

14R-158

MOTION TO AMEND NO. 1

I hereby move to amend Bill No. 14R-158 by accepting the Redevelopment Agreement (Speedway Sporting Village) attached hereto as Attachment "A".

Introduced by:

Approved as to Form and Legality:

City Attorney

Requested by: Wynn Hjermstad, Urban Development

Reason for Request: The Redevelopment Agreement was omitted from last week's packet as it was not finalized in time for packet distribution.

**CITY OF LINCOLN
REDEVELOPMENT AGREEMENT
(SPEEDWAY SPORTING VILLAGE)**

THIS REDEVELOPMENT AGREEMENT is entered into between the **CITY OF LINCOLN, NEBRASKA**, a municipal corporation in the State of Nebraska (“City), and **B & J PARTNERSHIP, LTD.**, a Nebraska limited partnership, and its successors and assigns (“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 Van Dorn West 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 includes the Speedway Sporting Village Redevelopment Project (“Redevelopment Project”). The Redevelopment Project calls for the City to support a project within the Redevelopment Project Area consisting of construction of a number of new

sports and retail facilities. The Redevelopment Project Area (hereinafter "Project Area") is shown on Exhibit "A" and consists of approximately 55.5 acres on real estate owned by Redeveloper, as more particularly described on Exhibit "A", together with the abutting street rights-of-way: Speedway Circle and Park Boulevard on the north and west.

C. Redeveloper is willing to enter into this Agreement and through a minimum private investment of approximately \$25,400,000.00 to redevelop the Project Area by performing site preparation work (collectively "Site Preparation"), installing private roadways, including sidewalks and lighting along said private roadways, (hereinafter "Private Roadways"), reconstructing and/or improving Speedway Circle and the storm sewer system located therein, reconfiguring and constructing Park Boulevard, installing public water and wastewater facilities throughout the Project Area, constructing a Trailhead connected with the Salt Creek Levee trail, and constructing a trail connection with the Jamaica trail (collectively "Public Improvements"), paving parking stalls beyond the number required by the Lincoln Municipal Code requirements and installation of energy enhancements (collectively the "Public Enhancements"), constructing three indoor sports/entertainment facilities with an approximate combined area of 160,000 square feet, ten (10) outdoor playing fields, including at least one (1) artificial turf field, and retail facilities with an approximate area of 30,000 square feet (collectively the "Private Improvements") in the Project Area. The Site Preparation, Private Roadways, Public Utilities, Public Improvements and the Private Improvements are collectively referred to as the "Redeveloper Project Improvements." The Redeveloper Project Improvements will consist of construction of the Public Improvements and Private Improvements in two phases, as provided in Article II. The Project Area and Redeveloper Project Improvements are shown on the Site Plan attached hereto as Exhibit "B". The costs of the Redeveloper Project Improvements are

collectively known as the “Redeveloper Project Costs” and are summarized on the Sources and Uses of Funds in Exhibit “C” which is attached hereto.

D. *Neb. Rev. Stat. § 18-2103(12)* (Reissue 2012) authorizes the City to carry out plans for redevelopment of blighted and substandard areas in connection with redevelopment of the Project Area and to pay for the same from TIF Bond Proceeds (as defined herein).

E. *Neb. Rev. Stat. § 18-2107* (Reissue 2012) 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.

F. 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 a grant or grants to the Redeveloper to be used to reimburse the Redeveloper for the cost to complete the Site Preparation and construct the Private Streets and Public Improvements to the extent identified in the Sources and Uses of Funds in Exhibit “C”. The Public Improvements shall be constructed by the Redeveloper through the City’s executive order construction process as described in Section 202 B. 3. below. The City and Redeveloper agree that such assistance is deemed essential to the preparation of the Project Area for the Speedway Sporting Village.

G. The City shall support the above described redevelopment of the Redeveloper Property in accordance with the Speedway Sporting Village Redevelopment Project; provided that, Redeveloper is willing to restrict the use of the Redeveloper Property to certain use restrictions as provided in Section 303 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 as provided in Section 202 A.6.; and further

provided that, Redeveloper is willing to restrict the use of the grants provided hereunder for the sole purpose of Site Preparation, Private Streets, and Public Improvements as contractually described herein.

H. The Redevelopment Plan contains a provision dividing any ad valorem tax levied upon real property in the Project Area, 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 as provided for in *Neb. Rev. Stat.* § 18-2147 et seq. Said provision is hereinafter referred to as the “Ad Valorem Tax Provision.”

I. *Neb. Rev. Stat.* § 18-2107 (Reissue 2012) and § 18-2150 (Reissue 2012) authorize the City to provide grants to private parties in order to accomplish rehabilitation or redevelopment of the Project Area in accordance with the Redevelopment Plan. In order to make a grant or grants to the Redeveloper, the City intends to issue tax increment financing indebtedness instrument or instruments in tax exempt and/or taxable series (collectively “TIF Bond”) to be repaid with the tax increment revenues generated under the Ad Valorem Tax Provision (“TIF Tax Revenues”).

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

K. The City and Redeveloper mutually agree that the redevelopment of the Project Area 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:

ARTICLE I. EVIDENCE OF REDEVELOPER'S ABILITY

101. Evidence of Financial Ability of Redeveloper. The Redeveloper shall within sixty (60) days of the execution of this Agreement provide to the City on a confidential and privileged basis evidence of availability of the specific amount of finances necessary for purposes of carrying out the commitment of the Redeveloper in connection with redevelopment of the Project Area. Such information shall state the amount of loan commitments and source of liquid assets on hand or immediately available to the Redeveloper for design and construction of the Redeveloper Project Improvements. Such information shall be provided in a form satisfactory to the Finance Director of the City.

102. Evidence of Redeveloper's Ability to Timely Commence Construction of the Private Improvements. Redeveloper shall, within sixty (60) days of execution of this Agreement by the City, provide satisfactory documentation to the City that Redeveloper has entered into a construction contract and is ready, willing, and able to timely commence and complete construction of the Redeveloper Project Improvements for Phase I as provided in Section 202 A.4. below.

103. Timely Submittal of Evidence. Timely submittal of financial information required in Section 101 above and the construction contract in Section 102 above shall be a condition precedent to the requirement of the City to proceed with its obligations under this Agreement.

ARTICLE II. REDEVELOPER OBLIGATIONS

201. Approval of Redevelopment Project Improvements.

A. Preliminary Plans for Private Improvements. Redeveloper has prepared preliminary design plans and specifications (hereinafter “Preliminary Plans”) for the Private Improvements to be constructed pursuant to this Agreement which are shown on Exhibit “D”. The City shall approve or reject the Preliminary Plans within fourteen (14) days after approval of this Agreement. If the City does not provide its approval or rejection of the Preliminary Plans to Redeveloper within said fourteen (14) day period, the Preliminary Plans shall be deemed approved.

B. Construction Documents. The Redeveloper shall prepare or cause to be prepared, at Redeveloper’s expense, detailed final construction plans and specifications for the Redevelopment Project Improvements (hereinafter “Construction Documents”). Redeveloper shall submit such Construction Documents to the City for review and approval. The City shall so approve or reject the Construction Documents for the Redevelopment Project Improvements within fourteen (14) days after receipt thereof. Unless otherwise provided herein, the Private Streets and Public Improvements shall be designed in accordance with the City’s Standard Specifications and shall be submitted to the Director of Public Works and Utilities Department for review and approval. The Site Preparation and Private Streets shall be competitively bid and contracts awarded to the lowest responsible bidder in accordance with City requirements. The Public Improvements shall be implemented pursuant to the executive order construction process. The Redeveloper, at its expense, shall pay for construction inspection, staking, and testing of the Public Improvements as part of the construction and inspection process.

C. Approvals. The Preliminary Plans and Construction Documents shall be reviewed by the City and approved only if they are prepared from and in substantial conformance with the applicable design standards, Planned Unit Development, and the provisions of this Agreement. If the City rejects the applicable plans, the City shall deliver to Redeveloper notice thereof accompanied by an explanation of the reasons for such rejection. If rejected, Redeveloper shall work with the architect or engineer to submit corrected Preliminary Plans and Construction Documents, as applicable, within fourteen (14) days after the date of receiving the written rejection notice. Resubmitted Preliminary Plans and Construction Documents shall be approved as provided above for original submittals.

D. Approval Limitation. None of the approvals listed in subsections A, B, or C of Section 201 of this Agreement apply to the building permit review process. Nothing in said subsections is a substitute for and does not eliminate the requirement that the Redeveloper apply for and receive any and all necessary building permits for construction of the Redevelopment Project Improvements.

202. Construction/Installation of Redeveloper Project Improvements.

A. Private Improvements.

1. Construction of Private Improvements. The Redeveloper shall, through an anticipated hard construction cost minimum investment of \$25,400,000, at its own cost and expense construct the Private Improvements. The Private Improvements for Phase I of the Redevelopment Project shall consist of constructing three indoor sports/entertainment facilities with an approximate combined area of 160,000 square feet, and ten (10) outdoor playing fields, including at least one (1) artificial turf field. The Private Improvements for Phase II of the Redevelopment Project shall consist of retail facilities with an approximate area of 30,000 square

feet. The Site Preparation portion of the Private Improvements shall be competitively bid and contracts awarded to the lowest responsible bidder in accordance with City requirements. The Project Area is located in a floodplain. Pursuant to the City's policy of requiring a no net rise for projects in a floodplain funded by TIF, the Site Improvements shall be designed and constructed to the extent practicable to achieve the City's no net rise policy.

All Private Improvements shall be constructed in compliance with all applicable local, state, and federal building and construction laws and codes. Redeveloper agrees to secure and maintain all permits and licenses necessary for its use of the Redeveloper Property including, but not limited to, necessary building permits and inspections.

2. Commencement/Completion of Private Improvements. Redeveloper agrees to use commercially reasonable efforts to substantially complete construction of the Private Improvements as provided for in Section 202 A.4. below and to pay or cause to be paid in a timely manner each person, as defined in Neb. Rev. Stat. §49-801, that performed labor or furnished materials, equipment or supplies used in the prosecution of the Private Improvements. Such payment shall be made promptly after completion of the Private Improvements and submission of all final and unconditional lien waivers and in accordance with all the provisions of this Agreement relating to the obligations of Redeveloper to construct the Private Improvements. Failure to construct a specific element of Private Improvements due to a failure to obtain a necessary easement, license, permit or authorization in form and substance reasonably satisfactory to the Redeveloper and its counsel shall not be considered an item of default. Developer and the City shall agree on a reasonable alternative to such element of the Private Improvements.

3. Private Improvements Permits and Approvals. Redeveloper agrees to secure all permits and licenses necessary for construction of the Private Improvements and its intended use of the Redeveloper Property including, but not limited to, necessary building permits and inspections.

4. Commencement and Completion Deadline for Private Improvements. The Redeveloper shall use its best efforts to commence construction of the Private Improvements within ninety (90) days following Redeveloper's submission of satisfactory documentation under Section 102 above that the Redeveloper has entered into a construction contract for construction of the Private Improvements and shall use its best efforts to substantially complete the Private Improvements for Phase I by June 30, 2015, and the Private Improvements for Phase II by September 30, 2017.

5. Certificate of Completion. Promptly after final completion of the Private Improvements in accordance with all the provisions of this Agreement relating to the obligations of Redeveloper to construct the Private Improvements and promptly after the Redeveloper provides the City the proper documentation that each person, as defined in Neb. Rev. Stat. §49-801, that performed labor or furnished materials, equipment or supplies used in the prosecution of the Private Improvements have been properly paid, the City shall upon request by the Redeveloper furnish a Certificate of Completion of Private Improvements, the form of which is shown on Exhibit "E". 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 to construct the Private Improvements. The Certificate of Completion of Private Improvements shall be recorded by the Redeveloper at its own cost and expense 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, the City shall, within fifteen (15) days after written request by Redeveloper, provide Redeveloper with a written statement indicating in what respect Redeveloper has failed to complete the Private Improvements subject to 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 to take or perform in order to obtain such certification.

6. Duty to Maintain Private Improvements. Redeveloper at its own cost and expense shall, following construction of the Private Improvements, keep the same in a safe and sanitary condition and shall take all necessary action reasonably necessary to (a) maintain, in good order and condition and state of repair, all interior and exterior portions of the accessory buildings including the routine and reasonable preventive maintenance of the buildings and their service facilities such as the wiring, plumbing, heating and air conditioning systems, interior insect treatment, and all glass including plate glass, exterior doors, and automatic doors, (b) maintain in good condition the playing fields including the routine and reasonable maintenance of the turf as well as any lighting and irrigation facilities connected thereto, and (c) maintain the grounds in a safe and sanitary condition including but not limited to sweeping and removal of trash, litter, and refuse; repair and replacement of paving as reasonably necessary; maintenance of landscaped areas; removal of snow and ice from sidewalks, driveways, and parking areas, in order to keep the same free from dilapidation or deterioration and free from conditions which endanger life or property by fire or other causes.

B. Public Improvements and Private Streets.

1. Public Improvements. As part of the Redeveloper Public Improvements, Redeveloper shall design and construct the following Public Improvements in the Project Area for each of the respective phases of the Redevelopment Project:

Public Improvements for Phase I of the Redevelopment Project:

- a. Drainage and lighting to Speedway Circle and the storm sewer located in the right of way in which it is constructed
- b. Public water main facilities necessary to serve the Private Improvements proposed to be installed in the Project Area within a public utility easement;
- c. Public sanitary sewer facilities to serve the Private Improvements proposed to be installed in the Project Area within a public utility easement; and
- d. A trailhead containing no less than fifteen (15) parking spaces and providing immediate access to the Salt Creek Levee Trail near the northwest corner of the Project Area.

Public Improvements for Phase II of the Redevelopment Project:

- a. Reconfiguration and construction of Park Boulevard and improvements associated therewith immediately south of Van Dorn Street; and
- b. Demolition, grading, and paving to Speedway Circle.

The location of the Public Improvements is shown generally on Exhibit "F", and the general location depicted therein is approved by the City. This approval, however, is not a substitute for the Executive Order construction process through which these improvements are required to be approved and constructed.

2. Construction. Redeveloper, at its own cost and expense, subject to reimbursement as provided in Section 403 below shall (1) design or cause the Public Improvements to be designed in accordance with the City's Standard Specifications, (2) submit or cause final construction documents to be submitted to the Director of the Public Works and Utilities Department as well as the Director of the Parks and Recreation Department, where applicable, for review and approval, (3) install and construct or cause the Public Improvements to be competitively bid, installed and constructed pursuant to the City's executive order construction process, and (4) pay for or cause to be paid construction inspection, staking and testing of the Public Improvements as part of the construction and inspection process.

3. Private Roadway System. As part of the Redeveloper Project Improvements, Redeveloper shall design and construct a private roadway system as illustrated in Exhibit "G", subject to approval by the City, which shall be subject to a public access easement, serving the Redevelopment Project Area. The system shall include sidewalks and street lighting as required by the conditions of the Planned Unit Development which encompasses the Project Area. The Private Streets shall be constructed by Redeveloper at its own cost and expense subject to reimbursement as provided in Section 403 below. Redeveloper shall submit or cause final construction documents for the Private Streets to be submitted to the Director of the Public Works and Utilities Department for review and approval. Further, Redeveloper shall cause the Private Streets to be competitively bid and awarded to the lowest responsible bidder according to City requirements.

4. Construction Easement. Redeveloper will grant or convey to the City without additional consideration all necessary permanent and/or temporary construction

easements (if any) on, over or across the Redeveloper Property required to construct any of the Public Improvements.

D. Public Enhancements.

1. Parking Lot. For each phase of the Redevelopment Project, Redeveloper shall permanently pave no less than the following number of parking stalls more than the number of parking stalls required to be installed for the Private Improvements built pursuant to this Agreement as part of the Planned Unit Development in which the Project Area is located.

a. Phase I: Two hundred fourteen (214) parking stalls; and

b. Phase II: One hundred ninety eight (198) parking stalls.

The additional parking shall meet all applicable City of Lincoln design standards except as waived in the Planned Unit Development.

2. Energy Enhancements. Redeveloper shall install Energy Enhancements including, but not limited to, energy efficient roof materials, mechanical unit placements, skylights and electrical fixtures which use LED lighting and have reduced energy usage. Payment of TIF funds to reimburse the Redeveloper for the cost of Energy Enhancements shall occur only after Redeveloper provides a timely certification from the project's architect or engineer to the City that Energy Enhancements have been included in the design, construction, and/or operation of the project. Such certification shall include, at a minimum, a description of the Energy Enhancements included and the amount or percentage of estimated energy savings to be realized from the energy enhancements compared to a similar building constructed according to minimum standards found in the existing building code. The Redeveloper may provide, in lieu of this certification and without further verification, a timely certification from the project

engineer that the project was designed, constructed, will be maintained by the Redeveloper to meet elements of any one or more of the following building design, construction, and operation standards:

- * A rating certified on the USGBC LEED rating system;
- * An EPA Energy Star building rating
- * The International Green Construction Code of 2012.

203. Cost Certification. The Redeveloper shall submit a reimbursement request, accompanied by a certificate from the Redeveloper's architect or engineer that the reimbursable work has been completed in accordance with the Contract Documents, to the City for reimbursement from the Project Account, of any reimbursable expenses related to construction of the Redeveloper Project Improvements. The Redeveloper shall timely submit receipts, invoices, or proof of payment concurrently with the request for reimbursement of such Redeveloper Project 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 reimbursement made by Redeveloper that are consistent with this Agreement. If the applicable reimbursement proceeds are held in the City Project Account, the reimbursement payment by the City to Redeveloper shall be made within fifteen (15) days after approval by the City. If the reimbursement proceeds are held in the Lender Project Account, the reimbursement payment shall be made by the Lender.

204. Construction Administration. Redeveloper shall be responsible on a pay-as-you-go basis for all components of the Redeveloper Project Improvements, including construction management, coordination of contractors and regulatory permitting and other requirements. Subject to reimbursement as provided for in Section 403 below, the Redeveloper

will be solely responsible for payment of all construction cost attributable to the Redeveloper Project Improvements

ARTICLE III. SECURITY AND RESTRICTIONS

301. Bonds.

A. Penal Bond – Redeveloper Public Improvements. Pursuant to *Neb. Rev. Stat.* §§ 18-2151 and 52-141, Redeveloper shall furnish or cause to be furnished to the City, prior to commencement of construction of the Public Improvements through the City’s executive order construction process, a penal bond in the amount of the contract sum for such improvements with a corporate surety authorized to do business in the State of Nebraska. The form of the penal bond is attached hereto as Exhibit “H”.

B. Payment and Performance Bond – Private Improvements. Prior to commencing construction of the Private Improvements, Redeveloper shall submit proof to the City that Redeveloper’s general contractor has furnished Redeveloper with a construction performance and construction payment bond in a sum not less than the contract sum for the Private Improvements, including the contract sum for the Site Preparation and Public Enhancements. Such bonds shall be conditioned upon the Redeveloper at all times making payment of all amounts lawfully due to each person, as defined in *Neb. Rev. Stat.* §49-801, that performed labor or furnished materials, equipment or supplies used in the prosecution of the Private Improvements.

C. Disbursement Agreement. The City shall accept in lieu of the requirement in Section 301.B above a fully executed Disbursement Agreement in the form attached hereto as Exhibit “I” and a Redeveloper cash deposit for the purposes set forth in Section 301.A and 301.B

to be held by the City in the amount of \$10,000. The cash deposit shall be refunded upon issuance of the Certificate of Completion for the Redeveloper Project Improvements.

302. Indemnification. Redeveloper agrees to indemnify and hold City harmless to the extent of any payments in connection with carrying out construction of the Redeveloper Project Improvements the City may be required to make for failure of Redeveloper or its contractor to make payments of all amounts lawfully due to each person, as defined in Neb. Rev. Stat. §49-801, that performed labor or furnished materials, equipment or supplies used in prosecution of the Redeveloper Project Improvements.

303. Development and Use Restrictions. Redeveloper agrees that during the Tax Increment Period no portion of the Redeveloper Property shall be used for any of the following uses and practices:

a. Any other use or practice, except those approved in this Agreement, that would adversely impact the flood storage capacity of the Redeveloper Property;

b. Any business whose predominant operation is the retail sale of tobacco products, (predominant means retail gross sales of tobacco products, including mixed products, in excess of 50% of gross sales on the premises) or any such business that has an unreasonable pattern of unlawful disturbances or tobacco law violations (does not include pharmacies, convenience stores, or grocery stores);

c. Any business operated or held out to the public as a sexually oriented business including any business engaged in sexually oriented entertainment or materials such as: sexually oriented shows, movies, pictures,

exhibitions, performance, demonstration, film, video, book, or other depictions of a sexually explicit nature; sexually oriented live entertainment or exotic dance; sex toys or sexually oriented paraphernalia; sexually oriented telecommunication, internet, or similar service; sexually oriented massage parlor, or escort service;

d. Any ground floor use by a business for which a majority of its ground floor area displays adult-oriented products;

e. Any business involving gambling or wagering even if otherwise permitted by law including, but not limited to 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.

ARTICLE IV. TIF TAX AGREEMENT

401. Grant of Funds from TIF Bond Proceeds. In order to support redevelopment of the Project Area and as an inducement for the Redeveloper to construct the Redeveloper 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 (defined below) and receipt of proceeds from the sale thereof (“TIF Bond Proceeds”) as shown in Exhibit “C”, to make a grant or grants to Redeveloper to reimburse as provided in Section 403 below for the Site Preparation, Private Streets, and Public Improvements in a maximum amount not to exceed the total amount of TIF Bond Proceeds remaining after (1) reimbursing the City for the City’s cost to issue the TIF Bond; and (2) reimbursing the City for the City’s cost to record the Memorandum of Redevelopment Agreement and Use Restrictions. Redeveloper shall submit authentic and satisfactory documentation to the City to verify the grant was expended on TIF eligible Redeveloper Project Costs. Any ineligible use of the grant shall immediately be repaid to the City.

402. TIF.

A. Issuance of TIF Indebtedness. Not earlier than thirty (30) days following the later date of the approval and execution of this Redevelopment Agreement or the date the issuance of the TIF Bond (defined below) has been authorized, which date is after the remonstrative period in Neb. Rev. Stat § 18-2142.01 or as soon thereafter as is practicable, the City shall issue TIF Indebtedness (“TIF Bond”) in the sum of \$ \$4,700,000.00 to be purchased by the Redeveloper or Redeveloper’s Lender (“TIF Bond Purchaser”) and receive TIF Proceeds from the TIF Bond Purchaser to be deposited into a City or Lender fund account (the “Project Account”) for payment of the City’s TIF Bond cost of issuance and reimbursement of the items as set forth in Section 403 below. The total dollar amount of the TIF Bond is the estimated amount of the tax increment to be generated on the Redeveloper Property and Private Improvements based upon an estimated taxable valuation of \$19,500,000 after completion of the Private Improvements.

B. Authority of City Finance Director. Subject to the terms of this Redevelopment Agreement, the City Finance Director on behalf of the City shall make all necessary arrangements regarding timing of issuance of the TIF Indebtedness and all other details of the TIF Indebtedness, TIF Bond, TIF Tax Revenues, Project Account and Grant of Funds to reimburse Redeveloper for eligible costs regarding Site Acquisition, Site Improvements, Public Enhancements, and Redeveloper Public Improvements. All such arrangements made by the Finance Director shall be subject to approval of the Mayor.

403. Use of TIF Bond Proceeds. TIF Bond Proceeds shall be used for and expended in the following priority for each phase of the Redevelopment Project:

PHASE I.

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, recording fees, capitalized interest, and reserves.

SECOND PRIORITY: Reimburse the City for the cost of recording the Memorandum of Redevelopment Agreement and Use Restrictions.

THIRD PRIORITY: Reimburse the Developer for construction of the following Public Improvements identified in this Agreement except for the Trailhead for the Salt Creek Levee Trail described above:

1. Drainage and lighting to Speedway Circle and the storm sewer located in the right of way in which it is constructed;
2. Public water main facilities necessary to serve the Private Improvements proposed to be installed in the Project Area within a public utility easement; and
- 3.. Public sanitary sewer facilities to serve the Private Improvements proposed to be installed in the Project Area within a public utility easement

FOURTH PRIORITY: Reimburse the Redeveloper for construction of the Private Streets as identified in this Agreement.

FIFTH PRIORITY: Reimburse the Redeveloper for construction of the Trailhead for the Salt Creek Levee Trail as identified in this Agreement.

SIXTH PRIORITY: Reimburse the Redeveloper for costs associated with Site Preparation for the Private Improvements to be constructed in the Project Area.

SEVENTH PRIORITY: Reimburse the Redeveloper for costs associated with construction and installation of the Public Enhancements to be constructed in the Project Area for Phase I of the Redevelopment Project.

PHASE II.

FIRST PRIORITY: Reimburse the Redeveloper for construction of the following Public Improvements:

1. Reconfiguration and construction of Park Boulevard and improvements associated therewith immediately south of Van Dorn Street; and
2. Demolition, grading, and paving to Speedway Circle.

SECOND PRIORITY: Reimburse the Redeveloper for costs associated with construction and installation of the Public Enhancements to be constructed in the Project Area for Phase II of the Redevelopment Project.

THIRD PRIORITY: Reimburse the Redeveloper for costs associated with construction and installation of any reimbursable costs of Phase I not reimbursed from Phase I TIF Bond proceeds due to insufficient proceeds being available.

Only Public Improvements, Private Streets, Site Preparation, and Public Enhancements costs incurred after the date of this Agreement shall be eligible for reimbursement as Third Priority, Fourth Priority, Fifth Priority, Sixth Priority and Seventh Priority items for Phase I of the Redevelopment Project, and Second Priority and Third Priority for Phase II of the Redevelopment Project.

The City shall not have any obligation to make a grant or grants to reimburse the Redeveloper for the, Redeveloper Public Improvements, Site Acquisition, Site Preparation, and/or Public Enhancements in excess of the available TIF Bond Proceeds as described above.

Redeveloper shall use its own funds to fund any Fourth, Fifth, Sixth, and Seventh Priority costs for Phase I and First, Second and Third Priority Costs for Phase II that exceed the TIF Bond Proceeds that are lawfully available and granted to the Redeveloper hereunder. The funds granted to Redeveloper are restricted and earmarked solely for the reimbursement of the Issuance Costs, eligible Public Improvements, Private Streets, Public Enhancements, Salt Creek Levee Trail and Site Preparation as described herein, and the Redeveloper does not have discretionary judgment over the applications of said grant funds.

404. Valuation of the Redeveloper Property. 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 Development Act which will be attributable to the redevelopment contemplated under this Agreement. The TIF Tax Revenues which are to be used to pay debt service on the TIF Indebtedness from the sale of the TIF Bond will be derived from the increased valuation from redeveloping the Redeveloper Property as provided in this Agreement. Redeveloper agrees not to contest any taxable valuation assessed for the Redeveloper Property and Private Improvements thereon which do not exceed \$16,500,000 prior to completion of Redeveloper Project Improvements for Phase II, and which do not exceed \$19,500,000 upon completion of Redeveloper Project Improvements for Phase II commencing tax year 2015 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.

405. 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 purchaser of the TIF Bond (“TIF Bond Purchaser”) the principal of the TIF Indebtedness with interest as provided in the TIF Bond Ordinance at a rate not to exceed seven percent (7%) 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. Any excess TIF Tax Revenues resulting from the Tax Increment Provision on the Redeveloper Property 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 Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of such Redeveloper Property, shall be borne entirely by the Redeveloper and TIF Bond Purchaser without recourse of any kind against the City.

406. Tax Increment Deficiency on Redeveloper Purchased TIF Bond.

A. Redeveloper Purchased TIF Bond. If the Redeveloper purchases the TIF Bond, any shortfall in the annual TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Redeveloper Property, shall be borne entirely by the Redeveloper without recourse of any kind against the City. To the extent of any deficiency in annual 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 annual 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 annual TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Redeveloper Property, shall be borne entirely by the Redeveloper and TIF Bond Purchaser without recourse of any kind against the City. To the extent of any deficiency in annual 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 annual TIF Tax Revenues do become available from the Ad Valorem Provisions to meet current debt service and reimburse Redeveloper for such deficiency payments.

C. Adjustments for any Payments of Tax Increment Deficiency. If Redeveloper makes one or more payments to cover a deficiency in the required debt service payments on the TIF Bond as provided in paragraph A and paragraph B of this Section 406, the City shall maintain a record of the aggregate amount of said payments, which shall include interest (at the same interest rate of the then outstanding TIF Bond) ("Redeveloper's Aggregate Deficiency Payments"). If the TIF Tax Revenues from the Tax Increment Provision for any year exceeds the amount necessary to meet current debt service on the TIF Indebtedness, then the excess TIF Tax Revenues shall be paid to Redeveloper and deducted from the Redeveloper's Aggregate

Deficiency Payments until Redeveloper's Aggregate Deficiency Payments have been fully reimbursed.

407. Reimbursement of TIF Funded Grants. Subject to Section 701 below, Redeveloper agrees to repay the City the grant or grants of funds provided for in Section 401 above in the event Redeveloper fails to substantially complete the Redeveloper's Private Improvements as provided in Section 202 and, upon such repayment of the of the grant funds, this Agreement shall be null and void in regards to the Redeveloper and the Redeveloper Property.

Subject to Section 701 below, in the event the Redeveloper fails to maintain the Redeveloper's Private Improvements as provided in Section 202 above, then the Redeveloper shall reimburse the City the proportionate share (1/15) of the grant funds provided for in Section 401 above for the year the Redeveloper fails to maintain the Private Improvements.

408. Restriction on Transfer. Redeveloper 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 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.

409. Damage or Destruction of Private Improvements.

A. Construction Period. 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 use its good faith efforts to commence restoration of the Private Improvements to its prior condition within nine (9) months from the date of the damage or destruction, and shall diligently pursue the same to completion.

B. Tax Increment Period. During the tax increment period, Redeveloper shall include by restrictive covenant an enforceable obligation on the Redeveloper or other owner or tenant in possession to maintain property insurance on an extended coverage all-risk basis in an amount not less than the replacement value, allowing for reasonable coinsurance clauses and deductibles and also subject to the Redeveloper or other owner or tenant's obligation to use good faith efforts to commence restoration of the Private Improvements to its prior condition within nine (9) months from the date of the damage or destruction, diligently pursuing the same to completion.

C. Failure to Restore. In the event Redeveloper fails for any reason to restore the Private Improvements as provided in A and/or B above, Redeveloper shall either forgive any remaining TIF Indebtedness and interest thereon if the Redeveloper was the TIF Bond Purchaser, or pay to the City the necessary amount of to retire the TIF Indebtedness in full (including interest) if the TIF Bond was purchased by the Redeveloper's Lender.

410. Condemnation. If during the Tax Increment Period, all or any portion of the Redeveloper 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 TIF Indebtedness outstanding as of the date of taking.

411. Agreement to Pay Taxes. Redeveloper agrees to pay all real property taxes levied upon the Redeveloper Property and Private Improvements prior to the times such taxes become delinquent. This contractual obligation to pay such taxes prior to delinquency on the part of the Redeveloper shall cease upon expiration of the Tax Increment Period, but the City in no way waives the statutory obligation of Redeveloper to continue to pay real estate taxes. Nothing herein shall be deemed an agreement by Redeveloper to waive its right to protest or contest the valuation of such Redeveloper Property and Private Improvements for tax purposes except provided herein.

ARTICLE V. MORTGAGE FINANCING; RIGHTS OF MORTGAGEES

501. Financing Creating Encumbrances Restricted.

A. Prior to issuance of the Redeveloper's Certificate of Completion of Improvements by the City for the Private Improvements, neither Redeveloper, nor any successors in interest with respect to the Redeveloper Property shall engage in any financing or any other transaction creating any Mortgage upon the Redeveloper Property, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to any of the Redeveloper Property, except for the purposes of obtaining funds, and then only to the extent necessary to design, construct, maintain, repair, replace and insure the Redeveloper Project Improvements. Redeveloper or any successor in interest as Redeveloper shall notify the City in advance of any financing secured by Mortgage that it proposes to enter into with respect to the Redeveloper Property, and shall promptly notify the City of any Mortgage that has been created on or attached to the Redeveloper Property whether by voluntary act of Redeveloper or otherwise. Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to any of the Redeveloper Property 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 Clerk of the district court pursuant to Neb. Rev. Stat. §52-142, to permit the Redeveloper to avoid or prevent foreclosure of such encumbrance or lien. In addition, Redeveloper agrees that prior to completion of Private Improvements; any loan proceeds secured by any interest in the Redeveloper Property shall be used solely for the payment of costs and expenses related to the design and construction of the Private Improvements. Redeveloper shall provide a copy of all draw requests and bank approvals related to the 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 the Private Improvements has occurred and has not been fully restored, any party who obtains title to any portion of the Redeveloper Property from or through Redeveloper or the holder of any Mortgage or any other purchaser at foreclosure sale shall be obligated to use good faith efforts to commence construction or reconstruction within nine (9) months from the date of acquisition of title by said party and to diligently pursue the same to completion or, in lieu thereof, the holder of any Mortgage or any other purchaser at foreclosure 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. Each Mortgage holder who obtains title to the Redeveloper Property or any part thereof as a result of a foreclosure or other judicial proceedings or action in lieu thereof shall not be obligated by and shall be exempted from those provisions of this Redevelopment Agreement which require construction and completion of the Private Improvements and which require such holder to be obligated to guarantee such construction and completion.

502. 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.

503. 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 of a mortgage shall (and every Mortgage or other instrument of encumbrance made prior to completion of the 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 mortgage debt and the lien of its Mortgage. If the Mortgage holder commences efforts to cure the default within such period and the default cannot, in the exercise of due diligence, be cured within such period, the holder shall have the right to diligently continue to cure the default. In the event the holder fails to cure, then the City shall have the remedies provided for in this Redevelopment Agreement.

504. 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 shall apply to any deed of trust or other type of encumbrance on any of the Redeveloper Property, 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.

ARTICLE VI. REPRESENTATIONS

601. 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 Redeveloper Property and not for speculation in land holding.

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

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

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

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

603. Representations and Warranties of Parties.

A. Redeveloper represents and warrants to City as follows:

i. Organization; Power; Good Standing. Redeveloper is a Nebraska limited partnership duly organized and validly existing in good standing under the laws of the State of Nebraska. Redeveloper is 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 constitutes a legal, valid and binding obligation of Redeveloper, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, or other laws affecting the enforcement of creditor's rights generally, or by judicial discretion in connection with the application of equitable remedies.

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

B. City represents and warrants to Redeveloper as follows:

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

ii. Effect of Agreement. The execution, delivery and performance of this Agreement by City have been duly authorized by all necessary action by 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.

ARTICLE VII. REMEDIES

701. Remedies. Except as otherwise provided in this Agreement, in the event of any default in performance of this Agreement by the City or Redeveloper, the party in default shall, upon written notice from the other, proceed immediately to cure or remedy such default within thirty (30) days after receipt of notice. However, if the default cannot, in the exercise of reasonable diligence, be cured within thirty (30) days after receipt of such notice, then the defaulting party shall within such 30-day period notify the non-defaulting party of the reasonably expected time needed to cure the default and commence efforts within such 30-day period to cure and shall use its best efforts to cure the default within said reasonably expected time line. If

the default is not timely cured, the non-defaulting party may institute any proceedings which may be necessary to cure and remedy the default.

702. 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.

703. 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.

704. 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 at the same or different times 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.

ARTICLE VIII. MISCELLANEOUS

801. 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.

802. Notices and Demands. A notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by registered or certified mail, postage prepaid, return receipt requested or delivered personally as follows:

If to the City: Mayor
555 South 10th Street
Lincoln, NE 68508

With a copy to: City Attorney
555 South 10th Street
Lincoln, NE 68508

If to Redeveloper: B & J Partnership, Ltd.
Attn: Michael J. Tavlin
340 Victory Lane
Lincoln, NE 68528

With a copy to: Mark Hunzeker
1248 O Street, Ste. 600
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.

803. Access to Redeveloper Property. During construction of the Redevelopment Project Improvements, Redeveloper shall permit the representatives of the City to enter all areas of the Redeveloper 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 Redevelopment Project Improvements. No compensation shall be payable nor shall any charges be made in any form by any party for the access or inspection provided for in this section. The City's right of access granted under this Section shall terminate upon issuance by the City of the Redeveloper's Certificate of Completion.

804. Provisions Run With the Land. This Agreement shall run with the Redeveloper Property and shall inure to and bind the parties and their successors in interest.

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

806. 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.

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

808. 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).

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

810. 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, and its 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 further agrees to require that its contractor and subcontractors shall agree to conform to said requirements.

811. Federal Immigration Verification System Requirements. In accordance with *Neb. Rev. Stat.* §§4-108 through 4-114, the Redeveloper agrees to register with and use a federal immigration verification system to determine the work eligibility status of new employees performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 USC 1324a, otherwise known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized. The Redeveloper shall not discriminate against any employee or applicant for employment to be employed in the performance of this section pursuant to the requirements of state law and 8 USC 1324b. The Redeveloper shall require any contractor constructing the Private Improvements on behalf of Redeveloper to comply with the provisions of this Section.

812. Audit and Review. Redeveloper 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 or its agent copies of all financial and performance related records and materials germane to this Agreement.

813. Effective Date of Ad Valorem Tax Provision. The Effective Date of the Ad Valorem Tax Provision for the Redevelopment Project shall be no later than July 15, 2015, (“Effective Date”). The City will deliver written notice to the County Assessor on or before August 1st of the year in which the Effective Date occurs to divide the property taxes in the Project Area and use the last certified valuation to divide the taxes for the remaining portion of the fifteen (15) year period as described in Section 18-2147 of the Nebraska Revised Statutes.

814. Integrated Contract; Severance of Provisions. It is intended by the parties that this Redevelopment Agreement and the incorporated, attached, and referenced documents shall be an integrated contract, but that invalidation of any of its provisions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect unless such court action shall materially change the intent of this Redevelopment Agreement.

815. Exhibits. The following Exhibits are attached to the Redevelopment Agreement and are incorporated herein by this reference:

- Exhibit A – Project Area
- Exhibit B – Site Plan
- Exhibit C – Sources and Uses
- Exhibit D – Preliminary Plans

Exhibit E	– Certificate of Completion
Exhibit F	– Public Improvements
Exhibit G	– Private Roadway System
Exhibit H	– Penal Bond
Exhibit I	- Disbursement Agreement
Exhibit J	- Memorandum of Redevelopment Agreement and Use Restrictions.

816. Recording. The City shall record the Memorandum of Redevelopment Agreement and Use Restrictions, as shown in Exhibit J, with the Lancaster County Register of Deeds to be indexed against the Redeveloper Property.

817. Authority. The Mayor is hereby authorized to take such action as the Mayor may deem necessary or advisable in order to carry out this Agreement, including, but not limited to, the authority to make ministerial alterations, changes, or additions to the Agreement and the Exhibits.

[SIGNATURE PAGES TO FOLLOW]

Executed by City this ____ day of _____, 2014.

CITY OF LINCOLN, NEBRASKA
a municipal corporation

By: _____
Chris Beutler, Mayor of Lincoln

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014 by CHRIS BEUTLER, Mayor of the City of Lincoln, Nebraska.

Notary Public

Executed by Redeveloper this _____ day of _____, 2014.

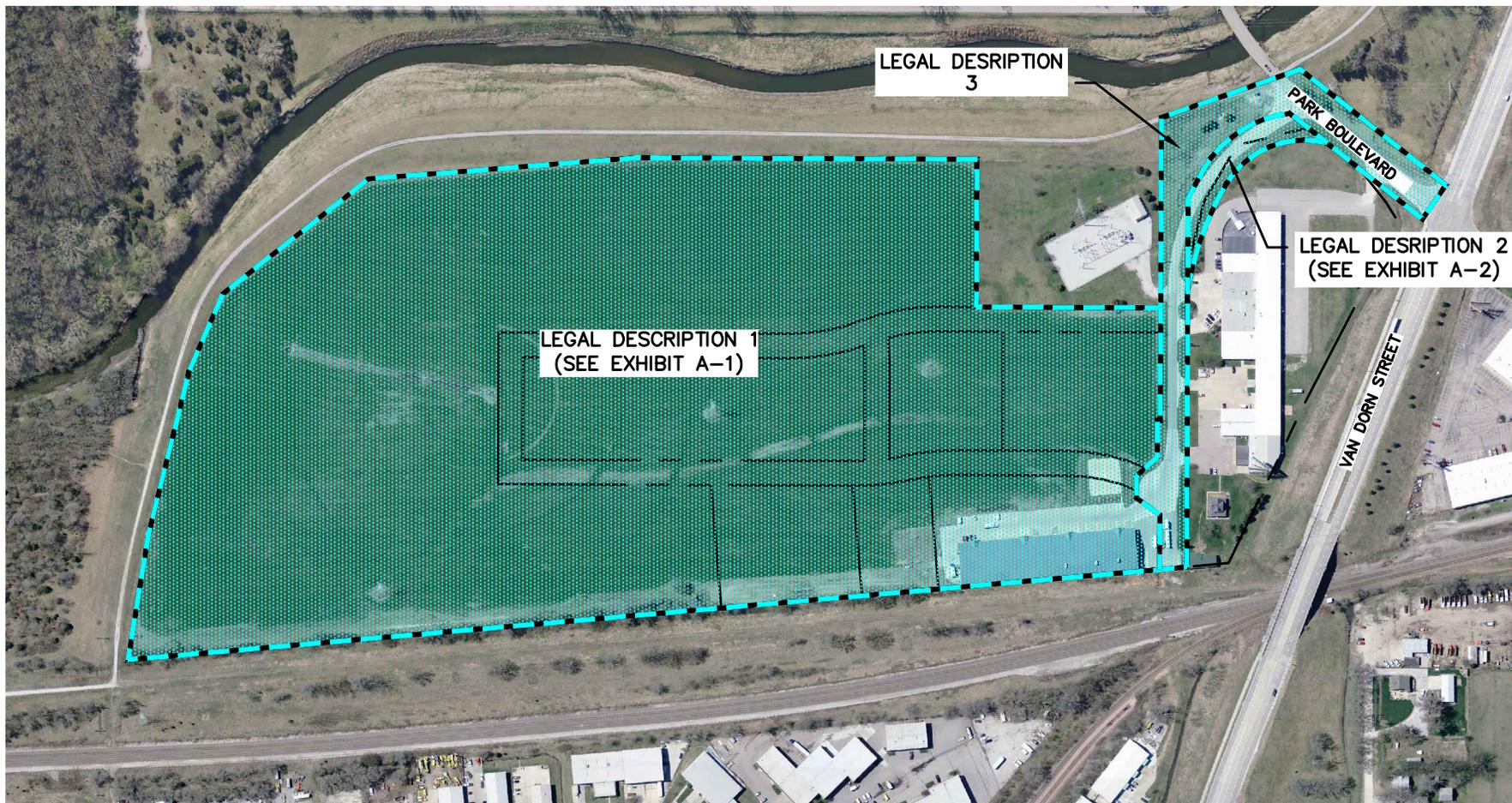
B & J PARTNERSHIP, a Nebraska limited partnership

By: _____
Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by _____, _____ of B & J Partnership, a Nebraska limited partnership.

Notary Public



LEGAL DESCRIPTION 3:
 (PORTION OF PARK BLVD./SPEEDWAY CIRCLE RIGHT OF WAY
 AND
 PORTION OF LOT 96 IT EAST OF LEVEE)



PROJECT NO:	013-1138
DRAWN BY:	JEF
DATE:	06.02.2014

**Speedway Sporting Village
 Legal Description 3**

MOLSSON ASSOCIATES
 1111 Lincoln Mall, Suite 111
 P.O. Box 84608
 Lincoln, NE 68501-4608
 TEL 402.474.6311
 FAX 402.474.5160

EXHIBIT
A

**LEGAL DESCRIPTION
PLANNED UNIT DEVELOPMENT**

A TRACT OF LAND COMPOSED OF LOTS 74 I.T., 91 I.T. AND 92 I.T., ALL LOCATED IN THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 9 NORTH, RANGE 6 EAST OF THE 6TH P.M., CITY OF LINCOLN, LANCASTER COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 92 I.T., SECTION 2, TOWNSHIP 9 NORTH, RANGE 6 EAST OF THE 6TH P.M., SAID POINT BEING THE NORTHEAST CORNER OF LOT 90 I.T.; SAID POINT BEING ON THE SOUTH RIGHT-OF-WAY LINE OF VAN DORN STREET, SAID POINT ALSO BEING 33.00' SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE EASTERLY ON THE NORTH LINE OF SAID LOT 92 I.T., SAID LINE BEING THE SOUTH LINE OF SAID RIGHT-OF-WAY, SAID LINE ALSO BEING 33.00' SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER ON AN ASSUMED BEARING OF S89°45'51"E, A DISTANCE OF 274.39' TO A NORTH CORNER OF SAID LOT 92 I.T.; THENCE S00°14'09"W, ON A EAST LINE OF SAID LOT 92 I.T., SAID LINE BEING A WEST LINE OF SAID RIGHT-OF-WAY, A DISTANCE OF 7.00' TO A NORTH CORNER OF SAID LOT 92 I.T., SAID POINT BEING 40.00' SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE S89°45'51"E, ON A NORTH LINE OF SAID LOT 92 I.T., SAID LINE BEING A SOUTH LINE OF SAID RIGHT-OF-WAY, SAID LINE BEING 40.00' SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 90.00' TO A NORTH CORNER OF SAID LOT 92 I.T.; THENCE S41°45'54"E, ON A NORTH LINE OF SAID LOT 92 I.T., SAID LINE BEING A SOUTH LINE OF SAID RIGHT-OF-WAY, A DISTANCE OF 67.28' TO A NORTH CORNER OF SAID LOT 92 I.T., SAID POINT BEING 90.00' SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE S89°45'51"E, ON A NORTH LINE OF SAID LOT 92 I.T., SAID LINE BEING A SOUTH LINE OF SAID RIGHT-OF-WAY, SAID LINE ALSO BEING 90.00' SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 55.00' TO A SOUTH CORNER OF SAID LOT 92 I.T.; THENCE N35°16'50"E, ON A NORTH LINE OF SAID LOT 92 I.T., SAID LINE BEING A SOUTH LINE OF SAID RIGHT-OF-WAY, A DISTANCE OF 69.62' TO A NORTH CORNER OF SAID LOT 92 I.T., SAID POINT BEING 33.00' SOUTH OF THE NORTH LINE OF SAID NORTHWEST QUARTER; THENCE S89°45'51"E, ON A NORTH LINE OF SAID LOT 92 I.T., SAID LINE BEING A SOUTH LINE OF SAID RIGHT-OF-WAY, SAID LINE ALSO BEING 33.00' SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 134.00' TO THE NORTHEAST CORNER OF SAID LOT 92 I.T., SAID POINT BEING THE NORTHWEST CORNER OF LOT 29 I.T., SAID POINT BEING ON THE WEST LINE OF VACATED UNION PACIFIC RAILROAD RIGHT-OF-WAY; THENCE S04°58'49"E, ON THE EAST LINE OF SAID LOT 92 I.T., AND THE EAST LINE OF LOT 74 I.T., SAID LINE BEING THE WEST LINE OF SAID LOT 29 I.T., SAID LINE BEING THE WEST LINE OF SAID VACATED RIGHT-OF-WAY, A DISTANCE OF 2,527.56' TO THE SOUTHEAST CORNER OF SAID LOT 74 I.T., SAID POINT BEING A EAST CORNER OF LOT 79 I.T.; THENCE N80°42'09"W, ON A SOUTH LINE OF SAID LOT 74 I.T., SAID LINE BEING A NORTH LINE OF SAID LOT 79 I.T., A DISTANCE OF 310.77' TO A SOUTH CORNER OF SAID LOT 74 I.T.; THENCE N76°02'05"W, ON A SOUTH LINE OF SAID LOT 74 I.T., SAID LINE BEING A NORTH LINE OF SAID LOT 79 I.T., A DISTANCE OF 409.47' TO A SOUTH CORNER OF SAID LOT 74 I.T.; THENCE N66°08'33"W, ON A SOUTHWEST LINE OF SAID LOT 74 I.T., SAID LINE BEING A NORTHEAST LINE OF SAID LOT 79 I.T., A DISTANCE OF 206.00' TO A SOUTH CORNER OF SAID LOT 74 I.T.; THENCE N38°13'21"W, ON A SOUTHWEST LINE OF SAID LOT 74 I.T., SAID LINE BEING A NORTHEAST LINE OF SAID LOT 79 I.T., A DISTANCE OF 452.20' TO SOUTH CORNER OF SAID LOT 74 I.T.; THENCE N04°28'19"W, ON A WEST LINE OF SAID LOT 74 I.T., SAID LINE BEING A EAST LINE OF SAID LOT 79 I.T., A DISTANCE OF 657.03' TO A WEST CORNER OF SAID LOT 74 I.T.; THENCE N00°15'02"E, ON A WEST LINE OF SAID LOT 74 I.T., AND A WEST LINE OF LOT 91 I.T., SAID LINE BEING A EAST LINE OF SAID LOT 79 I.T., A DISTANCE OF 829.51' TO THE NORTHWEST CORNER OF SAID LOT 91 I.T., SAID POINT BEING A SOUTHWEST CORNER OF LOT 90 I.T.; THENCE S89°45'51"E, ON A NORTH LINE OF SAID LOT 91 I.T., AND A NORTH LINE OF LOT 92 I.T., SAID LINE BEING THE SOUTH LINE OF SAID LOT 90 I.T., A DISTANCE OF 360.00' TO A WEST CORNER OF SAID LOT 92 I.T., SAID POINT BEING THE SOUTHEAST CORNER OF SAID LOT 90 I.T.; THENCE N00°15'33"E, ON A WEST LINE OF SAID LOT 92 I.T., SAID LINE BEING A EAST LINE OF SAID LOT 90 I.T., A DISTANCE OF 450.00' TO THE POINT OF BEGINNING, SAID TRACT CONTAINS A CALCULATED AREA 2,389,790.02 SQUARE FEET OR 54.86 ACRES, MORE OR LESS.

Wednesday, April 02, 2014
F:\Projects\013-1138_SRVY\MasterXrefs\Final Plats\Documents\013-1138_SLPUD-LEGAL.doc

PROJECT NO: 013-1138

DRAWN BY: JEF

DATE: 06.02.2014

**Speedway Sporting Village
Legal Description 1**



1111 Lincoln Mall, Suite 111
P.O. Box 84608
Lincoln, NE 68501-4608
TEL 402.474.6311
FAX 402.474.5160

EXHIBIT

A-1

**LEGAL DESCRIPTION
RIGHT-OF-WAY**

A TRACT OF LAND COMPOSED OF A PORTION OF LOT 96 I.T., A PORTION OF LOT 111 I.T., A PORTION OF LOT 140 I.T., A PORTION OF LOT 141 I.T., AND A PORTION OF LOT 152 I.T., ALL LOCATED IN THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 10 NORTH, RANGE 6 EAST OF THE 6TH P.M., LANCASTER COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 10 NORTH, RANGE 6 EAST OF THE 6TH P.M.; THENCE EASTERLY ON THE SOUTH LINE OF SAID SOUTHWEST QUARTER ON AN ASSUMED BEARING OF S89°45'51"E, A DISTANCE OF 796.30' TO A POINT; THENCE N00°14'09"E, A DISTANCE OF 33.00' TO A POINT OF INTERSECTION WITH THE SOUTH LINE OF LOT 152 I.T., SAID POINT BEING ON THE NORTH RIGHT-OF-WAY LINE OF SPEEDWAY CIRCLE. SAID POINT BEING **THE TRUE POINT OF BEGINNING**; THENCE N89°45'51"W, ON THE SOUTH LINE OF SAID LOT 152 I.T., AND THE SOUTH LINE OF LOT 96 I.T., SAID LINE BEING THE NORTH LINE OF SAID RIGHT-OF-WAY, SAID LINE BEING 33.00' NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 303.97' TO A POINT OF CURVATURE OF A NON TANGENT CURVE IN A CLOCKWISE DIRECTION HAVING A CENTRAL ANGLE OF 06°19'21", A RADIUS OF 733.00', AN ARC LENGTH OF 80.89', A CHORD LENGTH OF 80.84', A TANGENT LENGTH OF 40.48', AND A CHORD BEARING OF N62°06'09"W TO A POINT OF COMPOUND CURVATURE OF A CURVE IN A CLOCKWISE DIRECTION, HAVING A CENTRAL ANGLE OF 52°24'30", A RADIUS OF 283.00', AN ARC LENGTH OF 258.86', A CHORD LENGTH OF 249.93', A TANGENT LENGTH OF 139.28', AND A CHORD BEARING OF N32°44'13"W TO A POINT OF INTERSECTION WITH THE NORTHWEST LINE OF SAID LOT 96 I.T., SAID POINT BEING ON THE SOUTHEAST RIGHT-OF-WAY LINE OF PARK BOULEVARD; THENCE N38°29'56"E, ON THE NORTHWEST LINE OF SAID LOT 96 I.T., AND THE NORTHWEST LINE OF LOT 140 I.T., SAID LINE BEING THE SOUTHEAST LINE OF SAID RIGHT-OF-WAY, A DISTANCE OF 116.03' TO A POINT OF CURVATURE OF A NON TANGENT CURVE IN A COUNTER CLOCKWISE DIRECTION HAVING A CENTRAL ANGLE OF 74°36'36", A RADIUS OF 217.00', AN ARC LENGTH OF 282.58', A CHORD LENGTH OF 263.03', A TANGENT LENGTH OF 165.34', AND A CHORD BEARING OF S21°38'10"E TO A POINT OF COMPOUND CURVATURE OF A CURVE IN A COUNTER CLOCKWISE, HAVING A CENTRAL ANGLE OF 30°49'22", A RADIUS OF 667.00', AN ARC LENGTH OF 358.82', A CHORD LENGTH OF 354.51', A TANGENT LENGTH OF 183.87', AND A CHORD BEARING OF S74°21'09"E TO THE POINT OF BEGINNING, SAID TRACT CONTAINS A CALCULATED AREA 28,925.46 SQUARE FEET OR 0.66 ACRES, MORE OR LESS.

Thursday, May 01, 2014
F:\Projects\013-1138_SRVY\MasterXrefs\Final Plats\Documents\013-1138_ROW-LEGAL.doc

PROJECT NO: 013-1138

DRAWN BY: JEF

DATE: 06.02.2014

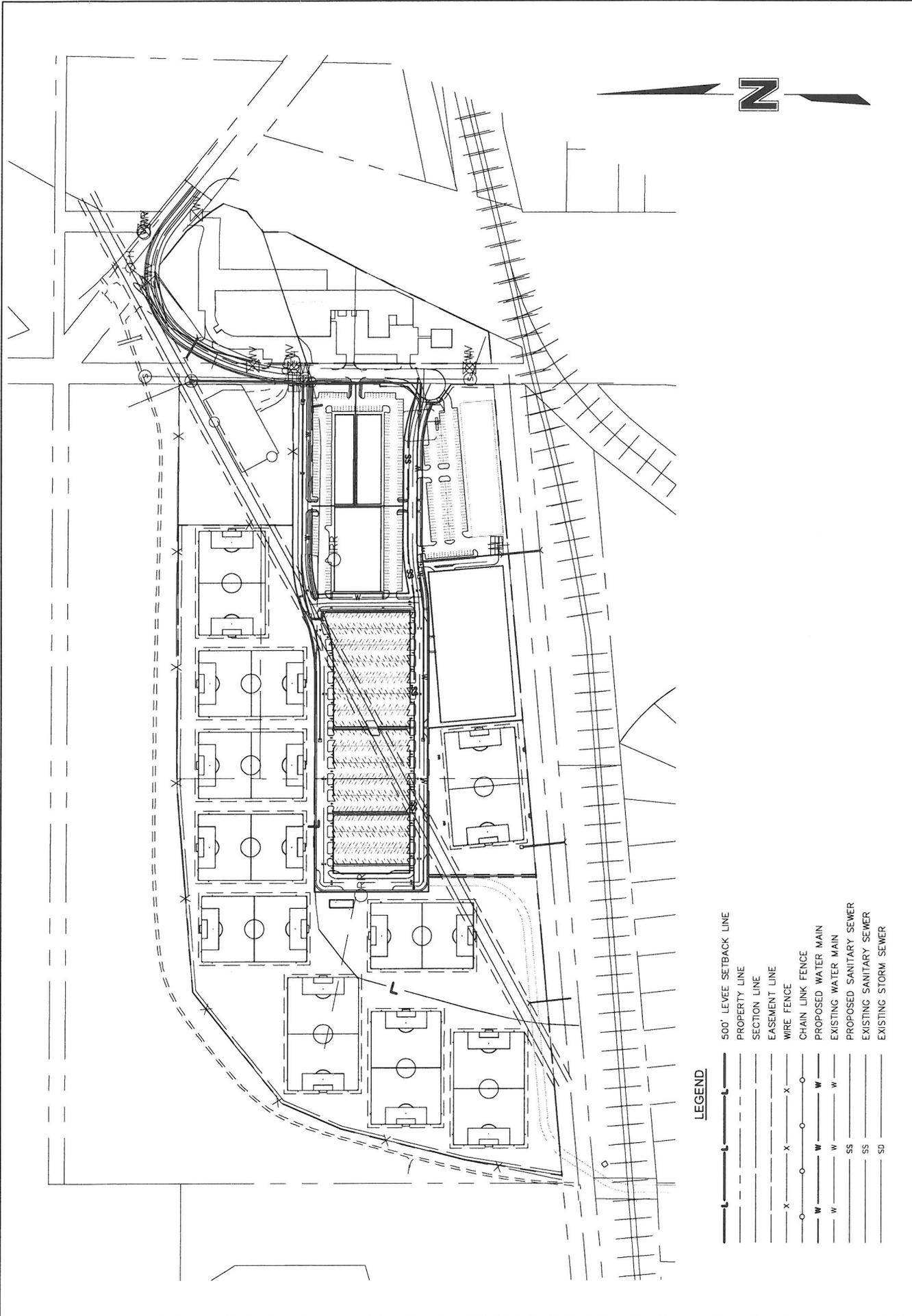
**Speedway Sporting Village
Legal Description 2**



1111 Lincoln Mall, Suite 111
P.O. Box 84608
Lincoln, NE 68501-4608
TEL 402.474.6311
FAX 402.474.5160

EXHIBIT

A-2



LEGEND

- 500' LEVEE SETBACK LINE
- PROPERTY LINE
- SECTION LINE
- EASEMENT LINE
- WIRE FENCE
- CHAIN LINK FENCE
- PROPOSED WATER MAIN
- EXISTING WATER MAIN
- PROPOSED SANITARY SEWER
- EXISTING SANITARY SEWER
- EXISTING STORM SEWER

PROJECT NO: 013-1138
 DRAWN BY: JEF
 DATE: 05.08.2014

**SPEEDWAY SPORTING VILLAGE
 OVERALL SITE PLAN**

1111 Lincoln Mall, Suite 111
 P.O. Box 84608
 Lincoln, NE 68501-4608
 TEL 402.474.6311
 FAX 402.474.5160



Exhibit C: Sources and Uses

Use		Source		
Description	Total Costs	Tax Increment Financing		
		Developer	Developer Use	Total Sources
PHASE I				
Bond Issuance Costs	\$ 11,400		\$ 11,400	\$ 11,400
Speedway Circle				
Demo, Grading Paving, Drainage, Storm Sewer, Lighting	\$ 15,000		\$ 15,000	\$ 15,000
Utilities				
Sanitary Sewer, Storm Sewer, & Water	\$ 704,289		\$ 704,289	\$ 704,289
Street Construction/Private Roadways	\$ 525,039		\$ 525,039	\$ 525,039
Street Lighting/Private Roadways	\$ 86,352		\$ 86,352	\$ 86,352
Sidewalks/ROW	\$ 20,000		\$ 20,000	\$ 20,000
Sidewalks	\$ 85,107		\$ 85,107	\$ 85,107
Trail Head connection, Salt Creek Levee Trail	\$ 40,000		\$ 40,000	\$ 40,000
Site Work, Grading, Drainage, Acquisition etc.	\$ 1,573,547		\$ 1,573,547	\$ 1,573,547
Parking 799	\$ 1,482,145			
Required 585		\$ 1,085,175		\$ 1,085,175
Excess 214			\$ 396,970	\$ 396,970
Energy Enhancements	\$ 75,000		\$ 75,000	\$ 75,000
Public RR Building (RR Portion Only)	\$ 65,000		\$ 65,000	\$ 65,000
Trail Connection, Jamaica Trail	\$ 10,642		\$ 10,642	\$ 10,642
Building Construction & Development	\$ 21,847,000	\$ 21,847,000		\$ 21,847,000
	\$ 26,540,521	\$ 22,932,175	\$ 3,608,346	\$ 26,540,521
PHASE II				
Park Blvd				
Drainage, Storm Sewer, Lighting	\$ 301,502		\$ 301,502	\$ 301,502
Speedway Circle				
Demo, Grading, Paving	\$ 101,000		\$ 101,000	\$ 101,000
Parking 237	\$ 439,635			
Required 39		\$ 72,345		\$ 72,345
Excess 198			\$ 367,290	\$ 367,290
Energy Enhancements	\$ 25,000		\$ 25,000	\$ 25,000
Building Construction & Development	\$ 2,400,000	\$ 2,400,000		\$ 2,400,000
	\$ 3,267,137	\$ 2,472,345	\$ 794,792	\$ 3,267,137
TOTAL DEVELOPMENT COSTS	\$ 29,807,658	\$ 25,404,520	\$ 4,403,138	\$ 29,807,658
		85.2%	14.8%	100.0%
Description	Total Costs	Developer	TIF	Total Sources

EXHIBIT D

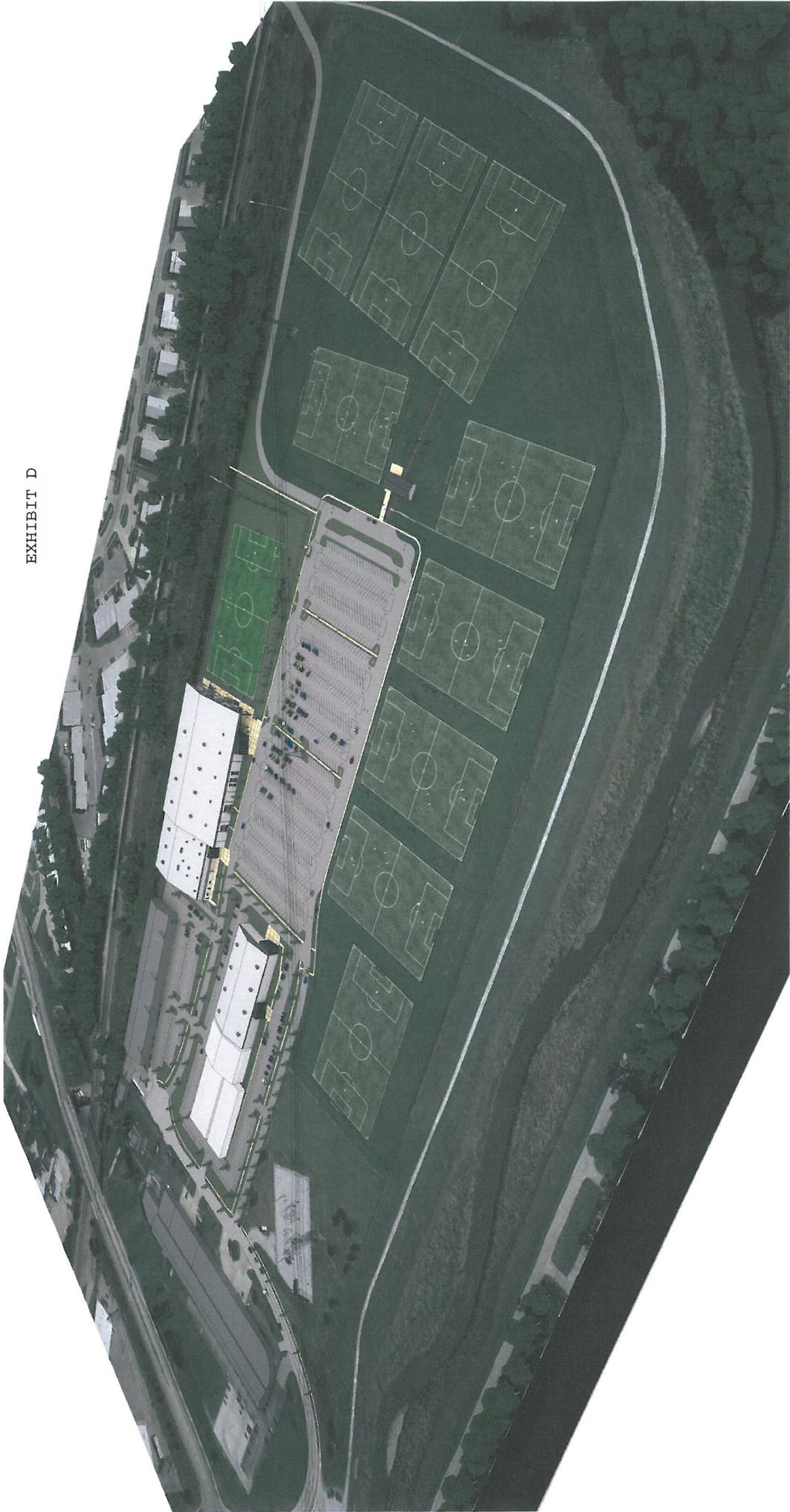


EXHIBIT D (p.2)



EXHIBIT D (p.3)



ACCEPTED by the City of Lincoln, Nebraska this ____ day of _____, 20__.

ATTEST:

CITY OF LINCOLN, NEBRASKA

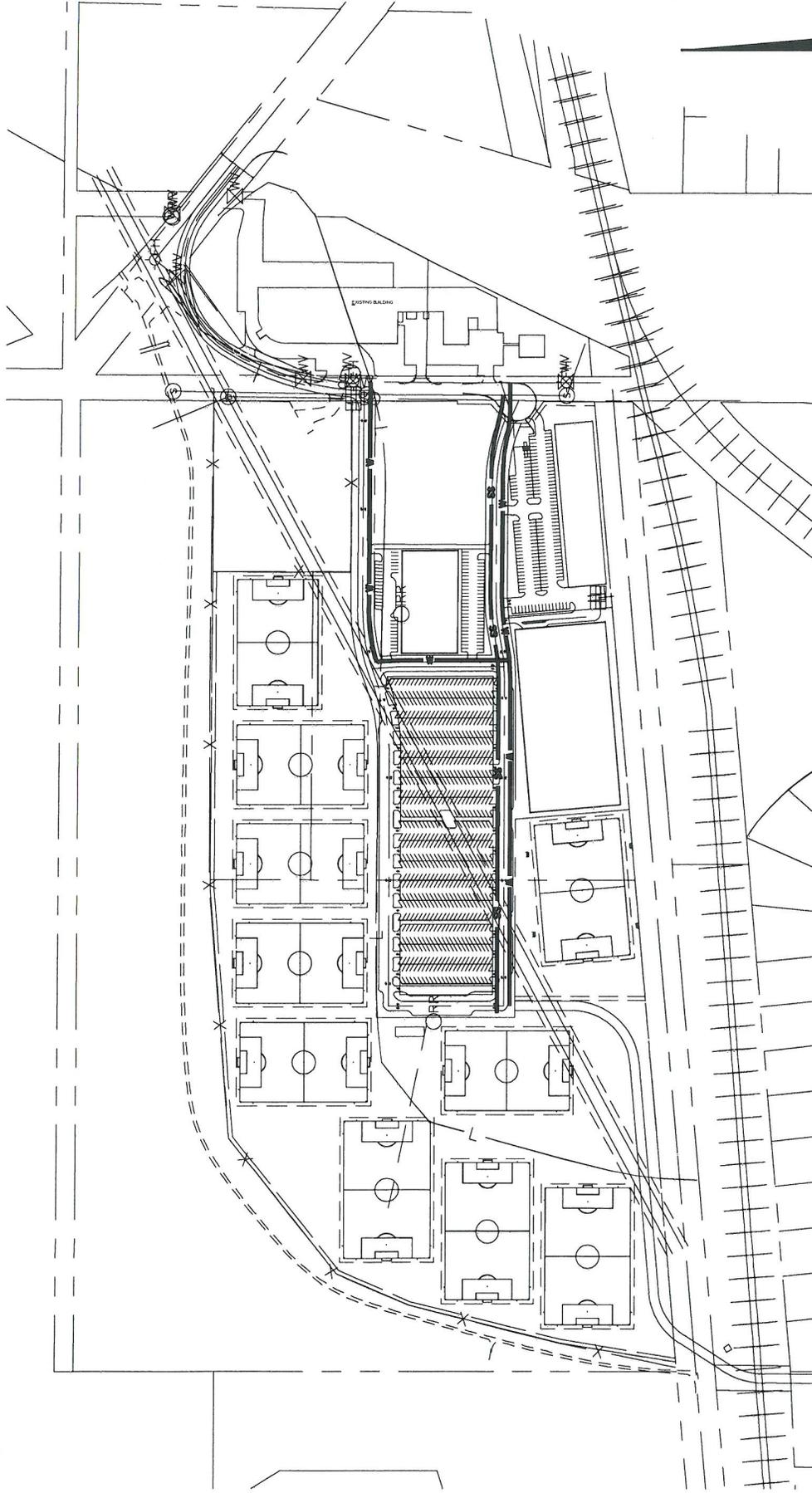
City Clerk

Chris Beutler, Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by Chris Beutler, Mayor of the City of Lincoln.

Notary Public



SITE LEGEND

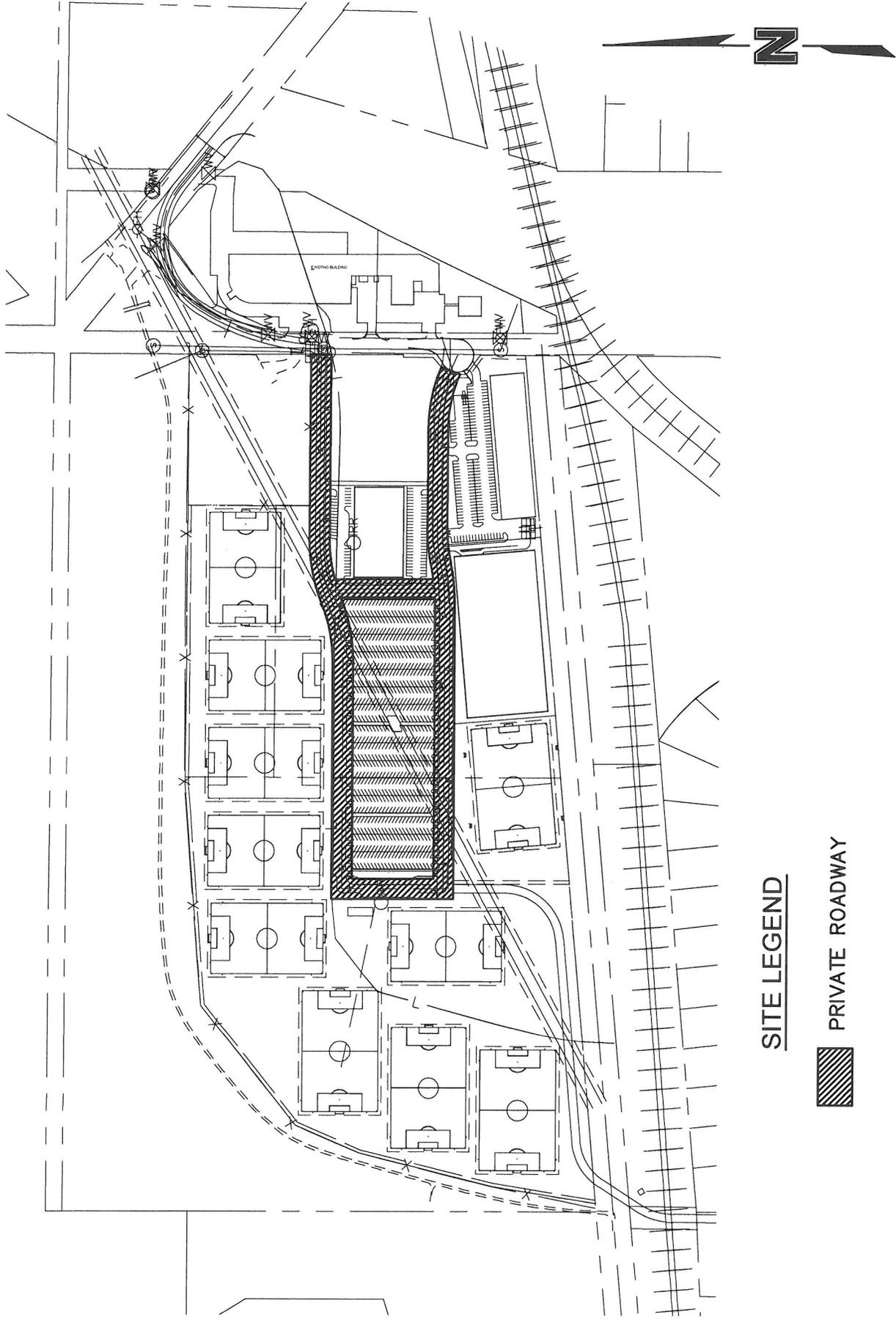
- SS — PUBLIC SANITARY SEWER SERVICE
- W — PUBLIC WATER MAIN SERVICE

PROJECT NO: 013-1138
 DRAWN BY: JEF
 DATE: 05.08.2014

**SPEEDWAY SPORTING VILLAGE
 PUBLIC UTILITIES**



1111 Lincoln Mall, Suite 111
 P.O. Box 84608
 Lincoln, NE 68501-4608
 TEL 402.474.6311
 FAX 402.474.5160



SITE LEGEND

 PRIVATE ROADWAY

PROJECT NO: 013-1138
 DRAWN BY: JEF
 DATE: 05.08.2014

SPEEDWAY SPORTING VILLAGE
PRIVATE ROADWAY



1111 Lincoln Mall, Suite 111
 P.O. Box 84608
 Lincoln, NE 68501-4608
 TEL 402.474.6311
 FAX 402.474.5160

Exhibit H
Form of Penal Bond

Bond No. _____

PENAL BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, **B & J Partnership, Ltd.**, a Nebraska limited partnership, as **Principal**, and _____, a corporation organized under the laws of the State of _____ and authorized to transact business in the State of Nebraska, as **Surety**, are held and firmly bound unto the **City of Lincoln, Nebraska**, as **Obligee**, for the use of all persons entitled thereto, under Neb. Rev. Stat. §18-2151, in the penal sum of **Three Million Seven Hundred Thousand and No/100 Dollars (\$3,700,000.00)**, lawful money of the United States of America and to the faithful payment of which, well and truly to be made, we bind ourselves, our heirs, executors, and administrators, or assigns, firmly by this presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that,

WHEREAS, Principal has entered into the City of Lincoln Redevelopment Agreement (Sporting Village), dated _____, 20__ (an original of which is on file in the Office of the City Clerk of the City of Lincoln, Nebraska) which provided in part for the building and construction of Private Improvements as defined in said Redevelopment Agreement to be funded in part by tax increment financing pursuant to the Nebraska Community Development Law, upon the condition that Principal at all times promptly make payment of all amounts lawfully due to all persons supplying or furnishing the Principal, its contractor and/or subcontractors with labor or materials used in the prosecution of said Private Improvements provided for in the Redevelopment Agreement.

NOW, THEREFORE, if Principal shall at all times promptly make payments of all amounts lawfully due to all persons supplying or furnishing the Principal, its contractor and/or subcontractors with labor or materials in the prosecution of the Private Improvements as require the execution of this Penal Bond, then this obligation shall become void, otherwise to remain in full force and effect. In the event Principal shall be declared by the Obligee to be in default under the above obligations, Surety shall promptly indemnify and save harmless the Obligee to the extent any payment in connection with carrying out of the prosecution of the Private Improvements provided for in the Redevelopment Agreement which Obligee may be required to make under the law, provided that the aggregate liability of Surety of any default(s) hereunder by the Principal shall in no event exceed the penal sum of this Bond.

All persons who have supplied or furnished the Principal, its contractor and/or subcontractors with labor or materials in the prosecution of the Private Improvements provided for in the Redevelopment Agreement shall have the direct right of action under this bond subject to the Obligee's priority.

[SIGNATURE PAGE FOLLOWS]

Signed and dated this ____ day of _____, 20__.

B & J Partnership, Ltd., a Nebraska limited partnership

By: _____
Name: _____
Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__
by _____, _____ of B & J Partnership, Ltd. on behalf of
B & J Partnership, Ltd., a Nebraska limited partnership.

Notary Public

Exhibit I

DISBURSEMENT AGREEMENT

This Agreement is entered into between the City of Lincoln, Nebraska, a municipal corporation (City) and B & J Partnership, Ltd., a Nebraska limited partnership (Redeveloper).

City and Redeveloper have entered into a Redevelopment Agreement for the Sporting Village Redevelopment Project (Project). The Redevelopment Agreement provides for City support for the Project through grants to Redeveloper, funded through the issuance of a TIF Bond, to be repaid with tax increment revenue generated by the Ad Valorem Tax Provision, all in accordance with the terms of the Redevelopment Agreement and the Nebraska Community Development Law.

The Redevelopment Agreement provides for the issuance of a TIF Bond, and grants of up to \$3,700,000 to the extent of availability of TIF proceeds.

The Redevelopment Agreement requires the Redeveloper to construct certain Private Improvements and Public Enhancements and to provide evidence of a performance and payment bond from the Redeveloper.

In consideration of the foregoing recitals which are made a part of this Agreement and the mutual covenants of this Agreement, the parties agree as follows:

1. Terms, definitions. Capitalized terms used in this Agreement shall have the same definitions as contained in the Redevelopment Agreement, unless specifically defined otherwise.
2. Guarantee of Performance and Payment. Redeveloper guarantees payment of all amounts lawfully due to each person, as defined in Neb. Rev. Stat. §49-801 that performed labor or furnished materials, equipment or supplies used in the prosecution of the Private Improvements.
3. Construction Loan. Redeveloper shall, prior to commencement of the Private Improvements, provide evidence that the construction financing or title insurance for the Private Improvements provides for construction draws only upon demonstration of work completed as being in accordance with the approved plans pursuant to the Redevelopment Agreement and that all persons having performed labor or furnished materials, equipment or supplies for such category of improvement have been paid and given lien waivers in exchange for payment.
4. Grant of TIF Funds. Grants for reimbursement of the cost of certain Public Enhancements pursuant to the Redevelopment Agreement shall be made upon a showing satisfactory to the Urban Development Director of the City that the Public Enhancements for which

reimbursement is requested is entirely complete and that all persons having performed labor or furnished materials, equipment or supplies for such work have been paid and given lien waivers in exchange for payment. City may, in its discretion withhold up to ten percent of the reimbursement for each category of improvement until completion of the entire Redevelopment Project and issuance of the Certificate of Completion of Private Improvements.

5. City Discretion. The parties acknowledge that this Agreement is entered into in lieu of City requiring a performance and payment bond by the Redeveloper on the Project. City's decision as to whether a category of improvement has been completed satisfactorily shall be final up to completion of all Private Improvements.

Dated: _____, 2014.

REDEVELOPER:
B & J Partnership, Ltd.

By: _____

CITY OF LINCOLN, NEBRASKA

By: _____

Exhibit J

After recording please return to:
Timothy S. Sieh
Assistant City Attorney
555 South 10th Street, Suite 300
Lincoln, NE 68508

MEMORANDUM OF REDEVELOPMENT AGREEMENT & USE RESTRICTIONS

THIS MEMORANDUM OF REDEVELOPMENT AGREEMENT & USE RESTRICTIONS (“Memorandum”) is made and entered into as of the date of execution hereof by the last signatory hereto as indicated below (the “Effective Date”) by and between the CITY OF LINCOLN, NEBRASKA, a municipal corporation in the State of Nebraska and its successors and assigns (“City”) and B & J Partership, Ltd., a Nebraska limited partnership, and its successors and assigns (“Redeveloper”).

1. **Redevelopment Agreement.** The City and Redeveloper entered into that certain City of Lincoln Redevelopment Agreement (Sporting Village) dated _____, 2014 (“Redevelopment Agreement”), describing the public improvements being made on behalf of the City in the Redevelopment Area and the Private Improvements being made to real property owned by (or to be leased by) the Redeveloper and legally described on the attached and incorporated Exhibit “A”.

2. **Tax Increment Financing.** The Redevelopment Agreement provides for the capture of the Tax Increment, as defined therein, by the City of the Private Improvements to be made by the Redeveloper for a period not to exceed fifteen (15) years after the Redevelopment Project Effective Date defined in the Redevelopment Agreement. The Tax Increment so captured by the City shall be used to make the Public Enhancements and Private Improvements as described in the Redevelopment Agreement.

3. **Remaining Terms.** The rest and remaining terms of the Redevelopment Agreement are hereby incorporated into this Memorandum as if they were set forth in full. A full and correct copy of the Redevelopment Agreement may be inspected at the office of the City Clerk of Lincoln, Nebraska.

If to Redeveloper: B & J Partnership, Ltd.
Attn: Michael J. Tavlin
340 Victory Lane
Lincoln, NE 68528

With a copy to: Mark Hunzeker
1248 O Street, Ste. 600
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.

Executed by the City this ____ day of _____, 2013.

“City”

CITY OF LINCOLN, NEBRASKA, a municipal corporation

By: _____
Chris Beutler, Mayor

Attest:

By: _____
City Clerk

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013, by Chris Beutler, Mayor of the City of Lincoln, a municipal corporation, on behalf of the municipal corporation.

(Seal)

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013, by _____, City Clerk of the City of Lincoln, a municipal corporation, on behalf of the municipal corporation.

(Seal)

Notary Public

