness with respect to the Redevelopment Project remains outstanding and unpaid, whichever period of time is shorter:

HS Property (Color Court Building)	$4,290,774

WRK Property (Booth Fishery Building)	$919,329
WRK Property (Peanut Butter Factory Building)	$1,276,801
Airspace Property (Airspace Building)	$800,000
Total	$7,286,904

15. Debt Service for TIF Indebtedness. The City shall, to the extent allowed by law, and then only to the extent funds are lawfully available from TIF Tax Revenues, pay the TIF Bond Purchaser the principal of and/or interest on the TIF Indebtedness with interest at a rate not to exceed seven percent (7.0%) per annum. Any debt service on the TIF Indebtedness (including interest) to be paid from TIF Tax Revenues 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 payment. The City shall not be liable nor be required to reimburse Redeveloper or Airspace for any costs incurred by Redeveloper and Airspace in the event this Agreement is not approved for any reason, including for reasons alleged to be the fault of the City. Any excess TIF Revenues resulting from the Tax Increment Provision on the Project Site not needed or required to pay the TIF Bond Purchaser for the TIF Indebtedness shall be expended by the City or returned to the applicable taxing authorities as provided in the Community Development Law. Any shortfall in anticipated TIF funds from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project Site, shall be borne entirely by the Redeveloper without recourse of any kind against the City.

16. Tax Increment Deficiency on Redeveloper Purchased TIF Bond.

A. Redeveloper Purchased TIF Bond. If the Redeveloper purchases the TIF Bond, any shortfall in the TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project Site, shall

be borne entirely by the Redeveloper without recourse of any kind against the City. To the extent of any deficiency in TIF Tax Revenues from the Ad Valorem Tax Provision for required debt service on the TIF Indebtedness, the Redeveloper as purchaser of the TIF Bond agrees to defer payment of the same for each year that there exists a deficiency during the Tax Increment Period. If Redeveloper is required to defer any such payments, the City shall reimburse all sums deferred if and when TIF Tax Revenues do become available from the Ad Valorem Tax Provision to meet current debt service and reimburse Redeveloper for such deferred payments. In the event the TIF Indebtedness is not retired in full at the end of the Tax Increment Period, any remaining TIF Indebtedness shall be forgiven.

B. Lender Purchased TIF Bond. If Redeveloper's Lender purchases the TIF Bond, any shortfall in the TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project Site, shall be borne entirely by the Redeveloper without recourse of any kind against the City. To the extent of any deficiency in TIF Tax Revenues from the Ad Valorem Tax Provision for required debt service on the TIF Indebtedness, the Redeveloper agrees to pay the same upon written request of the City and shall pay the same for each year that there exists a deficiency in such TIF Tax Revenues. If Redeveloper is required to pay any such deficiency, the City shall reimburse all sums paid by said Redeveloper for such purposes if and when TIF Tax Revenues do become available from the Ad Valorem Provisions to meet current debt service and reimburse Redeveloper for such deficiency payments.

17. Reimbursement of Grants. Subject to Paragraph 25 below, Redeveloper agrees to

repay the City 89.02% (6,486,904/7,286,904) ("Redeveloper's Percentage") of the grant or grants of funds provided for in Paragraph 11 above in the event Redeveloper fails to substantially complete the Redeveloper Improvements and Public Improvements as provided in Paragraph 10 and, upon such repayment of the Redeveloper's Percentage of the grant funds, this Agreement shall be null and void in regards to the Redeveloper and the WRK Property and HR Property. Subject to Paragraph 25 below, Airspace agrees to repay the City 10.98% (800,000/7,286,904) ("Airspace's Percentage") of the grant or grants of funds provided for in Paragraph 11 above in the event Airspace fails to substantially complete the Airspace Improvements as provided in Paragraph 10 and, upon such repayment of the Airspace's Percentage of the grant funds, this Agreement shall be null and void in regards to Airspace and the Airspace Property.

Subject to Paragraph 25 below, in the event the Redeveloper fails to maintain the Redeveloper Improvements as provided in Paragraph 7 above, then the Redeveloper shall reimburse the City the proportionate share (1/15) of the Redeveloper's Percentage of the grant funds provided for in Paragraph 12 above for year the Redeveloper fails to maintain the Redeveloper Improvements. Subject to Paragraph 25 below, in the event the Airspace fails to maintain Airspace Improvements as provided in Paragraph 7 above, then Airspace shall reimburse the City the proportionate share (1/15) of Airspace's Percentage of the grant funds provided for in Paragraph 11 above for the year Airspace fails to maintain the Airspace Improvements.

18. Restriction on Transfer. Redeveloper and Airspace will not, for a period of fifteen (15) years after the effective date hereof or so long as the TIF Bond remains outstanding whichever period of time is shorter (tax increment period), convey the Redeveloper Property and Airspace Property 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.

19. Financing Creating Encumbrances Restricted.

a. Prior to completion of their respective Private Improvements, neither Redeveloper, Airspace nor any successors in interest with respect to the Redeveloper Property and Airspace Property 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 only to the extent necessary to design, construct, maintain, repair, replace and insure the Private Improvements. Redeveloper, Airspace or any successor in interest as Redeveloper or Airspace shall notify the City in advance of any financing secured by Mortgage that it proposes to enter into with respect to Project Site, and shall promptly notify the City of any Mortgage that has been created on or attached to Redeveloper Property and Airspace Property whether by voluntary act of Redeveloper, Airspace or otherwise. Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to any of the Redeveloper Property and Airspace Property and which is contested by Redeveloper or Airspace, then Redeveloper or Airspace may defend against such encumbrance or lien, provided that a sufficient bond or security is posted with the City, Redeveloper's lender and Airspace's lender to permit Redeveloper or Airspace to avoid or prevent foreclosure of such encumbrance or lien. In addition, Redeveloper and Airspace agree that prior to completion of their respective Private Improvements; any loan proceeds secured by any interest in the Redeveloper Property and Airspace Property shall be used solely for the payment of costs and expenses related to the development of their respective Private Improvements. Redeveloper and Airspace shall provide a copy of all draw requests and

bank approvals related to their respective Private Improvements to the Director of Urban Development in a timely fashion.

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 their respective Private Improvements has occurred and has not been fully restored, any party who obtains title to any portion of the Redeveloper Property and Airspace Property from or through Redeveloper, Airspace 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 or, in lieu thereof, the holder of any Mortgage or any other purchaser at foreclose sale shall pay to the City the amount necessary to fully retire the TIF Indebtedness within three (3) months from the date of acquisition of title.

c. Notice of Default. Whenever the City shall deliver any notice or demand to Redeveloper or Airspace with respect to any breach or default by Redeveloper or Airspace 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, each such Holder shall (and every Mortgage or other instrument of encumbrance made prior to completion of

their respective Private Improvements by Redeveloper, Airspace 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 mortgage debt and the lien of its 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 Mortgages of any portion of the Redeveloper Property and Airspace Property 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.

20. Damage or Destruction of Private Improvements. During the construction period, Redeveloper and Airspace agree to keep their respective construction areas, 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 and Airspace agree to restore their respective Private Improvements to their 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 Redeveloper's Percentage of the amount of tax increment received by the City in the preceding year times the number of years remaining in the Tax Increment Period. In the

event Airspace fails to restore the same for any reason, Airspace shall pay to the City Airspace's Percentage of the amount of tax increment received by the City in the preceding year times the number of years remaining in the Tax Increment Period. During the tax increment period, Redeveloper and Airspace shall include by restrictive covenant an enforceable obligation on the Redeveloper, Airspace 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, Airspace or other owner or tenant's obligation to restore their respective Private Improvements to their prior condition within twelve (12) months from the date of the damage or destruction, diligently pursuing the same to completion.

21. Condemnation. If during the Tax Increment Period, all or any portion of the Redeveloper Property and Airspace Property 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.

22. Representations. Redeveloper and Airspace represent and agree that its undertakings, pursuant to this Agreement, have been, are, and will be, for the purpose of redevelopment of Redeveloper Property and Airspace Property and not for speculation in land holding.

23. Restrictions on Assignments of Rights or Obligations. Redeveloper and Airspace represent and agree that prior to completion of their respective Private Improvements provided for above there shall be no sale or transfer of the Redeveloper Property and Airspace Property or

assignment of Redeveloper's or Airspace'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 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 Airspace; 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 or Airspace 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 or Airspace in writing.

24. Representations and Warranties of Parties.

a. Redeveloper and Airspace represent and warrant to City as follows:

i. Organization; Power; Good Standing. Redeveloper and Airspace are limited liability companies duly organized and validly existing in good standing under the laws of Nebraska. Redeveloper and Airspace are qualified to do business in the State of Nebraska and has 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.

ii. Authority Relative to Agreement. This Agreement has been duly executed and delivered by Redeveloper and Airspace and constitutes a legal, valid and binding obligation of Redeveloper and Airspace, 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 and Airspace have been duly authorized by all necessary action by Redeveloper and Airspace 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 or Airspace, and will not violate any instrument, agreement, order, judgment, decree, statute, regu1ation, or any other restriction of any kind to which Redeveloper or Airspace is a party.

b. City represents and warrants to Redeveloper and Airspace 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 the 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 the City, and will not violate any instrument, agreement, order, judgment, decree, statute, regulation, or any other restriction of any kind to which the City is a party.

25. Remedies. Except as otherwise provided in this Agreement, in the event of any default in performance of this Agreement by the City, Redeveloper or Airspace, the party in default shall, upon written notice from the others, 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 parties may institute any proceedings which may be necessary to cure and remedy the default.

26. 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.

27. 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.

28. Agreement to Pay Taxes. Redeveloper agrees to pay all real property taxes levied upon the Redeveloper Property and Redeveloper Improvements prior to the time the taxes become delinquent. Airspace agrees to pay all real property taxes levied upon the Airspace Property and Airspace Improvements prior to the time the taxes become delinquent. The contractual obligation by Redeveloper and Airspace 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.

29. 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.

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

31. 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 at 440 North 8th Street, Lincoln, NE 68528, with a copy to Seacrest & Kalkowski PC LLO, 1111 Lincoln Mall, Suite 350, Lincoln, NE 68508; Airspace at _____, Lincoln, NE 68___, with a copy to Richard L. Rice, 134 South 13th Street, #400, Lincoln, NE 68508-1981; 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.

32. Access to Project Site. During construction of the Private Improvements, Redeveloper and Airspace shall permit the representatives of the City to enter all areas of the Redeveloper Property and Airspace Property 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.

33. Provisions Run With the Land. This Agreement shall run with the Redeveloper Property and Airspace Property 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 HS Property, WRK Property and Airspace Property at the City's expense.

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

35. 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.

36. Expiration of Agreement. Unless otherwise stated herein, this Agreement shall expire upon expiration of the Tax Increment Period, or retirement of the TIF Bond, whichever first occurs; provided the City, Redeveloper and Airspace each agree to execute any release necessary to be filed of record to evidence such expiration or termination, unless otherwise stated herein.

37. Interpretations. Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Agreement, but shall be interpreted according to the application of rules of interpretation of contracts generally. The parties agree that any grant paid hereunder to the Redeveloper for Public Improvements are for the benefit of the City and the public and are granted pursuant to the contract provisions described herein and that such grant funds are not under the dominion and control of the Redeveloper and should not be construed as income to the Redeveloper under the Internal Revenue Code Section 61 (I.R.C. § 61).

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

39. Equal Employment Opportunity. Pursuant to requirements of Section 11.08.160 of the Lincoln Municipal Code and *Neb. Rev. Stat.* § 48-1122 (Reissue 2004), Redeveloper, Airspace, successors, and transferees agree that, during the performance of this Agreement, it will not discriminate against any employee or applicant for employment with respect to hire, tenure, terms,

conditions, or privileges of employment because of race, religion, sex, color, national origin, ancestry, disability, age or marital status. Redeveloper and Airspace further agree to require that its contractor and subcontractors shall agree to conform to said requirements.

40. Audit and Review. Redeveloper and Airspace shall be subject to audit pursuant to Chapter 4.66 of the Lincoln Municipal Code and shall make available to a contract auditor, as defined therein, copies of all financial and performance related records and materials germane to this Agreement, as allowed by law. The City shall cooperate and make available to the Redeveloper, Airspace or its agent copies of all financial and performance related records and materials germane to the Project Account and the TIF Proceeds.

41. Evidence of Financial Ability of Redeveloper. The Redeveloper shall provide to the City on a confidential and privilege basis evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of the Redeveloper in connection with the Project Site. Such information shall state the amount and source of liquid assets on hand or immediately available to the Redeveloper for use in the Project; and shall state the amount and source of debt financing which is available, or irrevocably committed, to the Redeveloper for use in the Project Site. Such information shall be provided in a form satisfactory to the Finance Director of the City, and evidence of loan commitments shall include all the documents evidencing the loan commitment, and acceptance by the borrower, the purposes of the loan, the authorized use of loan funds, and all other terms and conditions of the loan commitment, the acceptance, and the loan. Submittal of such financial information in a form satisfactory to the Finance Director of the City shall be a condition precedent to the requirement of the City to proceed with its obligations under this Agreement.

42. Obligations. Unless otherwise stated herein, the obligations of HS and WRK

under this Agreement Note are joint and several. Any obligations of the Redeveloper and Airspace stated together shall be several and not joint and shall be allocated and based upon the Redeveloper's Percentage and the Airspace's Percentage.

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

CITY OF LINCOLN,
a municipal corporation

NEBRASKA ATTEST:

_____
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, on behalf of the municipal corporation.

_____
Notary Public

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

HAYMARKET SOUTH, LLC, a Nebraska limited liability company

By:
_____
Manager

WRK, LLC, a Nebraska limited liability company

By:

_____
Manager

Executed by Airspace this _____ day of_____, 2008.

AIRSPACE, LLC, a Nebraska limited liability company

By:

_____
Manager

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____day o f_____, 2008, _____, as Manager of the **Haymarket South, LLC**, a Nebraska limited liability company, on behalf of the limited liability company.

_____
Notary Public

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____day o f_____, 2008, _____, as Manager of **WRK, LLC**, a Nebraska limited liability company, on behalf of the limited liability company.

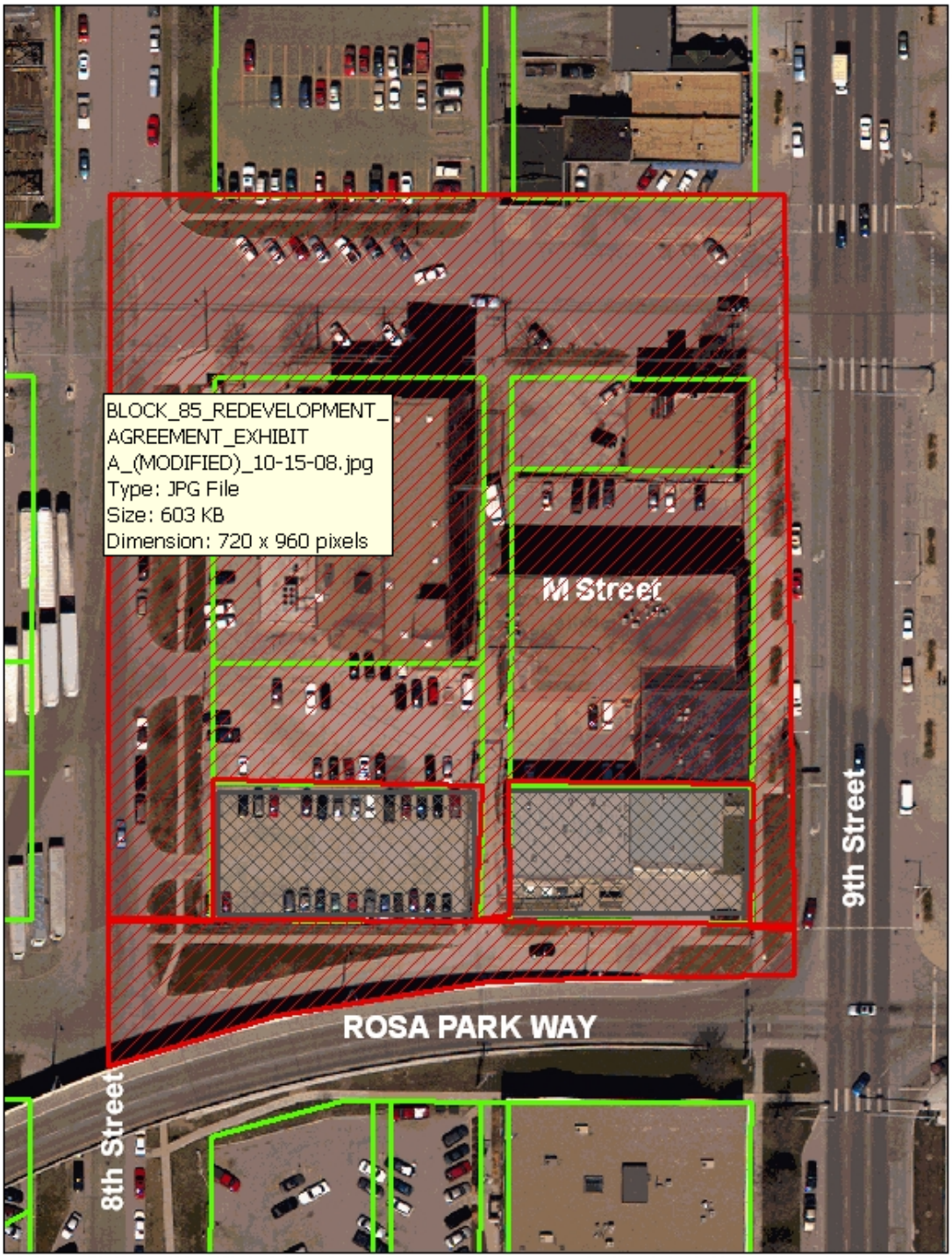
_____
Notary Public

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____day o f_____, 2008, _____, as Manager of **AIRSPACE LLC**, a Nebraska limited liability company, on behalf of the limited liability company.

_____
Notary Public

Exhibit A

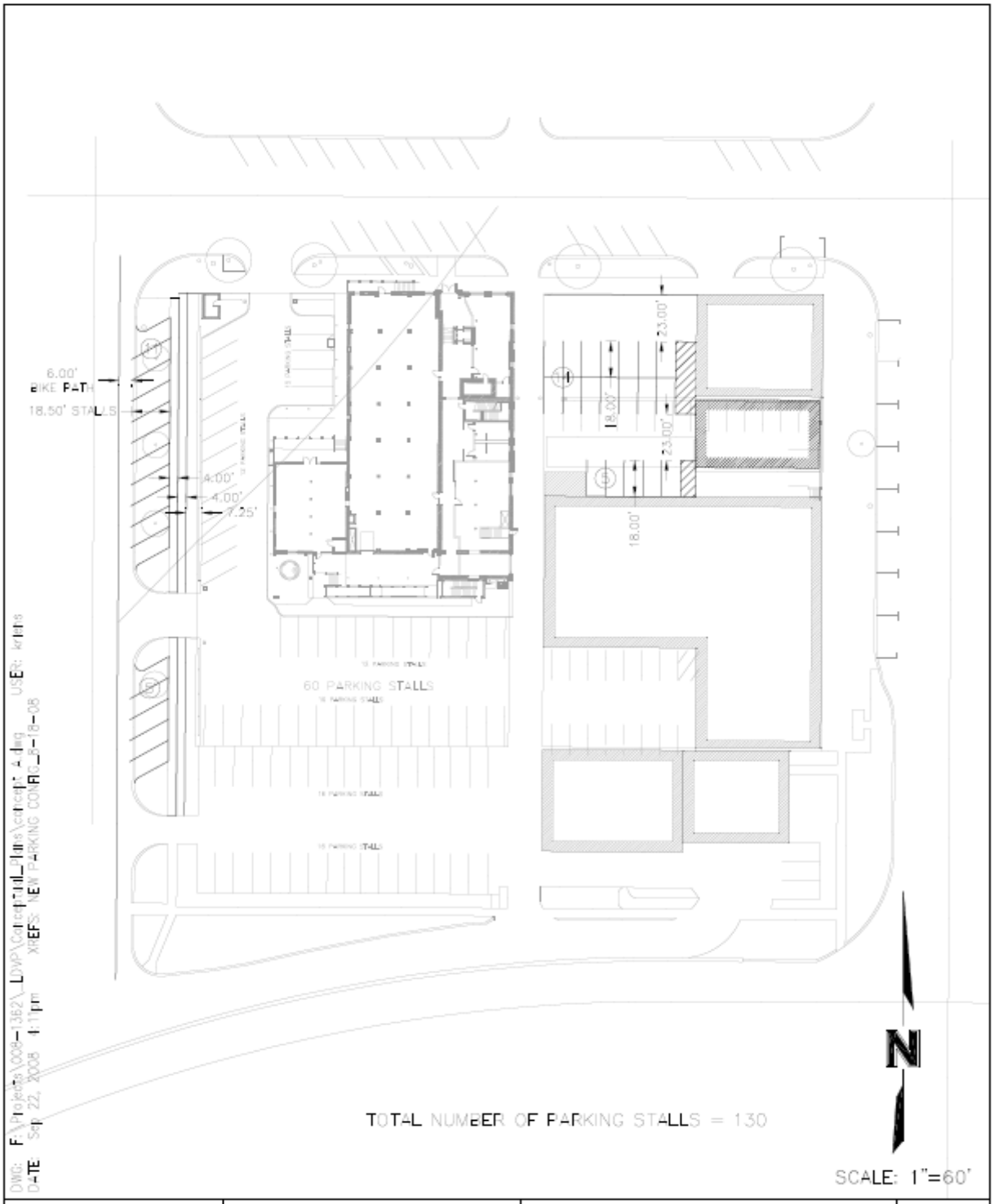


PARCEL AREAS

TIF PROJECT AREA

AREA NOT INCLUDED IN PROJECT

TIF PROJECT SITE AREA



PROJECT NO: 008-1362	EXHIBIT "A"	OLSSON ASSOCIATES 1111 Lincoln Mall, Suite 111 P.O. Box 84608 Lincoln, NE 68501-4608 TEL 402.474.6311 FAX 402.474.5160	EXHIBIT
DRAWN BY: KAR			1
DATE: 9/22/08			

Exhibit A.1

PARCEL AREAS

TIF PROJECT AREA

PROJECT PROPERTIES

F

Exhibit B.1

PROJECT AREA
OVER HEAD TO UNDER GROUND UTILITES
NEW TRANSFORMER

UTILITES
TO UNDERGROUND

F

Exhibit "C"

CITY OF LINCOLN SUPPORT FUNDING
DEVELOPER PURCHASED TIF BONDS
Tax Increment Finance Analysis

Project Name	**Block 85 - Color Court, Booth Fishery, Peanut Butter Factory**			
Project Location	8th and M St			

Tax Increment Financing Analysis

ITEM	**DESCRIPTION**	**AMOUNT**		
Base Value	Current Assessed Value	$	1,427,800.00	
Redeveloper		**$**	**8,108,630.53**	
Discount	Discounted (80%)	$	6,486,904.42	
Increment Value	New Assessed Value - Base Assessed Value	$	5,059,104.42	
Annual TIF Generated	Increment x 0.02009031 [2007 Tax Rate]	$	101,638.98	
Coverage Rate [Required by Lender for Mill Levy Risk]	Annual TIF Increment Generated / 1.1DSC for Mill Levy risk	$	92,399.07	
Bond Note Issues	Coverage Rate x 13 years @ 6.5% (first 2 yrs of loan is interest only)	$	809,503.99	
	Funds Available for Construction	$	809,503.99	
		TOTAL FUNDS AVAILABLE		**$ 809,503.99**

Project Name	**Block 85 - Airspace**			
Project Location	8th and M St			

Tax Increment Financing Analysis

ITEM	**DESCRIPTION**	**AMOUNT**		
Base Value	Current Assessed Value	$	34,470.00	
Air Space Construction Total		**$**	**1,000,000.00**	
Discount	Discounted (80%)	$	800,000.00	
Increment Value	New Assessed Value - Base Assessed Value	$	765,530.00	
Annual TIF Generated	Increment x 0.02009031 [2007 Tax Rate]	$	15,379.74	
Coverage Rate [Required by Lender for Mill Levy Risk]	Annual TIF Increment Generated / 1.1DSC for Mill Levy risk	$	13,981.58	
Bond Note Issues	Coverage Rate x 13 years @ 6.5% (first 2 yrs of loan is interest only)	$	122,491.98	
	Funds Available for Construction	$	122,491.98	
		TOTAL FUNDS AVAILABLE		**$ 122,491.98**

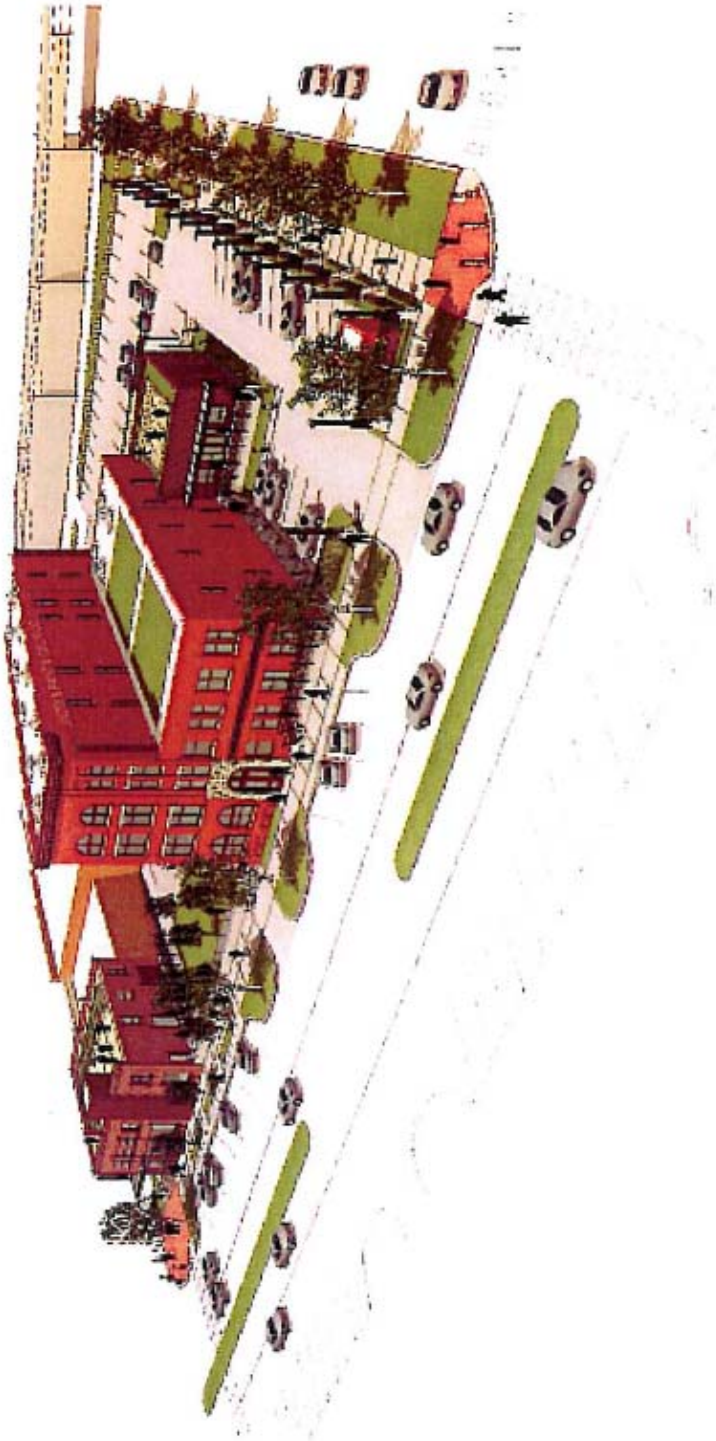
Sources of Funds

Redeveloper		**$**	**8,108,630.53**	
Airspace Project		**$**	**1,000,000.00**	
TIF Funds		**$**	**931,995.97**	
			GRAND TOTAL	**$ 10,040,626.50**

Uses of Funds

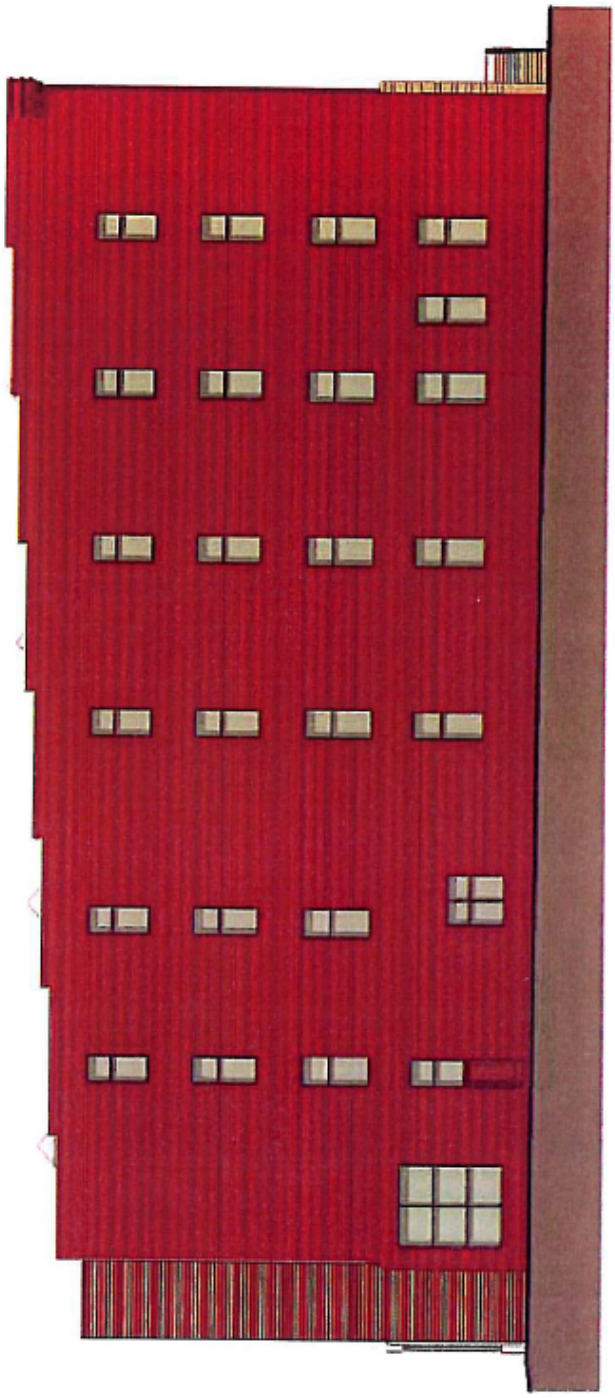
Redeveloper	Design and Construction	**$**	**8,108,630.53**	
Airspace Project	Design and Construction	**$**	**1,000,000.00**	
Public sector	Overhead utilities to underground utilities [Electrical, Data, Phone,CBTV]	$	200,000.00	
	New sanitary sewer drainage, water improvements, and alley improvement [grading, paving]	$	185,000.00	
	Site Preparation and Streetscape	$	425,000.00	
	West side street parking reconfiguration	$	121,000.00	
	TOTAL	**$**	**931,000.00**	
			TOTAL USES AVAILABLE	**$ 10,039,630.53**

Exhibit D



Block 85 Schematic Design

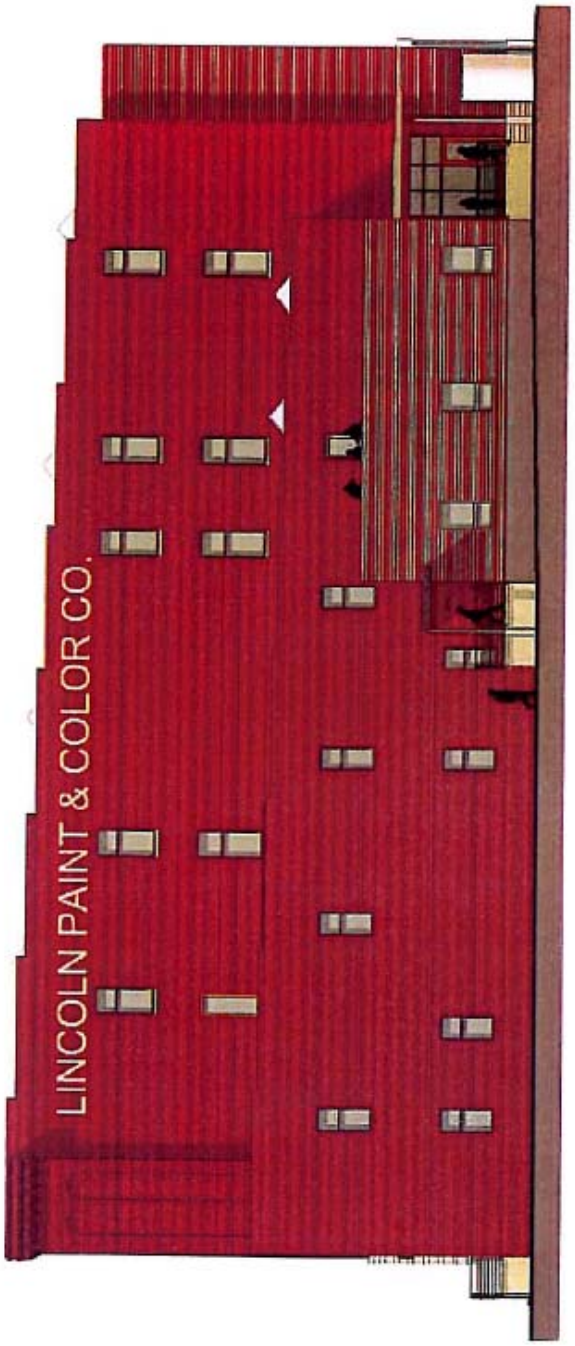
Exhibit D.1



EAST ELEVATION

Block 85 Schematic Design

Exhibit D.2



WEST ELEVATION

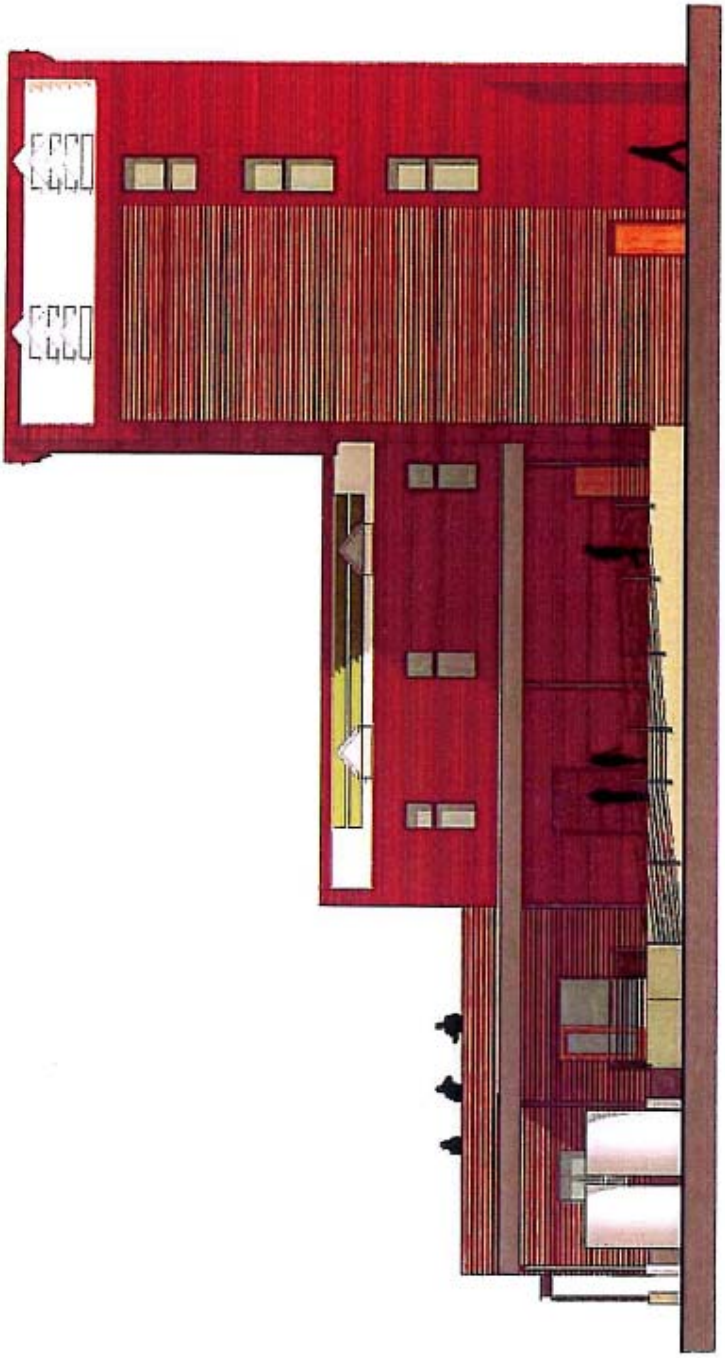
Block 85 Schematic Design

Exhibit D.3

NORTH ELEVATION

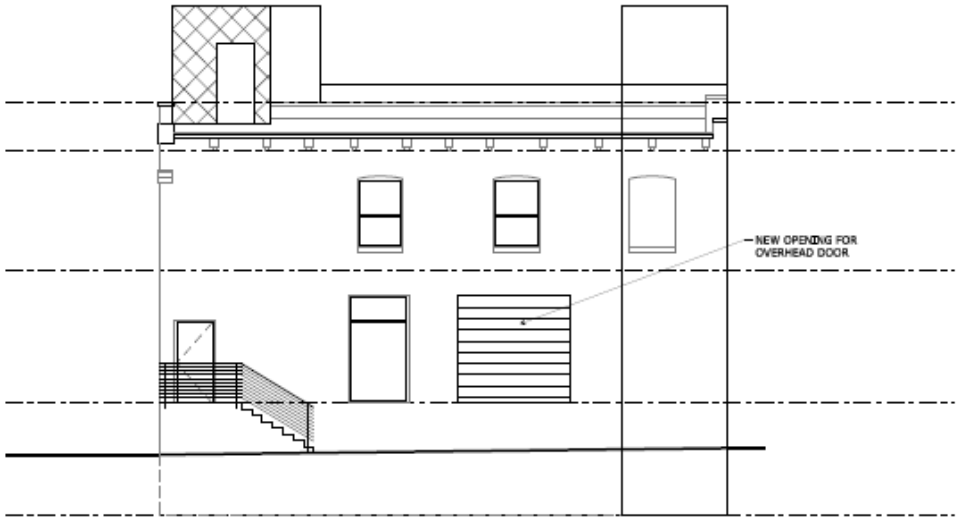
Block 85 Schematic Design

Exhibit D.4



SOUTH ELEVATION

Block 85 Schematic Design



H13 WEST ELEVATION

1/8" = 1'-0"

NOTE

CORE AND SHELL PACKAGE
BOOTH FISHERY - BLOCK 85
301 S. 9TH STREET
LINCOLN, NE

PROJECT: L08022 DATE: 23 September 2008

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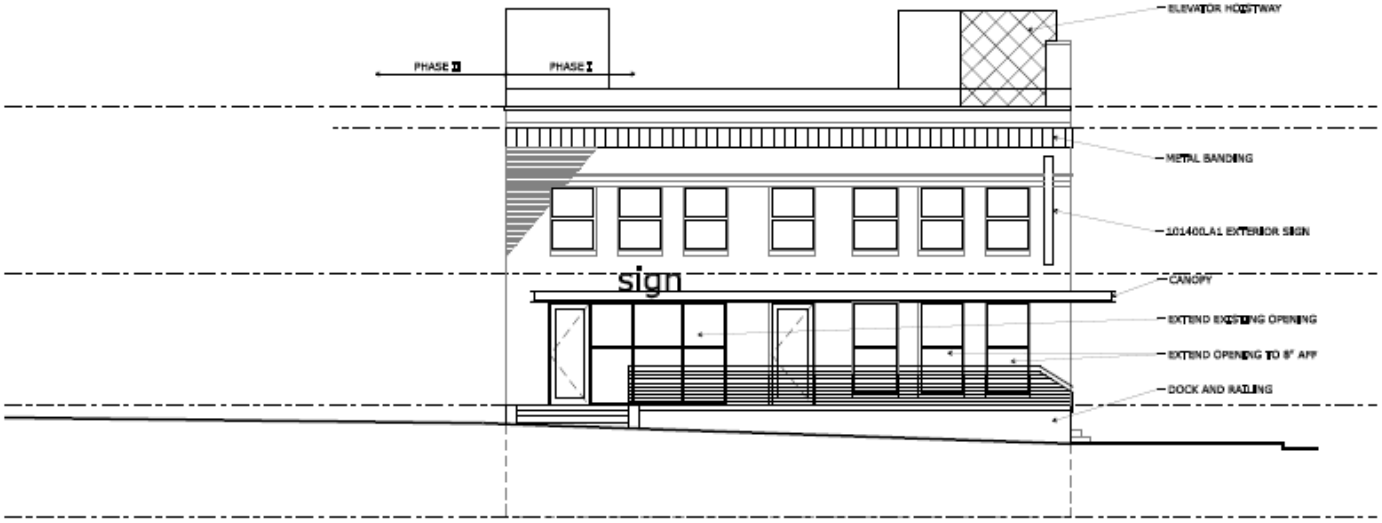

P1 EAST ELEVATION

1/8" = 1'-0"

NOTE

BVH ARCHITECTS

CORE AND SHELL PACKAGE
BOOTH FISHERY - BLOCK 85
301 S. 9TH STREET
LINCOLN, NE

PROJECT: L08022 DATE: 23 September 2008

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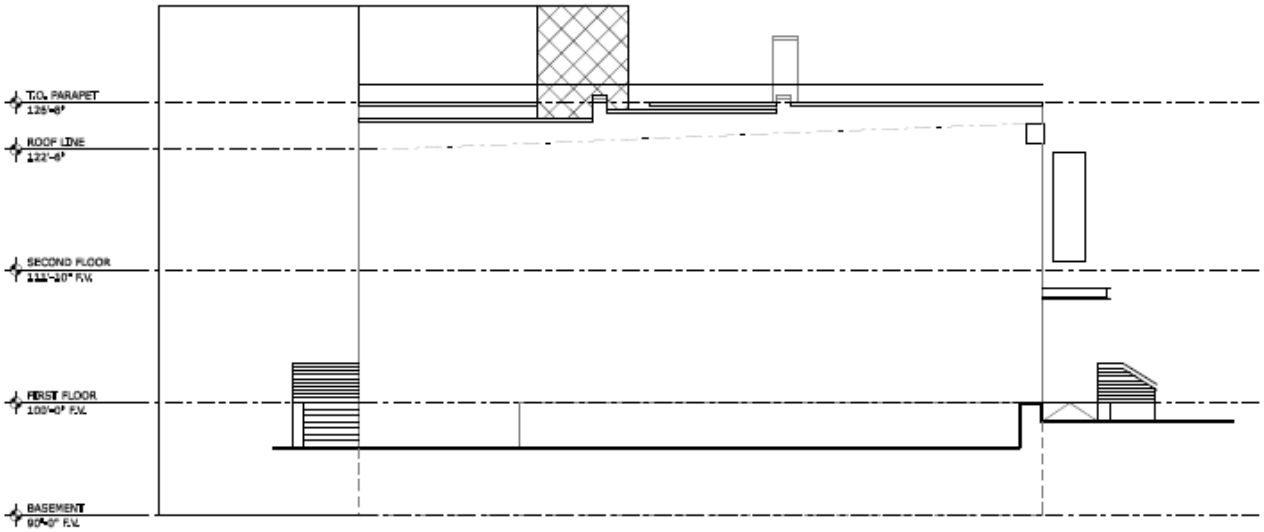

H1 SOUTH ELEVATION

1/8" = 1'-0" NOTE

CORE AND SHELL PACKAGE
BOOTH FISHERY - BLOCK 85
301 S. 9TH STREET
LINCOLN, NE

PROJECT: L08022 DATE: 23 September 2008

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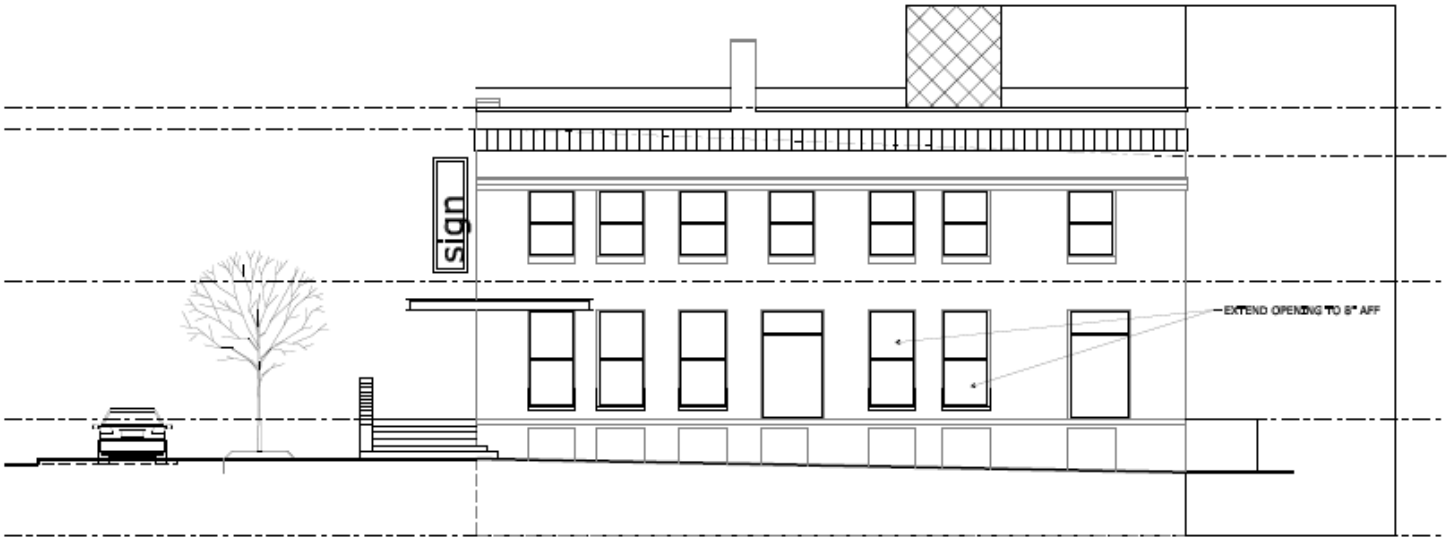

CORE AND SHELL PACKAGE
BOOTH FISHERY - BLOCK 8
301 S. 9TH STREET
LINCOLN, NE

PROJECT: L08022 DATE: 23 September 2008

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P13 NORTH ELEVATION

1/8" = 1'-0" NOTE

Exhibit "E-1"
HAYMARKET SOUTH, LLC

CERTIFICATE OF COMPLETION OF PRIVATE IMPROVEMENTS

KNOW ALL PEOPLE BY THESE PRESENTS: That the City of Lincoln, Nebraska, a Nebraska municipal corporation, hereinafter called "City", hereby makes the conclusive determination and certification that, with regard to the following real property situated in the City of Lincoln, Lancaster County, Nebraska, to wit ("HS Property"):

> **Lots Thirteen (13), Fourteen (14) and Fifteen (15), Block Eighty-Five (85), in the Original Plat of Lincoln, Lancaster County, Nebraska, together with all of the vacated East-West 16-foot alley adjacent thereto on the South; and the North 67.00 feet of Lot Eighteen (18), Block Eighty-Five (85), in the Original Plat of Lincoln, Lancaster County, Nebraska, and Lots One (1), Two (2) and Three (3), and the North 5.00 feet of Lot Four (4), in Lincoln Land Co.'s Subdivision of Lots Sixteen (16) and Seventeen (17), Block Eighty-Five (85), in the Original Plat of Lincoln, Lancaster County, Nebraska, together with the North 67.00 feet of the vacated North-South 10 foot alley lying between said lots.**

all the improvements required to be constructed upon the above-described HS Property have been satisfactorily completed in accordance with the requirements of the CITY OF LINCOLN REDEVELOPMENT AGREEMENT (Block 85 Redevelopment Project) ("Agreement") by and between the **CITY OF LINCOLN, NEBRASKA,** a municipal corporation in the State of Nebraska ("City"), **HAYMARKET SOUTH, LLC**, a Nebraska limited liability company ("HS"), **WRK, L.L.C.**, a Nebraska limited liability company ("WRK"), and **AIRSPACE LLC**, a Nebraska limited liability company ("Airspace"), said Agreement dated as of _____, 2008 and recorded as Instrument No._____, in the office of the Register of Deeds for Lancaster County, Nebraska.

The City further makes the conclusive determination that the Private Improvements (as defined in the Agreement) to the above-described HS Property are presently in conformance with

the Agreement.

IN WITNESS WHEREOF, the City and HS have executed this instrument this _____ day of _____, 200__.

CITY OF LINCOLN, NEBRASKA
a municipal corporation

ATTEST:

_____
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 _____, 200__, by Chris Beutler, Mayor of the City of Lincoln, Nebraska, a municipal corporation.

_____
Notary Public

"HS"

HAYMARKET SOUTH, LLC, a Nebraska limited liability company

By:
_____
Manager

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____day o f_____, 200_, _____, as Manager of the **Haymarket South, LLC**, a Nebraska limited liability company, on behalf of the limited liability company.

_____
Notary Public

Exhibit "E-2"
WRK, LLC

CERTIFICATE OF COMPLETION OF PRIVATE IMPROVEMENTS

KNOW ALL PEOPLE BY THESE PRESENTS: That the City of Lincoln, Nebraska, a Nebraska municipal corporation, hereinafter called "City", hereby makes the conclusive determination and certification that, with regard to the following real property situated in the City of Lincoln, Lancaster County, Nebraska, to wit ("WRK Property"):

> Lot One (1) and Lot Three (3), Airspace Addition, Block Eighty-Five (85, Original Plat, Lincoln, Lancaster County, Nebraska;

all the improvements required to be constructed upon the above-described WRK Property have been satisfactorily completed in accordance with the requirements of the CITY OF LINCOLN REDEVELOPMENT AGREEMENT **(**Block 85 Redevelopment Project**)** ("Agreement") by and between the **CITY OF LINCOLN, NEBRASKA,** a municipal corporation in the State of Nebraska ("City"), **HAYMARKET SOUTH, LLC**, a Nebraska limited liability company ("HS"), **WRK, L.L.C.**, a Nebraska limited liability company ("WRK"), and **AIRSPACE LLC**, a Nebraska limited liability company ("Airspace"), said Agreement dated as of _____, 2008 and recorded as Instrument No._____, in the office of the Register of Deeds for Lancaster County, Nebraska.

The City further makes the conclusive determination that the Private Improvements (as defined in the Agreement) to the above-described WRK Property are presently in conformance with the Agreement.

IN WITNESS WHEREOF, the City and HS have executed this instrument this _____ day of _____, 200__.

CITY OF LINCOLN, NEBRASKA
a municipal corporation

ATTEST:

_____
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 _____, 200__, by Chris Beutler, Mayor of the City of Lincoln, Nebraska, a municipal corporation.

_____
Notary Public

"WRK"

WRK, LLC, a Nebraska limited liability company

By:
_____
Manager

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____day o f_____, 2008, _____, as Manager of **WRK, LLC**, a Nebraska limited liability company, on behalf of the limited liability company.

_____
Notary Public

Exhibit "E-3"
AIRSPACE, LLC

CERTIFICATE OF COMPLETION OF PRIVATE IMPROVEMENTS

KNOW ALL PEOPLE BY THESE PRESENTS: That the City of Lincoln, Nebraska, a Nebraska municipal corporation, hereinafter called "City", hereby makes the conclusive determination and certification that, with regard to the following real property situated in the City of Lincoln, Lancaster County, Nebraska, to wit ("Airspace Property"):

> Lot Two (2), Airspace Addition, Block Eighty-Five (85, Original Plat, Lincoln, Lancaster County, Nebraska;

all the improvements required to be constructed upon the above-described Airspace Property have been satisfactorily completed in accordance with the requirements of the CITY OF LINCOLN REDEVELOPMENT AGREEMENT **(**Block 85 Redevelopment Project**)** ("Agreement") by and between the **CITY OF LINCOLN, NEBRASKA,** a municipal corporation in the State of Nebraska ("City"), **HAYMARKET SOUTH, LLC**, a Nebraska limited liability company ("HS"), **WRK, L.L.C.**, a Nebraska limited liability company ("WRK"), and **AIRSPACE LLC**, a Nebraska limited liability company ("Airspace"), said Agreement dated as of _____, 2008 and recorded as Instrument No._____, in the office of the Register of Deeds for Lancaster County, Nebraska.

The City further makes the conclusive determination that the Private Improvements (as defined in the Agreement) to the above-described Airspace Property are presently in conformance with the Agreement.

IN WITNESS WHEREOF, the City and HS have executed this instrument this _____ day of _____, 200__.

CITY OF LINCOLN, NEBRASKA
a municipal corporation

ATTEST:

_____
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 _____, 200__, by Chris Beutler, Mayor of the City of Lincoln, Nebraska, a municipal corporation.

_____
Notary Public

"Airspace"

AIRSPACE, LLC, a Nebraska limited liability company

By:
_____
Manager

STATE OF NEBRASKA)
)ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____day o f_____, 2008, _____, as Manager of **AIRSPACE LLC**, a Nebraska limited liability company, on behalf of the limited liability company.

_____
Notary Public