ATTACHMENT A

ANTELOPE SQUARE
REDEVELOPMENT AGREEMENT

THIS ANTELOPE SQUARE REDEVELOPMENT AGREEMENT ("**Redevelopment Agreement**") is entered into as of the ____ day of _____ 2016, by and between the CITY OF LINCOLN, NEBRASKA, a municipal corporation (hereinafter referred to as "**City**"), and ANTELOPE SQUARE, LLC, a Nebraska limited liability company (hereinafter referred to as "**Redeveloper**").

RECITALS

A. The City has undertaken a program for the redevelopment of blighted and substandard areas in the City of Lincoln, Nebraska, and as part of that program the City has prepared and approved the Antelope Valley Redevelopment Plan, as amended (the "**Redevelopment Plan**"), pursuant to the Community Development Law of the State of Nebraska, Chapter 18, Article 21, Sections 18-2101-18-2144, as supplemented by and including Sections 18-2147 to 18-2153, Reissue Revised Statutes of Nebraska, 1943, as may be amended from time to time ("**Community Redevelopment Law**"). The Redevelopment Plan provides for the Antelope Square Project in an area generally bounded by 22nd Street on the west, 23rd Street on the east, "R" Street on the north, and "Q" Street on the south along with the two southwest parcels of land along South 23rd Street located on the adjacent City block directly to the east ("**Antelope Square Redevelopment Project Area**") as shown on Exhibit A. A copy of the Redevelopment Plan, together with any and all amendments thereto, is on file in the Office of the City Clerk of the City (the "**City Clerk**").

B. The Antelope Square Project provides for the Redeveloper to acquire 8 parcels of land (each a Parcel) generally located at 2201 R, 332 North 22nd, 2211 R, 2221 R, 2218 Q, 2240 Q, 314 North 23rd and 2300 Q Streets as more particular described on Exhibit B (collectively the

"**Project Site**"). Parcels 5 and 6 are the Project One Site. Parcels 1-4 and 7-8 are the Project Two Site. Parcel 6 (i.e. 2240 "Q" Street) is owned by the City and is hereinafter referred to as the "**City Property**". The Antelope Square Project further requires the Redeveloper to grade and prepare the Project Site for development ("**Site Preparation**") and to construct certain New Housing (defined below) and Redeveloper Public Improvements (defined below) thereon. Acquisition of the Project Site is sometimes referred to herein as "Site Acquisition."

C. The Redeveloper undertakings ("**Redeveloper Undertakings**") for the Antelope Square Project consist of the following activities:

(1) Site Acquisition;

(2) Site Preparation as defined in Section 303.A below;

(3) Design and construction of a twenty-four (24) attached single-family dwellings ("**New Housing**"). The New Housing will be separated into two projects. Project One will consist of 10 attached single-family dwellings to be constructed on the Project One Site ("**Project One Housing"**). Project Two will consist of 14 attached single-family dwellings to be constructed on the Project Two Site ("**Project Two Housing**").

(4) Design, construction and/or installation of certain upgraded improvements to the New Housing on the Project Site to the greater good of the community, which are beyond the requirements of City standards, regulations or codes consisting of Façade Enhancements as defined in Section 303.C below;

(5) Design, construction and/or installation of certain upgraded streetscape improvements primarily along, but not limited to, the streets abutting the Project Site within the Antelope Square Project Area ("**Streetscape Improvements**") as defined in Section 303.B below.

The Site Preparation, Facade Enhancements and Streetscape Improvements are collectively referred to as the "**Redeveloper Public Improvements.**"

D. City Public Improvements. Intentionally Omitted.

E. This Redevelopment Agreement implements the Antelope Square Project and sets forth the terms and conditions for the Project.

F. *Neb. Rev. Stat.* §18-2107 (Reissue 2007) 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.

G. The City is willing to support the above described redevelopment of the Project Site provided Redeveloper is willing to (1) reimburse the City for any Project one Grant of Funds (defined below) to Redeveloper if Project Two is not timely commenced and completed, (2) restrict the use of the Project Site to certain approved uses, (3) agree to covenants and conditions regarding compulsory maintenance and upkeep of the New Housing to prevent a recurrence of substandard and blighted conditions, and (4) agree to covenants and conditions regarding use restrictions.

H. 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 Antelope Square Project for the benefit of any public body shall be divided, for a period not to exceed fifteen (15) years after the Effective Dates of the Project One Housing and Project Two Housing as identified herein 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 Antelope Square Redevelopment Project Area valuation as of January 1 of the year prior to the year that the ad valorem taxes are to be divided 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 as provided in the redevelopment contract or bond resolution in the Antelope Square Redevelopment Project Area 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 and 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 ("**TIF Indebtedness**") for financing or refinancing in whole or in part, the Antelope Square 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 the Redevelopment Project Area shall be paid into the funds of the respective public bodies.

Said provision is hereinafter referred to as the "**Ad Valorem Tax Provision**" or the "**Tax Increment Provision**."

I. The Redeveloper is willing to enter into this agreement provided TIF Proceeds (defined below) are available to be used to pay for or reimburse the Redeveloper for Redeveloper Priority Expenses (defined below) which are more particularly described in Section 503 below and summarized on Exhibit C, Sources and Uses of TIF. In order to pay for or reimburse Redeveloper for Redeveloper Priority Expenses, the City intends to issue tax increment financing indebtedness ("**TIF Indebtedness**") to be repaid with the tax increment revenues generated under the Ad Valorem Tax Provision.

J. The parties 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, for and in consideration of the recitals set forth above and the mutual representations, warranties and covenants set forth below, and other good and valuable

consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

ARTICLE I.

EVIDENCE OF REDEVELOPER'S ABILITY

Section 101. Evidence of Redeveloper's Ability.

A. Evidence of Redeveloper's Financial Ability. Redeveloper shall, within sixty (60) days following the date of this Agreement, state the amount and source of liquid assets on hand and the amount and source of debt financing which has been obtained or irrevocably committed to Redeveloper in connection with acquisition of the Project Site, Site Preparation, construction of the New Housing, and construction of the Redeveloper Public Improvements. Such information shall be provided in a form satisfactory to the Finance Director of the City. 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. To the extent allowed by law, the City agrees to keep the information confidential.

B. Timely Submittal of Evidence. Timely submittal of financial information required in subsection A above 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 Redevelopment Agreement.

Section 102. Evidence of Redeveloper's Ability to Timely Commence Construction of the New Housing. Redeveloper shall, prior to Closing (defined below) of the City Property, provide satisfactory documentation to the City that Redeveloper has entered into a construction contract and is ready, willing and able to timely commence construction of the Phase One Project, and has provided the City with a bond, escrow, irrevocable letter of credit,

personal guarantee or other security agreement acceptable to and approved by the City Law Department (collectively the "Guarantee") in the amount of $340,000.00 to guarantee repayment to the City for any Project One Grant of Funds (defined below) granted to Redeveloper in the event Redeveloper fails to timely commence construction of the Project Two Housing or if such housing is timely commenced Redeveloper fails to use its best efforts to substantially complete the Project Two Housing within eighteen (18) months following commencement, as more particularly provided in Section 304 below. Submittal of such information and documentation in a form satisfactory to the City shall be a condition precedent to the requirement of the City to proceed with its obligations under this Redevelopment Agreement.

ARTICLE II

SITE ACQUISITION

Section 201. Site Acquisition.

A. Project One Site Acquisition. Redeveloper, at its own cost and expense subject to reimbursement as provided in Section 503 (Use of the Proceeds) below, shall on or before May 1, 2016 acquire fee title to the Project One Site, including the City Property. The City agrees to sell the City Property for the sum of One Hundred Sixty-Seven Thousand Five Hundred and NO/100 Dollars ($167,500.00) ("**Purchase Price**").

i. Project One Site Acquisition Assistance. The City agrees to assist in Redeveloper's acquisition of the Project One Site including the City Property by providing a grant of TIF Bond Proceeds (defined below) to the Redeveloper in the amount of $227,500.00 to be applied toward purchase of the Project One Site as provided in Section 503(A) below.

ii. Administrative Plat. Prior to Closing, the Redeveloper shall cause its engineer ("**Engineer**") to prepare and satisfy the Planning Director's conditions necessary for approval of an administrative final plat which replats the Project One Site into ten individual lots for the

Project One Housing. The Administrative Plat for Antelope Square, including Project One and Project Two, shall be recorded after the closing on the City Property, but prior to the commencement of Project One.

B. Project Two Site Acquisition. Redeveloper, at its own cost and expense subject to reimbursement as provided in Section 503 (Use of the Proceeds) below, shall on or before December 31, 2017 acquire fee title to the Project Two Site,

i. Project Two Site Acquisition Assistance. The City agrees to assist in Redeveloper's acquisition of the Project Two Site by providing a grant of TIF Bond Proceeds (defined below) to the Redeveloper in the amount of $485,000.00 to be applied toward a portion of the purchase price of the Project Two Site as provided in Section 503(B) below.

Section 202. City Property Closing.

A. Closing Date. The conveyance and delivery of the City Property to the Redeveloper shall occur at closing ("**Closing**") which shall be as soon as possible after the date of this Agreement but shall not be later than May 1, 2016, unless the parties mutually agree to another Closing date ("**Closing Date**"). If the Closing on the City Property does not occur by the Closing Date, neither party shall have any further obligations with respect to the Antelope Square Project, subject to the cure provisions of Section 801.

B. City Property Closing Contingencies.

1. The Redeveloper's and the City's obligations to close on the City Property shall be contingent upon the Redeveloper's acquisition of the Parcel 5 of the Project One Site; and City approval of the Administrative Final Plat (to be recorded after Closing) which in part replats the Project One Site as 10 single-family attached buildable lots pursuant to Section 201.A(ii) above;

2. In addition the City's obligation to close upon the City Property shall be

contingent upon the Redeveloper providing the City the documentation and Guarantee provided for in Section 102 above.

C. City Property Closing Documents.

1. Deliveries at Closing by the City. At Closing, the City shall deliver to Redeveloper, and Redeveloper shall accept from the City, the following:

(a) A Special Warranty Deed conveying to Redeveloper fee simple title to the City Property, subject to the Permitted Exceptions. City shall pay Nebraska Documentary Stamp taxes, if not exempt, relating to the transfer of the City Property. For purposes hereof, "**Permitted Exceptions"** shall mean (i) covenants, conditions and restrictions of record which shall be approved by Redeveloper if they do not unreasonably interfere with Redeveloper's intended use of the Project Site; (ii) taxes not yet due and payable; (iii) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of Closing and which City is willing to and does so remove at Closing; (iv) title exceptions caused by the acts or omissions of Redeveloper; (v) easements, licenses and use restrictions granted under this Redevelopment Agreement; and (vi) any other title exceptions shown on the Title Commitment and which are not properly and timely objected to by Redeveloper. Risk of loss or damage to the City Property shall rest with the City until the time of delivery of possession at Closing.

(b) Such affidavits, statements and other documents as are reasonably required by the Title Company (defined below) in order to issue a title policy ("**Title Policy**") in accordance with the Redeveloper's Title Commitment (defined below), including the City executing at Closing an affidavit on the title insurance company's form which will remove all standard exceptions to Buyer's title insurance policy, including without limitations (i) representing that there are no unpaid special assessments levied against the City Property as of

the Closing, except as provided in Section 203 below, (ii) representing that there are no outstanding unpaid bills for labor, material, or utilities furnished to the City Property as of the Closing, and (iii) agreeing to indemnify and hold harmless the Redeveloper and title insurance company against all payments and expenses, including court costs and attorney's fees, if the above representations prove inaccurate in whole or in part.

2. Documents to be Delivered by Redeveloper. At Closing, Redeveloper shall deliver to the City, and the City shall accept from Redeveloper such affidavits, statements and other documents as are reasonably required by the Title Company (defined below) in order to issue the Title Policy in accordance with the Redeveloper's Title Commitment.

3. Evidence of Title. The Redeveloper shall obtain (i) a title commitment (the "**Title Commitment**") from Nebraska Title Company for an ALTA owner's title insurance policy issued by a title insurance company duly authorized to do business in Nebraska acceptable to Redeveloper (the "**Title Company**") covering title to the City Property and showing fee simple title in the City and (ii) at the option of Redeveloper, an ALTA Survey of the City Property by the Engineer to be coordinated with the Title Commitment. A copy of the Title Commitment and ALTA Survey shall be delivered to the City Attorney's Office no later than fifteen (15) days prior to Closing and shall include copies of the underlying exception documents which affect the City Property. Redeveloper agrees to review the Title Commitment and ALTA Survey and advise the City whether the Title Commitment and ALTA Survey discloses exceptions to title, title matters or encroachments other than Permitted Exceptions or discloses matters that render title to the City Property unmarketable. Redeveloper shall notify City of such title defects within fifteen (15) days after receipt of the Title Commitment and Survey. City shall have ten (10) days after written notice of such defects from Redeveloper to have the exceptions removed from the Title Commitment or to have the title insurer commit to insure against loss or

damage that may be occasioned by such exceptions or defects. Provided, however, in the event that City shall be unable or unwilling to correct such title defects within the ten (10) day period, Redeveloper shall have the option, by written notice delivered to City to either (i) terminate this Redevelopment Agreement or (ii) take title to the City Property subject to such exceptions or defects. In the event Redeveloper provides timely notice to terminate this Redevelopment Agreement, the Redevelopment Agreement shall be deemed terminated, and the parties shall have no further obligation to one another. In the event Redeveloper elects to take title to such exceptions or defects, said exceptions or defects shall be deemed to be Permitted Exceptions.

City will reimburse the Redeveloper for one-half of the cost of the ALTA Survey at closing on the City Property. Redeveloper and the City shall each pay one-half of the cost of the owner's title insurance policy.

Section 203. City Property Taxes and Assessments. All City Property real and personal property taxes and assessments, if any, for the year in which Closing occurs shall be prorated as of the Closing Date, and all prior years' taxes, assessments, and interest, if any, shall either be exempt or paid in full by the City at or prior to Closing.

Section 204. Title and Possession of City Property. At the Closing, title to and possession of the City Property shall be conveyed by the City to Redeveloper under the terms and conditions set forth herein.

Section 205. City's Option to Purchase City Property. In the event Redeveloper fails to timely commence construction of the Project One Housing in accordance with Section 304, the City, subject to the Redeveloper's right to cure in Section 801 and/or for delay of performance for cause beyond the control of the Redeveloper pursuant to Section 803, shall be entitled, at its option, to purchase the City Property upon payment to the Redeveloper the City Property Purchase Price set forth in Section 201.

Section 206. Full Disclosure. The parties represent that no party was used as an agent or finder to bring about this sale.

ARTICLE III

CONSTRUCTION OF REDEVELOPER IMPROVEMENTS

Section 301. New Housing - Schematic Drawings; Exterior Drawings & Specifications; Final Exterior Construction Documents; Approval; Changes.

A. Conceptual Plans and Drawings. Overall conceptual plans and drawings ("**Project Schematic Drawings**") for the New Housing have been prepared by the Redeveloper and are attached as Exhibit D. The Project Schematic Drawings have been reviewed and approved by the Mayor. The Project Schematic Drawings shall serve as the basis for development of the design development plans and specifications for the New Housing.

B. Design Development/Construction Plans. Design development/construction plans and specifications ("**Design Construction Plans**") will be prepared by Redeveloper for the New Housing to be constructed by Redeveloper on the Project Site. Such Design Construction Plans shall be based upon the approved Project Schematic Drawings and shall show all the exterior faces of the New Housing to be constructed by Redeveloper as part of the Antelope Square Project, the construction materials to be used for the exterior walls and elevation views of the exterior faces of the New Housing ("**Exterior Drawings**"). The Exterior Drawings shall be submitted to the Mayor for his review and approval, as provided in subsection D below.

The Design Construction Plans shall also include a site plan ("Site Plan"). Ingress and egress to and from the Project Site from the public streets as shown on the Site Plan shall be subject to City approval based upon Chapter 14.75 of the Lincoln Municipal Code and the City's Access Management Policy.

C. City Approval. City, acting through the Mayor, shall so approve or reject the Exterior Drawings and Exterior Construction Documents within fourteen (14) days after receipt of the applicable documents. The Exterior Drawings shall be reviewed by the Mayor and approved only if they are prepared from and in substantial conformance with the approved Project Schematic Drawings, and in substantial conformity with this Redevelopment Agreement. Failure of the Mayor to reject the applicable documents within said fourteen (14) days shall be deemed as approval by the City. If the Mayor rejects the applicable plans, the Mayor shall deliver to Redeveloper notice thereof accompanied by an explanation of the reasons for such rejection based on the standards for this Antelope Square Project. If rejected, Redeveloper shall work with the Architect to submit revised Exterior Drawings, as applicable, within fourteen (14) days after the date of receiving the written rejection notice. Resubmitted Exterior Drawings shall be approved or rejected as provided above for original submittals.

D. Approval Limitation. Approval of the Exterior Drawings is not a substitute for and does not eliminate the requirement that Redeveloper apply for and receive necessary building permits for construction of the New Housing. Approval of a building permit for construction of the exterior walls is not a substitute for and does not eliminate the requirement that Redeveloper submit the Exterior Drawings to the Mayor for his review and approval.

E. Changes. If the Exterior Drawings are substantially and materially modified after the Mayor's approval, any such modification shall be resubmitted to the Mayor for review and approval, provided that such Exterior Drawings shall first be submitted to Urban Design Committee in accordance with the submittal requirements in Section 4.36.040 of the Lincoln Municipal Code for its review and submittal of its recommendations to the Mayor.

Section 302. Construction of New Housing.

A. Construction. Redeveloper shall, at its own cost and expense, through an

approximate investment of Six Million and No/100 Dollars ($6,000,000.00), subject to reimbursement for the Facade Enhancements as set forth in this Agreement, construct the New Housing as described in Recital C above in conformity with the approved Exterior Construction Documents, building permits and this Redevelopment Agreement.

1. Architecture. The New Housing shall have consistent architectural features, detailing, and design elements in accordance with the Project Schematic Drawings. All accessory building walls, screening walls or fences shall use the same primary material, color, and detailing as on the main buildings.

2. Landscaping. All mechanical housing and condensing housing shall be visually screened from public view. Outside storage areas shall be screened on three sides. Redeveloper shall submit a landscape plan for such screening to the Mayor for his review and approval which will not be unreasonably withheld.

Section 303. Construction of Redeveloper Public Improvements. Redeveloper at its own cost and expense, except as otherwise provided in this Agreement, shall construct/install or cause the Redeveloper Public Improvements to be constructed/installed.

A. Site Preparation. Removal of existing buildings, landscape, sidewalks and streetscape, and debris to accommodate the New Housing.

B. Streetscape Improvements. Overall conceptual plans and drawings ("**Streetscape Drawings**") for Streetscape Improvements on the public streets which directly front the Project Site shall be prepared by the Redeveloper. The Streetscape Improvements shall include but not be limited to decorative hardscape, landscaping, and other streetscape features and amenities. The Streetscape Drawings shall be submitted to the City's Urban Development Department for review and submittal of a recommendation to the Mayor. Upon receipt of the Urban Development's recommendation, the Mayor shall approve or reject the Streetscape

Drawings within fourteen (14) days after receipt. Upon approval of the Streetscape Drawings, the Redeveloper shall prepare or cause to be prepared final Streetscape Construction Documents in accordance with City Design Standards and Standard Specifications which shall be submitted to the Mayor for review and approval as provided above. The Streetscape Improvements shall be competitively bid through the City's Purchasing Division or by the Redeveloper pursuant to the Redeveloper Bidding Procedures attached hereto as Exhibit E.

C. Façade Enhancements. Redeveloper shall, at its own cost and expense, subject to reimbursement with available TIF Bond Proceeds as set forth in this Redevelopment Agreement, construct the Façade Enhancements. The City shall not have any obligation to reimburse Redeveloper for the cost of the Façade Enhancements in excess of available TIF Bond Proceeds as provided for in this Redevelopment Agreement. Redeveloper shall use its own funds to fund any Façade Enhancements costs that exceed the TIF Bond Proceeds that are lawfully available and granted to Redeveloper under this Redevelopment Agreement.

1. For the purpose of this Redevelopment Agreement, "**Façade Enhancements**" shall be the vertical exterior façades of the New Housing as shown on Exhibit D.

D. Permits and Approvals. Redeveloper agrees to secure all permits and licenses necessary for construction of the New Housing including, but not limited to, necessary building permits and inspections.

Section 304. Commencement and Completion Deadline for New Housing. The Redeveloper shall commence the Project One Housing on the Project One Site within ninety (90) days following acquisition of the City Property and shall use its best efforts to substantially complete all units comprising the Project One Housing on or before December 1, 2017. The Redeveloper shall commence the Project Two Housing on the Project Two Site on or before

January 1, 2019, and shall use its best efforts to substantially complete the Project Two Housing within 18 months following commencement. In the event Redeveloper fails to commence construction of the Project Two Housing on or before January 1, 2019, or in the event Redeveloper timely commences construction of such Housing but fails to use its best efforts to substantially complete construction within eighteen (18) months following commencement Redeveloper shall repay the City for any Project One Grant of Funds to Redeveloper. Said payment shall be made to the City within thirty (30) days following receipt of a request for payment from the City.

Section 305. Payment of Costs for New Housing. Redeveloper agrees to use commercially reasonable efforts to complete construction of the Project One Housing and Project Two Housing as provided in this Redevelopment Agreement, and to pay, or cause to be paid, in a timely manner all persons, firms, or organizations that performed labor or furnished materials, equipment or supplies used in the prosecution of each phase of the New Housing. Such payment shall be made promptly after completion of such phase in accordance with all the provisions of this Redevelopment Agreement relating to the obligations of Redeveloper to construct said improvements. If requested by City, the Redeveloper shall, in addition to this promise to pay, obtain and supply the City with lien waivers in favor of the Redeveloper from all persons, firms, or organizations performing any work on the New Housing or furnishing any materials, equipment, or supplies for construction of the said improvements. In addition, the City shall be entitled to inspect at reasonable times all records of the Redeveloper or its agents regarding such lien waiver procedures.

Section 306. Redeveloper's Certificate of Completion of Improvements.

A. Promptly upon substantial completion by Redeveloper of Project One and Project Two of the New Housing in accordance with all provisions of this Redevelopment Agreement,

and promptly after the Redeveloper provides the City with the proper documentation that Redeveloper's contractor or his or her subcontractors who performed labor or supplied materials, equipment or supplies in construction of the New Housing have been properly paid, the City shall, upon request of such Redeveloper, cause a final inspection to be made of each project of the New Housing. If the work has been completed in conformance with this Redevelopment Agreement, the City shall execute and deliver to Redeveloper the City's acceptance to the Redeveloper's Certificate of Completion of Improvements, the form of which is attached hereto as Exhibit F. The acceptance to the Redeveloper's Certificate of Completion of Improvements for both the Project One and Project Two of the New Housing by the City shall be a conclusive determination of satisfaction of the agreements and covenants contained in this Redevelopment Agreement with respect to the obligations of Redeveloper and its successors and assigns to construct the New Housing. As used herein, the term "completion" shall mean substantial completion of the New Housing. Substantial completion for each project of the New Housing is the stage in the construction progress of such project of the New Housing when the improvements are sufficiently complete in accordance with the Exterior Documents and when the Redeveloper has secured a temporary or permanent certificate of occupancy so that the Redeveloper can occupy or utilize the improvements for their intended use.

B. The Redeveloper's Certificate of Completion of Improvements for each project of the new Housing shall be recorded by Redeveloper in the Office of the Register of Deeds for Lancaster County, Nebraska against the Project Site. If the City shall refuse or fail to execute the acceptance to a Redeveloper's Certificate of Completion of Improvements after a final inspection has been requested and performed, the City shall, within fourteen (14) days provide Redeveloper with a written statement indicating in what particulars Redeveloper has failed to complete the Project One Housing or Project Two Housing in accordance with the provisions of this

Redevelopment Agreement or is otherwise in default, 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 acceptance.

Section 307. <u>Duty to Maintain</u>. Redeveloper at its own cost and expense shall, following construction of each project of the New Housing, keep the same in a safe and sanitary condition and shall take all action reasonably necessary to (a) maintain, in good order and condition and state of repair, all interior and exterior portions of the buildings including the routine and reasonable preventive maintenance of the buildings and their service facilities such as the wiring, plumbing, heating and air conditioning systems, interior insect treatment, and all glass including plate glass, exterior doors and automatic doors, and (b) maintain the grounds in a safe and sanitary condition including but not limited to sweeping and removal of trash, litter and refuse, repair and replacement of paving as reasonably necessary, maintenance of landscaped areas (including replacement and replanting), removal of snow and ice from sidewalks, driveways, and parking areas, in order to keep the same free from dilapidation or deterioration and free from conditions which endanger life or property by fire or other causes. With regard to the Façade Enhancements, the Redeveloper shall not, except for ordinary or necessary maintenance, undertake or allow to be undertaken any material change to the Façade Enhancements including the alteration, partial removal, construction, remodeling or physical or structural change or change in color or surfacing with respect to the appearance or construction of the Façade Enhancements that alters their state from the Construction Documents, wear and tear excepted. The City acknowledges that Redeveloper intends to sell each of the 24 attached single-family dwellings in the New Housing to individual home buyers, who shall, by accepting title to such single-family dwellings subject to this Agreement, assume the obligation to maintain the buyer's single-family dwelling.

Section 308. Construction Administration. Redeveloper shall be responsible for all components of the New Housing constructed by Redeveloper including construction management, coordination of contractors and regulatory permitting and other requirements. The Redeveloper will be solely responsible for payment of all construction costs for the New Housing.

Section 309. Cost Certification. Redeveloper shall submit authentic documentation to the City on approved forms or format for payment of any expenses related to reimbursement for the cost to construct the Redeveloper Priority Expenses. Redeveloper shall timely submit real estate settlement statements, receipts, invoices, or proof of payment concurrently with the request for reimbursement of Redeveloper Priority Expenses. The City shall approve or reject the request for reimbursement with reasons stated, based on the review within ten (10) days of receipt of the same; provided, however, the City shall generally approve requests for reimbursement made by Redeveloper that are consistent with Section 503 of this Redevelopment Agreement. Once the Redeveloper Priority Expense evidence or invoices have been approved by the City, the City shall pay such expense to Redeveloper within two (2) business days from the Project Account (defined below) established by the City for the Project.

Section 310. Façade Easement Agreement.

The City and Redeveloper shall enter into a Façade Easement Agreement wherein Redeveloper shall grant to the City a Façade Easement. The form of the Façade Easement Agreement is attached hereto as Exhibit G.

ARTICLE IV.

SECURITY AND RESTRICTIONS

Section 401. Penal Bond.

A. Penal Bond Amount. Pursuant to *Neb. Rev. Stat.* § 18-2151, Redeveloper shall

furnish or cause to be furnished to the City, prior to commencement of construction of each phase of the New Housing, a penal bond in an amount equal to the total cost of the applicable project of the New Housing 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. Such penal bond shall stay in place until the City executes the Certificate of Completion of Improvements for such project of the New Housing and shall be conditioned upon Redeveloper or Redeveloper's contractor at all times making payment of all amounts lawfully due to all persons supplying or furnishing Redeveloper, Redeveloper's contractor, or his or her subcontractors with labor or materials performed or used in the prosecution of the applicable Project One Housing or Project Two Housing. Proof of such penal bond shall be supplied to the City prior to the construction of the applicable project of the New Housing.

B. Surety Bond Alternative. The City shall accept, in lieu of the requirements in Section 401.A above, a surety bond supplied by Redeveloper or Redeveloper's prime contractor meeting the requirements of Neb. Rev. Stat. §52-141 (Reissue 2010) and a lien waiver from the prime contractor. The penal amount of the bonds shall be Two Million Five Hundred Thousand Dollars ($2,500,000). As required by Neb. Rev. Stat. § 52-141, recorded notice of the bond must be filed of record against the applicable Parcels of the Project Site. If this alternative is used, proof of said payment and recording shall be provided to the City prior to the start of construction of the applicable project of the New Housing. A copy of the lien waiver shall be provided to the City prior to the start of construction of the applicable project of the New Housing.

C. Disbursement Agreement. The City shall accept in lieu of the requirements in Sections 401.A and 401.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 Sections 401.A

and 401.B to be held by the City in the amount of $10,000. The cash deposit will be refunded upon issuance of the Certificate of Completion for both projects of the New Housing.

Section 402. **Indemnification**. Redeveloper agrees to indemnify and hold the City harmless to the extent of any payments in connection with carrying out construction of the New Housing the City may be required to make for failure of Redeveloper or Redeveloper's contractor to make payments of all amounts lawfully due to all persons supplying or furnishing Redeveloper's contractor or his or her subcontractors with labor or materials performed or used in construction of New Housing.

Section 403. **Low-to-Moderate Income Owner-Occupied Housing.** Redeveloper agrees to ensure that not less than a total of 10 attached single-family dwelling units between the Project One Housing and the Project Two Housing shall be owner-occupied by a first-time home buyer whose household income is at or below 80% of the area median income established by the U.S. Department of Housing and Urban Development ("HUD") adjusted for household size ("Qualified Buyer"). The Redeveloper has a goal that the New Housing will be sold 50% to Qualified Buyers and 50% to market-rate buyers. Further, Redeveloper agrees that no more than 18 of the 24 units will be owner-occupied by a Qualified Buyer. Redeveloper's obligation under this Section 403 is conditioned upon receipt of funding, from the City, to support construction assistance and/or first-time home buyer's ability to qualify to purchase the dwelling units of the New Housing and market acceptance of the housing project and dwelling units.

ARTICLE V.

TAX AGREEMENT

Section 501. **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 Project One TIF Bond and the Project Two TIF Bond (both as defined

below) for the Project One Housing and Project Two Housing respectively to fund the Site Acquisition and Redeveloper Public Improvements associated with each project of New Housing 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 Law which will be attributable to the redevelopment contemplated under this Agreement. The Project One TIF Tax Revenues and Project Two TIF Tax Revenues which are to be used to pay debt service on the applicable Project One TIF Indebtedness and Project Two TIF Indebtedness from the sale of the Project One TIF Bond for the Project One Housing and the sale of the Project Two TIF Bond for the Project Two Housing will be derived from the increased valuation from redeveloping the applicable Project One Site and Project Two Site as provided in this Agreement. Redeveloper agrees not to contest any taxable valuation assessed for the Project One Site and the Project One Housing thereon below $1,940,000.00 and the Project Two Site and the Project Two Housing thereon below $2,893,000.00 commencing on the applicable Effective Dates (defined below) of the Ad Valorem Tax Provision for the Project One Housing and Project Two Housing and continuing for a period of not to exceed fifteen (15) years after the Effective Date for each phase of the New Housing or so long as any portion of the Project One TIF Indebtedness with respect to the Project One Housing and/or the Project Two TIF Indebtedness with respect to the Project Two Housing remains outstanding and unpaid, whichever period of time is shorter. The City acknowledges that Redeveloper intends to sell the New Housing to individual home buyers who shall, by accepting title to such units of New Housing subject to this Agreement, assume the obligation and restriction against protesting the valuation of the New Housing below the minimum valuation levels as set forth below:

Project One	Valuation Minimum
a) Five (5) units containing 2 Bedrooms:	$185,000.00
b) Three (3) units containing 3 Bedrooms:	$199,000.00
c) Two (2) units containing 3 Bedrooms:	$209,000.00

Project Two	Valuation Minimum
(Units Not Fronting Antelope Creek)	
a) Four (4) units containing 2 Bedrooms:	$189,000.00
b) Four (4) units containing 3 Bedrooms:	$205,000.00
(Units Fronting Antelope Creek)	
a) Three (3) units containing 2 Bedrooms:	$209,000.00
b) One (1) unit containing 3 Bedrooms:	$225,000.00
c) One (1) unit containing 3 Bedrooms:	$230,000.00
d) One (1) unit containing 3 Bedrooms:	$235,000.00

Section 502. TIF Indebtedness.

A. Issuance of Project One 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 TIF Indebtedness for the New Housing has been authorized by an ordinance adopted by the City Council of the City of Lincoln ("**TIF Bond Ordinance**"), which date is after the remonstrative period in Neb. Rev. Stat § 18-2142.01 but as soon thereafter as is practicable, the City shall issue Project One TIF Indebtedness in the aggregate principal sum of Three Hundred Forty Thousand and No/100 Dollars ($340,000.00) to be purchased by the Redeveloper, its Lender or an investor ("Investor") of the City's choosing (to be approved by Redeveloper which shall not be unreasonably withheld) ("**Project One TIF Bond Purchaser**") and receive Project One TIF Bond Proceeds from the Project One TIF Bond Purchaser to be deposited into a City fund account (the "**Project One Project Account**") for payment of the Priority expenses set forth in Section 503A below. The total dollar amount of the Project One TIF Indebtedness is the estimated amount of the tax increment to be generated on Project One Site and the Project One Housing constructed thereon based upon an estimated taxable valuation of $1,940,000.00 after substantial completion of the Project One Housing in 2017.

B. Issuance of Project Two TIF Indebtedness. Upon the request of Redeveloper, following sufficient sales of the dwelling units of the Project One Housing, but in no event later than the Project Two completion deadline described in Section 304, the City shall issue Project Two TIF Indebtedness in the aggregate principal sum of Four Hundred Eighty Five Thousand and No/100 Dollars ($485,000.00) to be purchased by the Redeveloper, its Lender or an investor ("Investor") of the City's choosing (to be approved by Redeveloper which shall not be unreasonably withheld) ("**Project Two TIF Bond Purchaser**") and receive Project Two TIF Bond Proceeds from the Project Two TIF Bond Purchaser to be deposited into a City fund account (the "**Project Two Project Account**") for payment of the Priority expenses set forth in Section 503B below. The total dollar amount of the Project Two TIF Indebtedness is the estimated amount of the tax increment to be generated on the Project Two Site and Project Two Housing thereon based upon an estimated taxable valuation of $2,893,000.00 after substantial completion of the Project Two Housing.

C. Authority of City Finance Director. Subject to the terms of the TIF Bond Ordinance and this Redevelopment Agreement, the City Finance Director on behalf of the City shall make all necessary arrangements regarding timing of issuance of the Project One TIF Bond and Project Two TIF Bond in one or more series and all other details of any applicable TIF Bond, TIF Tax Revenues, Project Account, and Grant of Funds for the Project One Housing or Project Two Housing to reimburse Redeveloper for all or a portion of the Site Acquisition, Facade Enhancements, and Redeveloper Public Improvements. All such arrangements made by the Finance Director shall be subject to approval of the Mayor.

Section 503. Use of TIF Bond Proceeds.

A. Use of Project One TIF Bond Proceeds. Project One TIF Bond Proceeds shall be used for and expended for priority expenses (each a "**Priority Expense**") in the following priority:

FIRST PRIORITY EXPENSE: Reimburse the City for the cost of issuing the Project One TIF Bond, including but not limited to bond counsel fees, fiscal advisory fees, placement fees, capitalized interest and reserves, the Project One Tax Increment Financing Fee in the amount of one percent (1%) of the total of the Project One TIF Bond, and the City's cost to record Exhibits G, H, I, and L.

SECOND PRIORTY EXPENSE: Payment of grant or grants in the amount of $227,500.00 to reimburse Redeveloper for costs of the Project One Site Acquisition.

THIRD PRIORITY EXPENSE: Payment of grant or grants to reimburse Redeveloper in the amount of $100,000.00 for costs of the Project One Site Preparation (including demolition, grading, and alley paving) and Streetscape Improvements. Said costs are approximately $90,000 and $10,000 respectively.

FOURTH PRIORITY EXPENSE: Payment of grant or grants to reimburse Redeveloper up to the sum of $50,000.00 for the costs of the Project One Façade Enhancements. Based on preliminary cost estimates, the Project One TIF Bond Proceeds shall not fully fund the eligible Project One Façade Enhancements.

The Second through Fourth Priority Expenses are collectively the "**Redeveloper Project One Priority Expenses**."

Only costs for Redeveloper Project One Site Acquisition, Project One Site Preparation, Project One Streetscape Improvements, and Project One Façade Enhancement costs incurred

after the date of this Agreement shall be eligible for reimbursement as Redeveloper Project One Priority Expenses under this Section.

The City shall not have any obligation to make a grant or grants to reimburse the Redeveloper for the Project One Site Acquisition, Project One Site Preparation, Project One Streetscape Improvements, and/or Project One Façade Enhancements in excess of the available Project One TIF Bond Proceeds as described above. The funds granted to Redeveloper are restricted and earmarked solely for the reimbursement of eligible Project One Site Acquisition, Project One Site Preparation, Project One Streetscape Improvements, and Project One Façade Enhancements as described herein and the Redeveloper does not have discretionary judgment over the applications of said grant funds.

B. Use of Project Two TIF Bond Proceeds. Project Two TIF Bond Proceeds shall be used for and expended for priority expenses (each a "**Priority Expense**") in the following priority:

FIRST PRIORITY EXPENSE: Reimburse the City for the cost of issuing the Project Two TIF Bond, including but not limited to bond counsel fees, fiscal advisory fees, placement fees, capitalized interest and reserves, the Project Two Tax Increment Financing Fee in the amount of one percent (1%) of the total of the Project Two TIF Bond, and the City's cost to record Exhibits G, H, I, and J.

SECOND PRIORTY EXPENSE: Payment of grant or grants in the amount of $485,000.00 to reimburse Redeveloper for costs of the Project Two Site Acquisition.

Only costs for Project Two Site Acquisition incurred after the date of this Agreement shall be eligible for reimbursement as Second Priority Expenses under this Section.

The City shall not have any obligation to make a grant or grants to reimburse the Redeveloper for the Project Two Site Acquisition in excess of the available Project Two TIF

Bond Proceeds as described above. Redeveloper shall use its own funds to fund any such costs that exceed the Project Two 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 eligible Project Two Site Acquisition as described herein and the Redeveloper does not have discretionary judgment over the applications of said grant funds.

Section 504. Debt Service for TIF Indebtedness.

A. Debt Service for Project One TIF Indebtedness. The City shall, to the extent allowed by law, and then only to the extent funds are lawfully available from Project One TIF Tax Revenues, pay the Project One TIF Bond Purchaser the principal of the Project One TIF Bond, respectively, with interest as provided in the TIF Bond Ordinance at a rate not to exceed six percent (6%) per annum. Any debt service on the Project One TIF Indebtedness (including interest) to be paid from Project One TIF Tax Revenues shall not constitute a general obligation or debt of the City upon retirement of the Project One TIF Bond. Upon retirement of the Project One TIF Bond, any excess Project One TIF Tax Revenues resulting from the Tax Increment Provision on the Project One Housing, shall be used to reimburse the City for other eligible improvements in the Antelope Square Redevelopment Project Area or returned to the applicable taxing authorities as provided in the Community Development Law. Any shortfall in anticipated Project One TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project One Housing, shall be borne entirely by the Redeveloper, and the Project One TIF Bond Purchaser without recourse of any kind against the City.

B. Debt Service for Project Two TIF Indebtedness. The City shall, to the extent allowed by law, and then only to the extent funds are lawfully available from Project Two TIF Tax Revenues, pay the Project Two TIF Bond Purchaser the principal of the Project Two TIF

Bond, respectively, with interest as provided in the TIF Bond Ordinance at a rate not to exceed six percent (6%) per annum. Any debt service on the Project Two TIF Indebtedness (including interest) to be paid from Project Two TIF Tax Revenues shall not constitute a general obligation or debt of the City. Upon retirement of the Project Two TIF Bond, any excess Project Two TIF Tax Revenues resulting from the Tax Increment Provision on the Project Two Housing, shall be used to reimburse the City for other eligible improvements in the Antelope Square Redevelopment Project Area or returned to the applicable taxing authorities as provided in the Community Development Law. Any shortfall in anticipated Project Two TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project Two Housing, shall be borne entirely by the Redeveloper, and the Project Two TIF Bond Purchaser without recourse of any kind against the City.

505. Tax Increment Deficiency on TIF Bonds.

A.1 Lender and/or Investor Purchased Project One TIF Bond. If Redeveloper's Lender or an Investor purchases the Project One TIF Bond, any shortfall in the annual Project One TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project One Housing, shall be borne entirely by the Lender and/or Investor without recourse of any kind against the City. To the extent of any deficiency in annual Project One TIF Tax Revenues from the Ad Valorem Tax Provision for required debt service on the Project One TIF Bond, 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 Project One TIF Tax Revenues. The City acknowledges that Redeveloper intends to sell all of the attached single-family dwellings comprising the New Housing to home buyers who shall, by accepting title to such dwellings, agree to the minimum valuations set forth in Section 501 above. Redeveloper shall further obligate the home buyers to pay real estate taxes

and, if necessary, a payment in lieu of tax to cover any annual shortfall between Project One TIF Tax Revenues and the required debt service for the Project One TIF Bond (the "Project One Deficiency") based on such minimum valuations. If Redeveloper is required to pay any Project One Deficiency, the City shall reimburse all sums paid by said Redeveloper for such purposes if and when annual Project One TIF Tax Revenues do become available from the Ad Valorem Provision to meet current debt service and reimburse Redeveloper for any Project One Deficiency payments. In the event the Redeveloper fails to pay the Project One Deficiency, the Lender and/or Investor as the Project One TIF Bond Purchaser agrees to defer payment of the same for each year that there exists a Project One Deficiency during the Project One Tax Increment Period. If the Lender and/or Investor as the Project One TIF Bond Purchaser is required to defer any such payments, the City shall reimburse all sums deferred if and when annual Project One TIF Tax Revenues do become available from the Ad Valorem Tax Provision to pay the required debt service for the Project One TIF Bond and reimburse Lender and/or Investor as the Project One TIF Bond Purchaser for such deferred payments. In the event the Project One TIF Bond is not retired in full at the end of the Project One Tax Increment Period, any remaining indebtedness on the Project One TIF Bond shall be forgiven.

A.2 Lender and/or Investor Purchased Project Two TIF Bond. If Redeveloper's Lender and/or Investor purchases the Project Two TIF Bond, any shortfall in the annual Project Two TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project Two Housing, shall be borne entirely by the Lender and/or Investor without recourse of any kind against the City. To the extent of any deficiency in annual Project Two TIF Tax Revenues from the Ad Valorem Tax Provision for required debt service on the Project Two TIF Bond, 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 Project Two TIF Tax Revenues. The City acknowledges that Redeveloper intends to sell all of the attached single-family dwellings comprising the New Housing to home buyers who shall, by accepting title to such dwellings, agree to the minimum valuations set forth in Section 501 above. Redeveloper shall further obligate the home buyers to pay real estate taxes and, if necessary, a payment in lieu of tax to cover any annual shortfall between the Project Two TIF Tax Revenues and the required debt service for the Project Two TIF Bond (the "Project Two Deficiency") based on such minimum valuations. If Redeveloper is required to pay any Project Two Deficiency, the City shall reimburse all sums paid by said Redeveloper for such purposes if and when annual Project Two TIF Tax Revenues do become available from the Ad Valorem Provision to meet current debt service and reimburse Redeveloper for any Project Two Deficiency payments. In the event the Redeveloper fails to pay the Project Two Deficiency, the Lender and/or Investor as the Project Two TIF Bond Purchaser agrees to defer payment of the same for each year that there exists a Project Two Deficiency during the Project Two Tax Increment Period. If the Lender and/or Investor as the Project Two TIF Bond Purchaser is required to defer any such payments, the City shall reimburse all sums deferred if and when annual Project Two TIF Tax Revenues do become available from the Ad Valorem Tax Provision to pay the required debt service for the Project Two TIF Bond and reimburse the Lender and/or Investor as the Project Two TIF Bond Purchaser for such deferred payments. In the event the Project Two TIF Bond is not retired in full at the end of the Project Two Tax Increment Period, any remaining indebtedness on Project Two TIF Bond shall be forgiven.

B.1 Redeveloper Purchased Project One TIF Bond. If the Redeveloper purchases the Project One TIF Bond, any shortfall in the annual Project One TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project One Housing, shall be borne entirely by the Redeveloper without

recourse of any kind against the City. To the extent of any Project One Deficiency, the Redeveloper agrees to defer payment of the same for each year that there exists a Project One Deficiency. Provided, however, the City acknowledges that Redeveloper intends to sell all of the attached single-family dwellings comprising the New Housing to home buyers who shall, by accepting title to such dwellings, agree to the minimum valuations set forth in Section 501 above. Such buyers shall be further contractually bound to pay real property taxes based on such minimum valuations and, if necessary, a payment in lieu of tax to cover any Project One Deficiency. If Redeveloper is required to defer any such payment, the City shall reimburse all sums deferred by Redeveloper if an when annual Project One TIF Tax Revenues do become available from the Ad Valorem Provision to meet current debt service and reimburse Redeveloper for such deferred payments. In the event the Project One TIF Bond is not retired in full at the end of the Project One Tax Increment Period, any remaining indebtedness on Project One TIF Bond shall be forgiven.

B.2 Redeveloper Purchased Project Two TIF Bond. If the Redeveloper purchases the Project Two TIF Bond, any shortfall in the annual Project Two TIF Tax Revenues from the Tax Increment Provision for any reason whatsoever, specifically including a decline in taxable valuation of the Project Two Housing, shall be borne entirely by the Redeveloper without recourse of any kind against the City. To the extent of any Project Two Deficiency, the Redeveloper agrees to defer payment of the same for each year that there exists a Project Two Deficiency. Provided, however, the City acknowledges that Redeveloper intends to sell all of the attached single-family dwellings comprising the New Housing dwellings to home buyers who shall, by accepting title to such units, agree to the minimum valuations set forth in Section 501 above. Such buyers shall be further contractually bound to pay real property taxes based on such minimum valuations and, if necessary, a payment in lieu of tax to cover any Project Two

Deficiency. If Redeveloper is required to defer any such payment, the City shall reimburse all sums deferred by Redeveloper if an when annual Project Two TIF Tax Revenues do become available from the Ad Valorem Provision to meet current debt service and reimburse Redeveloper for such deferred payments. In the event the Project Two TIF Bond is not retired in full at the end of the Project Two Tax Increment Period, any remaining indebtedness on Project Two TIF Bond shall be forgiven.

C.1 Adjustments for any Payments of Project One Tax Increment Deficiency. If Redeveloper makes one or more payments to cover a Project One Deficiency as provided in paragraph A.1 of this Section, 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 Project One TIF Bond) ("**Redeveloper's Project One Aggregate Deficiency Payments**"). If the Project One TIF Tax Revenues from the Tax Increment Provision for any year exceeds the amount necessary to meet current debt service on the Project One TIF Bond, then the excess Project One 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.

C.2 Adjustments for any Payments of Project Two Tax Increment Deficiency. If Redeveloper makes one or more payments to cover a Project Two Deficiency as provided in paragraph A.2 of this Section, 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 Project Two TIF Bond) ("**Redeveloper's Project Two Aggregate Deficiency Payments**"). If the Project Two TIF Tax Revenues from the Tax Increment Provision for any year exceeds the amount necessary to meet current debt service on the Project Two TIF Bond, then the excess Project Two 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.

Section 506. Grant of Funds.

A. Project One Grant of Funds. In order to support redevelopment of this Antelope Square Project and as an inducement for Redeveloper to construct the Project One Housing, the City agrees to the extent allowed by law and then only to the extent proceeds are lawfully available from issuance of the Project One TIF Bond ("**Project One TIF Bond Proceeds**"), to pay on behalf of or make a grant of funds ("**Project One Grant Funds**") to the Redeveloper, subject to reimbursement pursuant to Section 304 above and subsection C below, up to the total amount of the Project One TIF Bond Proceeds, less the amounts expended by the City on the Section 503.A First Priority Expenses, to reimburse Redeveloper for the cost of the Section 503.A Second through Fourth Priority Expenses. In order to receive reimbursement from Project One Grant Funds the Redeveloper shall submit authentic and satisfactory documentation to the City to verify the Project One Housing has been substantially completed and that the expenditures were made for eligible Section 503.A Second through Fourth Priority Expenses. The City shall maintain a record of all expenditures of the Project One TIF Bond Proceeds to determine the total amount of Project One TIF Bond Proceeds expended on Section 503.A Second through Fourth Priority Expenses.

B. Project Two Grant of Funds. In order to support redevelopment of this Antelope Square Project and as an inducement for Redeveloper to construct the Project Two Housing, the City agrees to the extent allowed by law and then only to the extent funds are lawfully available from issuance of the Project Two TIF Bond ("**Project Two TIF Bond Proceeds**"), to pay on behalf of or make a grant of funds ("**Project Two Grant Funds**") to the Redeveloper up to the total amount of the Project Two TIF Bond Proceeds, less the amounts expended by the City on

the Section 503.B First Priority Expense, to reimburse Redeveloper for the cost of the Section 503.B Second Priority Expense. In order to receive reimbursement from Project Two Grant Funds the Redeveloper shall submit authentic and satisfactory documentation to the City to verify the Project Two Housing has been substantially completed and that the expenditures were made for eligible Section 503.B Second Priority Expense. The City shall maintain a record of all expenditures of the Project Two TIF Bond Proceeds to determine the total amount of Project Two TIF Bond Proceeds expended on Section 503.B Second Priority Expense.

C. Reimbursement of Project One Grants. Subject to Section 801 (Remedies) below, Redeveloper agrees to repay the City for any grant of funds to Redeveloper as provided for in Section 503.A (Use of Project One TIF Bond Proceeds) and Section 506.A (Project One Grant of Funds) above, in the event Redeveloper fails to substantially complete the Project One Housing as provided in Section 304 (Commencement and Completion Deadline for New Housing) above, and, upon such repayment of the Project One Grant Funds, this Redevelopment Agreement shall be null and void in regards to Redeveloper's obligation to construct the Project One Housing. Subject to Section 801 (Remedies) below, in the event Redeveloper fails to maintain the Project One Housing as provided in Section 307 (Duty to Maintain) above, then said Redeveloper shall reimburse the City 1/15 of the Project One Grant Funds granted Redeveloper for construction of the Project One Housing as provided for in Section 506.A (Project One Grant of Funds) above, for each year a Redeveloper fails to maintain the Project One Housing.

D. Reimbursement of Project Two Grants. Subject to Section 801 (Remedies) below, Redeveloper agrees to repay the City for the grant or grants of funds to Redeveloper as provided for in Section 503.B (Use of Project Two TIF Bond Proceeds) and Section 506.B (Project Two Grant of Funds) above, in the event Redeveloper fails to substantially complete the Project Two Housing as provided in Section 304 (Commencement and Completion Deadline for

New Housing) above, and, upon such repayment of the Project Two Grant Funds, this Redevelopment Agreement shall be null and void in regards to Redeveloper's obligation to construct the Project Two Housing. Subject to Section 801 (Remedies) below, in the event Redeveloper fails to maintain the Project Two Housing as provided in Section 307 (Duty to Maintain) above, then said Redeveloper shall reimburse the City 1/15 of the Project Two Grant Funds granted Redeveloper for construction of the Project Two Housing as provided for in Section 506.B (Project Two Grant of Funds) above, for each year a Redeveloper fails to maintain the Project Two Housing.

Section 507. **Restriction on Transfer**. Redeveloper will not, for a period of fifteen (15) years after the issuance by the City to Redeveloper the Redeveloper's Certificate of Completion for each phase of the New Housing, or so long as the tax increment indebtedness for such phase remains outstanding, whichever period of time is shorter (the "**Project One Tax Increment Period or Project Two Tax Increment Period,**" as applicable), convey the Project One Parcels or Project Two Parcels or any portion thereof to any entity which would result in the underlying real estate being exempt from ad valorem taxes levied by the State of Nebraska or any of its subdivisions or subsidiaries.

Section 508. **Agreement to Pay Taxes**. Redeveloper agrees to pay all real property taxes levied upon the Project Site and New Housing prior to the times such taxes become delinquent. This contractual obligation to pay such taxes prior to delinquency on the part of 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 the Project Site and New Housing for tax purposes except as provided in Section 501. The City acknowledges that Redeveloper intends to sell all of the attached single-family

dwellings comprising the New Housing to home buyers who shall, by accepting title to such dwellings subject to this Agreement, assume the obligation to pay the real property taxes under this Section 508.

Section 509. Damage or Destruction of New Housing.

A. Construction Period. During the construction period for each project of New Housing, 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 applicable Project One Housing or Project Two Housing 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 applicable Tax Increment Period for the Project One Housing and Project Two Housing, Redeveloper agrees to maintain property insurance on an extended coverage all-risk basis in an amount not less than the replacement value of the Project One Housing and the Project Two Housing but allowing for reasonable coinsurance clauses and deductibles. Redeveloper agrees to use good faith efforts to commence restoration of the Project One Housing and/or Project Two Housing to their prior condition within nine (9) months from the date of the damage or destruction, and shall pursue the same to completion. The City acknowledges that Redeveloper intends to sell all of the attached single-family dwellings comprising the New Housing to home buyers, who shall, by accepting title to such dwellings subject to this Agreement, assume this obligation to insure and rebuild.

C. Failure to Restore. In the event Redeveloper fails for any reason to restore the Project One Housing and/or Project Two Housing as provided in A and/or B above, Redeveloper shall pay the City the necessary mount for the City to retire the applicable Project One TIF Bond and/or Project Two TIF Bond in full, including interest. The City acknowledges that Redeveloper intends to sell all of the attached single-family dwellings comprising the New Housing to home buyers, who shall, by accepting title to such dwellings subject to this Agreement, assume this obligation to insure and rebuild.

D. Evidence of Insurance. On or before September 1 of each year during the Construction Period for each project of the New Housing, the Redeveloper shall provide the City with a certificate of insurance showing the above required insurance coverage, and said certificate shall include the amount of coverage provided under the policy.

Section 510. Condemnation. In the event that during the applicable Tax Increment Period of the Project One Housing or the Project Two Housing all or a substantial portion of such Project One Housing and/or Project Two Housing is condemned by a condemning authority other than the City, and such 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 condemning authority an interest in such property equal to the amount of tax increment received by the City in the preceding year times the number of years remaining in the applicable Tax Increment Period.

Section 511. Termination of Provisions. The provisions of this Article V for the Project One Housing and Project Two Housing shall terminate upon the end of the Tax Increment Period for such phase of the New Housing.

ARTICLE VI.

MORTGAGE FINANCING; RIGHTS OF MORTGAGEES

Section 601. **Limitation Upon Encumbrance of Property**. Prior to issuance of the Redeveloper's Certificate of Completion of Improvements by the City for each project of the New Housing, neither Redeveloper nor any successors in interest to Redeveloper shall engage in any financing or any other transaction creating any mortgage or any other monetary encumbrance or monetary lien upon the applicable Parcels of the Project Site and New Housing, whether by express agreement or operation of law, or suffer any monetary encumbrance or monetary lien to be made on or attached to such Parcels and New Housing, except for the purposes of obtaining funds only to the extent necessary to construct and develop the New Housing, and to finance, operate, maintain, repair, replace and insure said New Housing. All such mortgages, financial encumbrances, or monetary liens shall be subject to the terms and conditions of this Redevelopment Agreement and shall be recorded in the appropriate public records in a timely manner following their execution.

Redeveloper or any successors in interest shall notify the City in advance of any additional financing secured by mortgage or similar lien instrument that it proposes to enter into with respect to the Project Site and New Housing or portions thereof, and shall promptly notify the City of any encumbrance or lien that has been created on or attached to the Project Site and New Housing or portions thereof whether by voluntary act of Redeveloper or otherwise.

Notwithstanding the above, if any involuntary encumbrance or lien is made on or attached to the Project Site and New Housing or portions thereof 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 avoid or prevent foreclosure of such encumbrance or lien.

Section 602. **Mortgage Holder Obligations.** Each mortgage holder who obtains title to the Project Site or any part thereof as a result of 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 any of the New Housing and which require such holder to be obligated to guarantee such construction and completion. The above exemption shall not run in favor of any purchaser at foreclosure or judicial sale other than the holder of the mortgage; nor in favor of any person who subsequently obtains title to the Project Site or any part thereof from the holder of the mortgage; provided, however, no person, including the holder of a mortgage authorized by this Redevelopment Agreement, may devote the New Housing thereon or any part thereof to any use or construct any improvements thereon other than those uses and improvements provided and permitted in accordance with this Redevelopment Agreement.

Section 603. **Copy of Notice of Default to Mortgage Holder**. 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 Redevelopment Agreement, the City shall at the same time forward a copy of such notice or demand to each holder of any mortgage authorized by this Redevelopment Agreement at the last address of such holder as shown in the records of the Register of Deeds of Lancaster County, Nebraska or as provided to the City by such mortgage holder.

Section 604. **Mortgage Holder's Option to Cure Defaults.** If thirty (30) days after notice or demand with respect to any breach of default as referred to in Section 603, such breach or default remains uncured, each such holder shall (and every mortgage instrument made prior to issuance by the City of the Redeveloper's Certificate of Completion) have the right, at its option, to cure or remedy such breach or default within sixty (60) days after the notice or demand

as referred to in Section 603, 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.

Section 605. <u>City's Option to Purchase Property</u>. In any case where the holder of any mortgage obtains title to the Project Site and any New Housing or any part thereof as a result of foreclosure proceedings or action in lieu thereof, prior to issuance by the City of the Redeveloper's Certificate of Completion of Improvements for the applicable phase of the New Housing, the City shall (and any additional mortgage instrument made after the date of this Redevelopment Agreement with respect to the Project Site or any part thereof prior to issuance by the City of the Redeveloper's Certificate of Completion of Improvements shall so provide) be entitled, at its option, to a conveyance to it of the Project Site or any part thereof upon payment to such holder of an amount equal to the sum of:

(1) The mortgage debt at the time of foreclosure or action in lieu thereof (less all the appropriate credits including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

(2) All expense with regard to foreclosure;

(3) The net expense, if any, incurred by such holder in and as a direct result of its subsequent management and operation of the Project Site;

(4) The depreciated cost of any improvement made by such holder;

(5) An amount equal to the interest that would have accrued on the aggregate of such amounts had all such amounts become a part of the mortgage debt and such debt had continued in existence; and

(6) All other reasonable holding costs actually incurred as to the Project Site.

The City's option shall remain in force for ninety (90) days after the date the holder of any mortgage obtains title to said Project Site or part thereof and notifies the City, unless the City waives the option prior to the end of such 90-day period. In the event the City exercises its option under this Section, then the City shall also be required to repay in full any and all outstanding Project One TIF Bond or Project Two TIF Bond and shall be entitled to receive the Project One TIF Bond Proceeds and Project Two TIF Bond Proceeds.

Section 606. Mortgage Rights Applicable to Other Forms of Encumbrance. The rights and obligations of this Redevelopment Agreement relating to mortgages of any Parcels of the Project Site prior to issuance of the Redeveloper's Certificate of Completion of Improvements for each phase of the New Housing thereon shall apply to any other type of encumbrance on such Parcel, 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, all of which shall be as duly recorded in a timely manner in the public records of Lancaster County, Nebraska.

Section 607. Termination of Provisions. The provisions of this Article VI shall terminate for each project of the New Housing upon issuance by the City to the Redeveloper the Redeveloper's Certificate of Completion of Improvements for such phase of the New Housing.

ARTICLE VII.

REPRESENTATIONS

Section 701. Development of Project. Redeveloper represents and agrees that its undertakings, pursuant to this Redevelopment Agreement, have been, are, and will be, for the purpose of redevelopment of the Project Site and not for speculation in land holding.

Section 702. <u>Restrictions on Assignments of Rights or Obligations</u>. Redeveloper represents and agrees that prior to issuance of the Redeveloper's Certificate of Completion of Improvements by the City, for both phases of the New Housing there shall be no sale or transfer of Redeveloper or assignment of its rights or obligations under this Redevelopment Agreement to any party without the prior written approval of the City Administration, other than mortgages and involuntary transfers by reason of death, insolvency, or incompetency. The City shall be entitled to require, except as otherwise provided in this Redevelopment Agreement, as conditions to any such 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 Redevelopment Agreement by Redeveloper;

B. Any proposed transferee, by instrument satisfactory to the City and in form recordable in the Office of the Register of Deeds of Lancaster County, 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 Redevelopment Agreement and agreed to be subject to all of the conditions and restrictions to which Redeveloper is subject. No transfer of, or change with respect to ownership in Redeveloper's interest in the Project Site or any interest therein, however consummated or occurring and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of or with respect to any rights or remedies or controls provided in or resulting from this Redevelopment Agreement with respect to the Project Site and the construction of the New Housing that would have occurred, had there been no such transfer or change;

C. There shall be submitted to the City for review, not less than seven (7) days prior to the proposed execution thereof, all instruments and other legal documents involved in the

transfer; and if disapproved by the City, its disapproval shall be indicated to Redeveloper in writing; and

D. Redeveloper and its transferees shall comply with such other reasonable conditions as the City may find desirable in order to achieve and safeguard the purposes of the Proposal for Redevelopment; provided that in the absence of a specific written agreement by the City to the contrary, no such transfer or approval by the City shall be deemed to relieve the Redeveloper of any of its obligations with respect to the construction of the New Housing.

Nothing herein contained shall prohibit the Redeveloper from entering into any agreement to sell or other agreement as to transfer of any interest if such agreement can, by its terms only, become effective after the City has issued a Redeveloper's Certificate of Completion. The restrictions set forth in this Section 702 shall automatically terminate and no longer be binding on the Redeveloper upon the issuance of the Redeveloper's Certificate of Completion of Improvements by the City for both phases of the New Housing.

Section 703. **Change in Scope, Termination of Project**. City and Redeveloper agree that any material change in the scope of the Antelope Square Project including termination of the entire Project for any reason, except as specifically set forth herein, shall require mutual written agreement considering the established Sources and Uses of Funds for the Project and, if applicable, the costs incurred by the respective parties to date. Notwithstanding the foregoing, in the event that Redeveloper is unable through no fault of Redeveloper to obtain the necessary governmental approvals and permits from the City prior to Closing to construct the New Housing as reflected on the Project Schematic Drawings, Redeveloper may terminate this Redevelopment Agreement by delivering written notice to the City.

ARTICLE VIII.

REMEDIES

Section 801. **In General**. Except as otherwise provided in this Redevelopment Agreement, in the event of any default in or breach of this Redevelopment Agreement, or any of its terms or conditions by the City, Redeveloper, or any successors to such parties, either party (or successor) shall, upon written notice from the aggrieved party, proceed immediately to cure or remedy such default or breach, and in any event, such default or breach shall be cured within thirty (30) days after receipt of such notice, except that if such default or breach cannot, in the exercise of reasonable diligence, be cured within such thirty (30) day period, then the defaulting party within such period shall commence efforts to cure such default and shall diligently continue to cure the same. In case such action is not cured as provided above, the aggrieved party may institute such proceedings as may be necessary or desirable in its option to cure and remedy such default or breach including, but not limited to, proceedings to seek recovery for damages or to compel specific performance by the party in default or breach of its obligation. Any curing of any default or breach by a mortgagee of Redeveloper shall be deemed to be a curing by Redeveloper.

Section 802. **Other Rights and Remedies; No Waiver by Delay.** The parties hereto shall have the right to institute such actions or proceedings as they may deem desirable for effectuating the purposes of this Redevelopment Agreement. Any delay in instituting or prosecuting any action or proceeding or otherwise asserting its rights under this Redevelopment Agreement shall not operate as a waiver of such rights to deprive a party of or limit such rights in any way.

Section 803. **Delay in Performance For Causes Beyond Control of Party ("Force Majeure").** For the purpose of any provisions of this Redevelopment Agreement, the

City, and Redeveloper or their successors or assigns, shall not be considered in breach or default of their obligations in the event of delay in the performance of such obligations due to causes beyond their reasonable control and without their fault, including acts of God, acts of the public enemy, act of the federal or state government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of contractors, or subcontractors due to such causes (financial incapacity of the Redeveloper, contractors or subcontractors excepted); it being the purpose and intent of this section 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 the improvements shall be extended for the period of delay, provided that 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 any such delay, notify the other party thereof, in writing, and of the cause(s) thereof.

Section 804. **Rights and Remedies Cumulative**. The rights and remedies of the parties to this Redevelopment Agreement, whether provided by law or by this Redevelopment Agreement, shall be cumulative and the exercise by either party of any one or more such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for any other default or breach by the other party. A waiver of any right of either party conferred by this Redevelopment Agreement shall be effective only if such waiver is in writing and only to the extent as so specified in writing.

ARTICLE IX.

MISCELLANEOUS

Section 901. **Conflicts of Interest; City Representatives Not Individually Liable.** No official or employee of the City shall be personally liable to Redeveloper, any successors in interest or transferees of Redeveloper, or any other party or person, in consequence of any

default or breach by the City or for any amount which may become due to Redeveloper, its successors or transferees, or on any obligations under the terms of this Redevelopment Agreement.

Section 902. **Persons Authorized to Issue Approvals**. For purposes of this Redevelopment Agreement and the approvals and disapprovals required hereunder, Redeveloper shall be entitled to rely on the written approval or disapproval of the City Council, or the Mayor, or the Director of the Department of Urban Development or its successor as authorized in this Redevelopment Agreement, as constituting the approval or disapproval required by the City. The Mayor is hereby authorized to amend or modify the order of Redeveloper Priority Expenses and use of the Project One TIF Bond Proceeds and Project Two TIF Bond Proceeds for the Section 503.A Priority Expenses and the Section 503.B Priority Expenses. Until City receives further written notice from Redeveloper, City shall be entitled to rely on the written approval of Mike Renken and Brett West as constituting the approval or disapproval of Redeveloper.

Section 903. **Equal Employment Opportunity**. Redeveloper, for itself and its successors and transferees, agrees that during the construction and operation of the New Housing provided for in this Redevelopment Agreement, Redeveloper will not discriminate against any employee or applicant for employment for the Redeveloper because of race, religion, sex, color, national origin, ancestry, disability, marital status, or receipt of public assistance. Redeveloper will take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment without regard to their race, religion, sex, color, national origin, ancestry, disability, marital status, or receipt of public assistance. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

Section 904. **Notices and Demands.** A notice, demand, or other communication under this Redevelopment 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, Nebraska 68508
With a copy to:	City Attorney 555 South 10th Street, Suite 300 Lincoln, Nebraska 68508
If to Redeveloper:	Antelope Square, LLC 2530 "Q" Street Lincoln, NE 68503
With a copy to:	Cline Williams Wright Johnson & Oldfather, LLP Attn: Thomas C. Huston 233 S. 13th Street, Suite 1900 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 forward to the other as provided in this Section.

Section 905. **Approval Not Unreasonably Withheld and Timely Approval.** Whenever approval or consent of either party is required hereunder, such consent shall not be unreasonably withheld or delayed. Except as may be specifically otherwise stated, any approval or disapproval required in this Redevelopment Agreement shall be issued within fourteen (14) days after receipt by the party issuing such approval/disapproval of all necessary information from the party requesting such approval. The party issuing such approval/disapproval shall promptly advise the requesting party as to whether all necessary information has been received. If any party to this Redevelopment Agreement submits any item to another party to this Redevelopment Agreement for approval pursuant to this Redevelopment Agreement, and the

party so requested to approve fails to issue written approval or disapproval within the time period specified for such approval or disapproval, then such failure shall constitute approval of such item.

Section 906. **Access to Project Site.** Redeveloper shall permit the representatives of the City to enter Project Site at any and all reasonable times, as the City may deem necessary for the purposes of this Redevelopment Agreement, including but not limited to work and inspection of all work being performed in connection with the construction of the New Housing. Similarly, the City shall permit Redeveloper such entry upon the public rights of way for such purposes. 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 for both phases of the New Housing. Notwithstanding the above, Redeveloper shall not be relieved of the provisions contained in Chapter 14.29 of the Lincoln Municipal Code regarding the use of streets for private construction purposes.

Section 907. **Termination of Provisions; Provisions Run With the Land.** This Redevelopment Agreement shall run with the Project Site and shall inure to and bind the parties and their successors in interest. Except as otherwise provided herein, the provisions and covenants of this Redevelopment Agreement shall terminate upon issuance by the City of the Redeveloper's Certificate of Completion of Improvements for both phases of the New Housing.

Section 908. **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 New Housing on behalf of Redeveloper to comply with the provisions of this section.

Section 909. Titles of Articles and Sections. Any titles of the several parts, articles and sections of this Redevelopment Agreement are inserted for convenience of index and reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 910. Integrated Contract; Severance of Provisions; Interpretation; Governing Law. 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. Any uncertainty or ambiguity existing herein shall not be interpreted against a party because such party prepared any portion of this Redevelopment 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 as reimbursement for the cost of the Redeveloper 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). This Redevelopment Agreement shall be construed and governed by the laws of the State of Nebraska.

Section 911. Definitions.

A. For the purpose of this Redevelopment Agreement, the term "holder" in reference to a mortgage shall be deemed to include any insurer or guarantor of any obligation or conditions secured by such mortgage or similar type of encumbrance who succeeds to or becomes subrogated to the rights of the mortgagee.

B. The term "mortgage" shall include a deed of trust or other instrument creating an encumbrance or lien as security for a loan.

C. The term "minimum investment" shall include all costs incurred by Redeveloper when constructing the New Housing and Façade Enhancements, including but not limited to construction costs, fees, financing costs, and land costs.

Section 912. Audit. 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 Redevelopment Agreement, as allowed by law. City shall be subject to audit by Redeveloper with regard to the collection, disbursement, and/or funding of any of the uses set forth in Section 503.B. and shall make available to Redeveloper and/or any auditor working on behalf of Redeveloper copies of all financial and performance-related records and materials germane to this Redevelopment Agreement and the use of the Project One TIF Bond Proceeds and Project Two TIF Bond Proceeds for the Section 503.A Priority Expenses and the Section 503.B Priority Expenses.

Section 913. Effective Date of Ad Valorem Tax Provision. At the Request of Redeveloper, the effective date of the Project One Ad Valorem Tax Provision and the effective

date of the Project Two Ad Valorem Tax Provision shall be January 1 of the year of Substantial Completion of the applicable Project One Housing and Project Two Housing. The City will deliver written notice to the County Assessor on or before August 1 of the year of Substantial Completion to divide the property taxes on the applicable Project One Site and Project Two Site and use the last certified valuation for the prior year to divide the taxes for the remaining portion of the fifteen-year period as described in Section 18-2147 (3) of the Nebraska Revised Statutes. In consideration of the City approving the above request, Redeveloper agrees to defend, indemnify, and hold harmless the City of Lincoln against any claims, damages, losses, expenses, or challenges, including associated litigation costs and attorney fees, arising out of the establishment of each Effective Date as set forth in this Section. Further, to the extent that this provision is deemed invalid, void, unconstitutional, or otherwise unenforceable, the Redeveloper agrees to assume any and all risk associated with such an outcome and any effect it might have on the availability of proceeds otherwise allowed for repayment of indebtedness associated with this Agreement as described in Article V of the Agreement without any recourse against the City of Lincoln.

Section 914. **Expiration**. Except as otherwise provided herein, this Redevelopment Agreement shall expire for the Project One Housing and Project Two Housing upon the expiration of the Project One Tax Increment Period and the Project Two Tax Increment Period respectively.

Section 915. **Recording**. A Memorandum of this Redevelopment Agreement (in the form attached hereto as Exhibit J shall be recorded with the Register of Deeds of Lancaster County, Nebraska, against the Project Site.

Section 916. **Representations and Warranties of Parties**.

A. Redeveloper represents and warrants to City as follows:

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

ii. Authority Relative to Agreement. This Redevelopment 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 Redevelopment Agreement by Redeveloper has been duly authorized by all necessary action by Redeveloper and except as provided in this Redevelopment 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 Redevelopment 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 Redevelopment Agreement by City has been duly authorized by all necessary action by the City and except as provided in this Redevelopment 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.

Section 917. **Counterparts**. This Redevelopment Agreement may be executed in one or more counterparts which, when assembled, shall constitute an executed original hereof.

Section 918. **Successors and Assigns.** The provisions of this Redevelopment Agreement shall be binding upon Redeveloper and its successors and assigns; provided, however, that the obligations of Redeveloper pursuant to this Redevelopment Agreement shall be binding upon Redeveloper and its successors and assigns only during their respective periods of ownership.

Section 919. **Purpose of Agreement.** This Redevelopment Agreement has been entered into by the City to provide financing for the Antelope Square Project, an approved redevelopment project as defined in Neb. Rev. Stat. § 18-2103(12) within the Antelope Valley Redevelopment Plan.

Section 920. **Certain Façade Enhancements.** Notwithstanding any contrary provisions herein, the Façade Enhancements will include design costs, improvements and construction that the City determines to be unique and not-competitive or otherwise involving professional services to the extent the same are required to coordinate, match and integrate the

Façade Enhancements with the New Housing. Redeveloper shall timely submit architect, engineer or other professional designer estimates or contractor's competitive bids for said Façade Enhancements in advance of requesting payment for the same to enable the City to obtain an independent review of the same by a qualified professional or contractor. The City shall approve or reject said cost estimates based on the review within ten (10) days of receipt of the same. Where reasonable and appropriate, Redeveloper shall utilize unit price or itemized contracts specifically showing the eligible items or quantities prior to letting or entering into the same. Overhead, overtime, incentive, office, mobilization, administration or similar generalized charges shall be allowed only as authorized by the City in advance of incurring the same. Redeveloper agrees to assist and make any and all pertinent documents available for inspection and copying by the City or its auditors in support of the same.

Section 921. **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 minor alterations, changes or additions to the Agreement and the Exhibits.

Section 922. **Exhibits**. The following Exhibits are attached to this Redevelopment Agreement and are incorporated herein by this reference:

Exhibit A - Antelope Square Redevelopment Area
Exhibit B – Project Site
Exhibit C – Sources and Uses of TIF
Exhibit D - Project Schematic Drawings
Exhibit E - Redeveloper Bidding Procedures
Exhibit F - Certificate of Completion of Improvements
Exhibit G - Façade Easement Agreement
Exhibit H- Penal Bond
Exhibit I - Disbursement Agreement
Exhibit J - Memorandum of Redevelopment Agreement, Use Restrictions, Environmental Restrictions, and Parking Rights

[SIGNATURE AND NOTARY PAGES TO FOLLOW]

Executed by City this _____ day of _____, 2016.

"**City**"

ATTEST:

CITY OF LINCOLN, NEBRASKA
a municipal corporation

_____
City Clerk

_____
Chris Beutler, Mayor of Lincoln

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Chris Beutler, Mayor of the City of Lincoln, on behalf of the City of Lincoln, Nebraska.

_____
Notary Public

Executed by Redeveloper this _____ day of _____, 2016.

"Redeveloper"

ANTELOPE SQUARE, LLC, a Nebraska limited liability company

By:_____

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____, _____, on behalf of Antelope Square, LLC, a Nebraska limited liability company.

_____
Notary Public

EXHIBIT A

Antelope Square Redevelopment Project: Project Area

Project Area

Streets

City of Lincoln: Urban Development Department

EXHIBIT B

PROJECT SITE LEGAL DESCRIPTION

1. 2201 “R” Street, legally described as: The North Seventy-Seven feet (N 77’) of Lot Six (6), Block Five (5), Kinney’s “O” Street Addition, Lincoln, Lancaster County, Nebraska.

2. 332 North 22nd Street, legally descrived as: The South Sixty-Five feet (S 65’) of Lot Six (6), Block Five (5), Kinney’s “O” Street Addition, Lincoln, Lancaster County, Nebraska.

3. 2211 “R” Street, legally described as: Lot Five (5), Block Five (5), Kinney’s “O” Street Addition, Lincoln, Lancaster County, Nebraska.

4. 2221 “R” Street, legally described as: Lot Four (4), Block Five (5), Kinney’s “O” Street Addition, Lincoln, Lancaster County, Nebraska.

5. 2218 “Q” Street, legally described as: Lot Nine (9), Block Five (5), Kinney’s “O” Street Addition, Lincoln, Lancaster County, Nebraska.

6. 2240 “Q” Street, legally described as: Lots ten (10), Eleven (11), and Twelve (12), Block Five (5), Kinney’s “O” Street Addition, Lincoln, Lancaster County, Nebraska.

7. 314 North 23rd Street, legally described as: The South Eight-Four Feet (S 84’) of Lots Seven (7) and Eight (8), Block Four (4), Kinney’s “O” Street Addition, Lincoln, Lancaster County, Nebraska.

8. 2300 “Q” Street, legally described as: The North Fifty-Eight feet (N 58’) of Lots Seven (7) and Eight (8), Block Four (4), Kinney’s “O” Street Addition, Lincoln, Lancster County, Nebraska.

EXHIBIT C

Sources and Uses
Antelope Square Redevelopment

TIF SOURCES	
Phase One Development	
Base Value	$203,300
Estimated New Assessed Value (Based on Sales)	$1,940,000
Increment Value	$1,736,700
Annual TIF Generated (Estimated)	$35,219
Funds Available = Annual TIF Generated * 14 Years at 5.5%	**$340,758**
Phase Two Development	
Base Value	$330,600
Estimated New Assessed Value (Based on Sales)	$2,893,000
Increment Value	$2,562,400
Annual TIF Generated (Estimated)	$51,963
Funds Available = Annual TIF Generated * 14 years at 5.5%	**$502,768**

Total TIF Available	$843,526
Projected TIF Available to Developer (1% City Fee, $10,000 Bond Fee)	$825,000

TIF Uses	
Phase One Development	
Site Acquisition:	$227,500
Site Preparation (demolition, grading, alley paving, etc.) and Streetscape Improvements	$100,000
Façade Treatment:	$12,500
TOTAL	**$340,000**
Phase Two Development	
Site Acquisition	$485,000
TOTAL	**$485,000**
Total TIF Uses	$825,000

EXHIBIT D
PROJECT SCHEMATIC DRAWINGS

Antelope Valley Development

Proposed by: NeighborWorks Lincoln
Assurity Life Insurance Company
Russ Meyer, Home Real Estate

Urban Design Review/ Redevelopment Agreement Package

Concept and Schematic Design
2.2.2016

Antelope Valley Project

- Partnership with Neighborworks and Assurity
- Focus is on Owner Occupied Housing

  - Higher End Urban Design

  - Mix of Unit Types and Styles

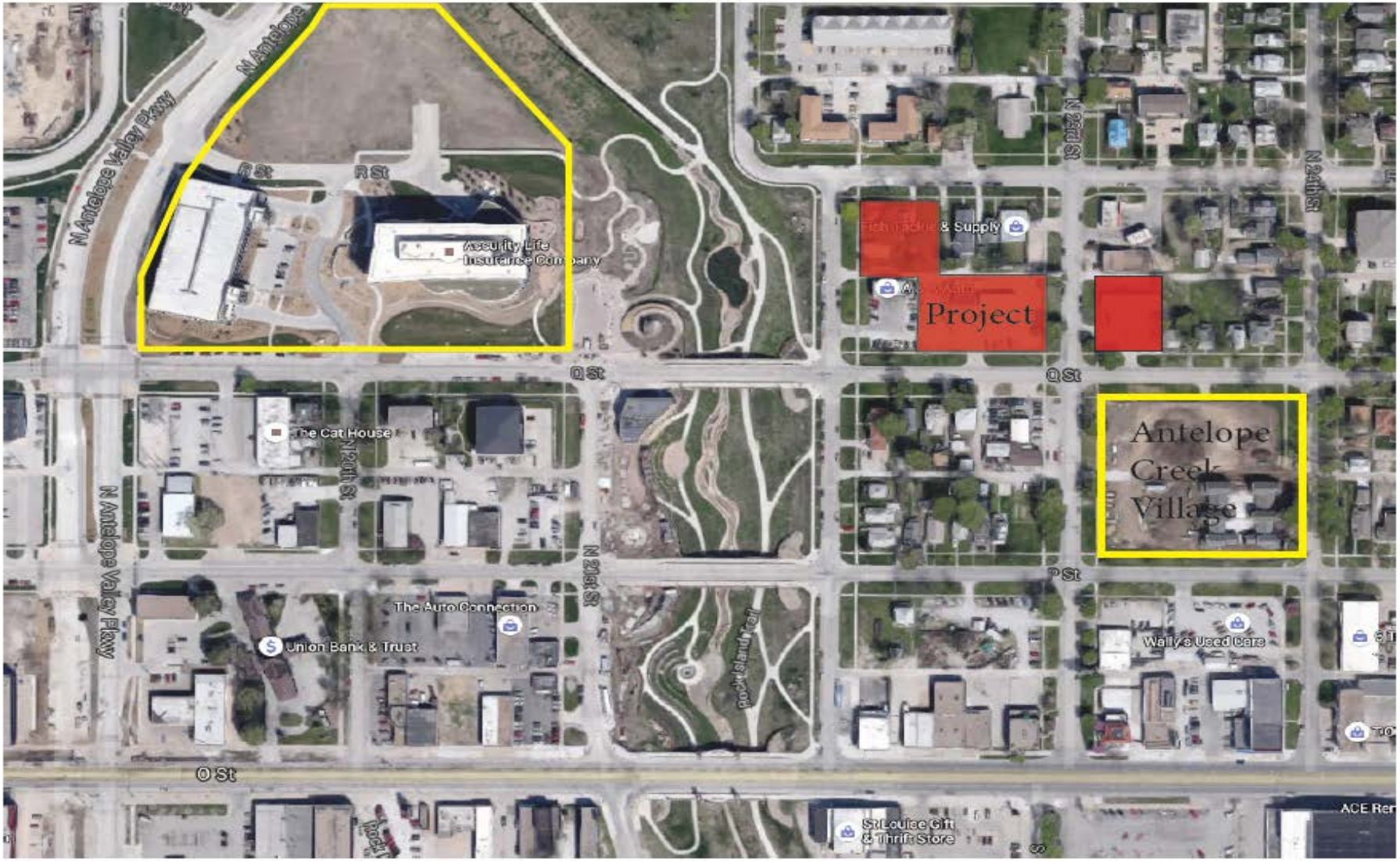
  -Multiple Price Points from Assisted to Market Rate

- Project-22nd to 23rd Street/ Q to R Street

  - Phase One- 10 Units on Q St

  - Phase Two- 8 Units on Antelope Creek/ 6 Units on Q St

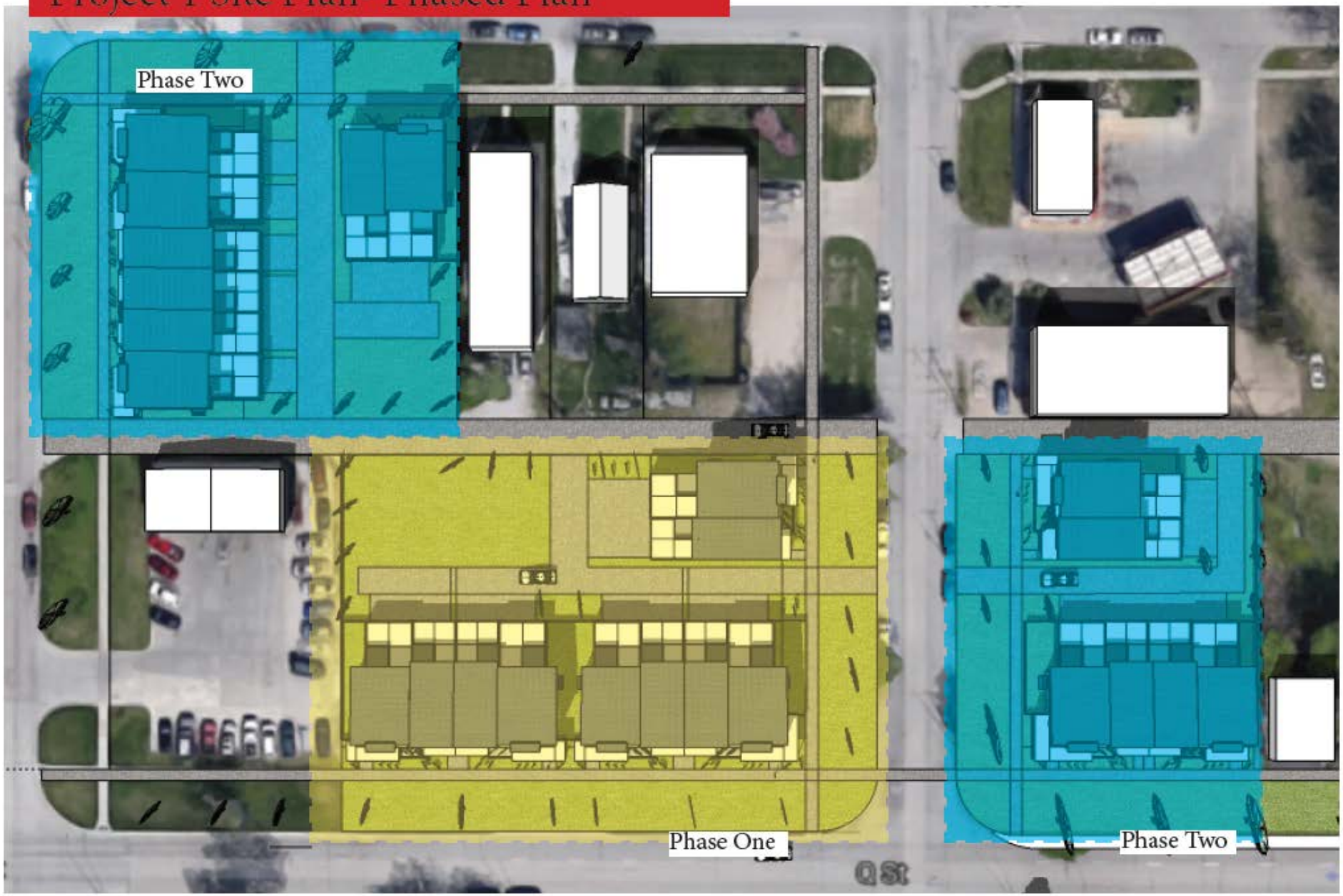
Site Location



Project

The first project will focus on 22nd Street to 23rd Streets between Q and R Streets. This area includes the land that is owned by the city. Neighborworks owns three properties on the block currently and has two others under contract. The Southwest corner is owned by Tam's Auto and has an above market asking price currently but ultimately we hope to purchase this corner. The development team has approached the three owners on the northeast corner of this block but to acquire those properties would be financially too much for the project to bear and may become a future consideration.

Project 1 Site Plan- Phased Plan



Project 1 Site Plan

Concept Design- Phase One

Southeast Corner

Concept Design- Phase One

Concept Design- Phase Two

Phase One Schematic Design

South View

Concept Design- Facade Design

Front Elevation

Rear Elevation

Front Elevation

Concept Design- Facade Design

Sidewalk View

Sidewalk View

Submitted by:
Brett West
Sr. Director-
Real Estate Development
402-430-6469
bwest@assurity.com

EXHIBIT E

REDEVELOPER BIDDING PROCEDURES

Redeveloper may conduct its own bidding for TIF funded improvements in lieu of using the City's Purchasing Division of the Finance Department provided that the following procedures are followed:

GENERAL REQUIREMENTS

1. Any and all bid specifications need to be presented to the City at the time when the Notice to Bidders is published. They can be delivered to the Director of Urban Development.

2. The Notice to Bidders shall be published at least once per week for two consecutive weeks in a newspaper of general daily circulation in the City. Redeveloper shall be required to provide proof that proper publication of the Invitation for Bids has been completed prior to opening the bids. An Affidavit of Publication from the Journal Star would be deemed acceptable.

3. The Notice to Bidders itself must meet the following requirements:

   A. Be open to all potential bidders;

   B. State the date when sealed bids must be received and the location where the bids are to be delivered;

   C. State that the bids will be publicly opened and read in the presence of all bidders who attend the opening;

   D. State where plans and specifications may be examined; and

   E. Inform bidders that the redeveloper has the right to reject all bids.

4. A City representative shall be present when the bids are opened by the Redeveloper or its representative.

EXCEPTIONS TO FORMAL BIDDING

1. Single purchases of materials, parts, supplies, and equipment with an estimated cost of less than $3,000 may be purchased directly by the Redeveloper, provided that at least three informal bids shall be obtained and recorded with the Urban Development Department.

2. Executive Order Construction Contracts approved by the Mayor and specifically authorizing without formal sealed bids the construction of street paving, water mains, sanitary sewers, and storm sewers by Redeveloper or its contractor when the payment of reimbursement or subsidies for such construction does not exceed $100,000.

3. Competitive bidding shall not be required in contracting for professional services (e.g. architects, engineers, etc.)

4. Contracts for Façade Enhancements, which include reasonable and appropriate design, improvement, and construction costs that are unique and not-competitive or otherwise required to transition, coordinate and integrate with Façade Enhancements with or into the New Housing. Prior to entering into contracts for such Façade Enhancements, Redeveloper shall submit architect, engineer or other professional designer or contractor's estimates for the cost of the Façade Enhancements. The City shall approve or reject said cost estimates within ten (10) days of receipt of the same.

5. The bid must be awarded to the lowest responsible bidder. Any claim by the developer that the lowest bidder is not the lowest responsible bidder must be submitted with evidence to support said claim to the City in writing no later than five days following the public opening of the bids. The City, acting through the Mayor, shall review said request and either approve or deny said request within ten days of receiving said request. In considering the developer's request, the Mayor shall consider the factors listed in Lincoln Municipal Code Section 2.18.030(j). Denial of developer's request shall result in the lowest bidder being declared the lowest responsible bidder. Approval of the developer's request shall result in the bidder shown to be the lowest responsible bidder being selected. Redeveloper shall be specifically prohibited from awarding the contract to a bidder of its choosing subject to limiting the amount of reimbursement to the amount submitted by the lowest responsible bidder. Copies of all bids submitted pursuant to each Notice to Bidders shall be provided to the City Urban Development Department prior to the redeveloper awarding a contract based on said bids.

PURCHASING AGENT APPOINTMENT

If the Redeveloper is responsible for installing/constructing any City Public Improvements under the Redevelopment Agreement, the Redeveloper is deemed to be the City's Prime Contractor. As the City's Prime Contractor, the Redeveloper will be issued a Purchasing Agent Appointment (and Delegation of Authority for Sales and Use Tax), Form 17, signed by the Purchasing Agent or other authorized representative of the City. The Purchasing Agent Appointment shall be used by the Redeveloper to purchase building materials that will be annexed into the City Public Improvements. The Purchasing Agent Appointment does not apply to (1) the purchase of tools, supplies, or any items that will not be annexed into the City Public Improvements, including but not limited to form lumber, scaffolding, etc.; (2) the purchase or rental of machinery, equipment, or tools owned or leased by the Redeveloper or its Subcontractors and used in installing/constructing the City Public Improvements; or (3) the purchase of building materials to be used for the installation/construction of (i) City water mains and appurtenances thereto, and (ii) Lincoln Electric System facilities. Purchases qualifying as aforesaid shall be considered as being made by the City.

The Redeveloper may delegate its authority as Prime Contractor to Redeveloper's Subcontractor by completing and signing a copy of the original Purchasing Agent Appointment for each subcontractor as provided in the Form 17 Instructions. Each Subcontractor is hereby given the authority to reproduce copies of the Redeveloper's copy of said Purchasing Agent Appointment provided to the Subcontractor by the Redeveloper and to furnish the same to the Subcontractor's subcontractor(s), and the Subcontractor's subcontractor(s) shall complete and sign the same for its purchases in the same manner as above set forth for the Redeveloper and Subcontractor. The Redeveloper or its Subcontractor will provide a Nebraska Resale or Exempt Sale Certificate with Section C, Part 2 completed to supplier when purchasing building materials to be annexed into the City Public Improvements. The City shall be obligated to the vendor for the purchase price, but the Redeveloper or Subcontractor, as the case may be, shall handle all payments therefore on behalf of the City. The vendor shall agree to make demand or claim for payment of the purchase price from the City by submitting an invoice to the Redeveloper or Subcontractor. Title to all materials and supplies so qualifying shall vest in the City directly from the vendor. Regardless of the method of payment, title shall vest immediately in the City. The Redeveloper or Subcontractor shall not acquire title to any building materials annexed into the City Public Improvements. All invoices shall bear the Redeveloper's or Subcontractor's name as agent for the City.

EXHIBIT F

CERTIFICATE OF COMPLETION OF IMPROVEMENTS

Return the Original to:

Antelope Square, LLC

CERTIFICATE OF COMPLETION OF IMPROVEMENTS

KNOW ALL PERSONS BY THESE PRESENTS: That the undersigned Redeveloper certifies, represents and warrants to the City of Lincoln, Nebraska, ("**City**") the conclusive determination and certification with regard to the following real property situated in the City of Lincoln, Lancaster County, Nebraska, to wit:

_____ Addition, Lincoln, Lancaster County, Nebraska,

that the New Housing required to be constructed by the undersigned "**Redeveloper**" upon the above described property have been satisfactorily completed in accordance with the requirements of the Redevelopment Agreement dated as of the _____ day of _____, 2016, between the City and the Redeveloper, as evidenced by a Memorandum of the Redevelopment Agreement and Use Restrictions, dated as of the _____ day of _____, 2016 between the City and Redeveloper and recorded as Instrument No. _____ in the office of the Register of Deeds for Lancaster County, Nebraska.

Executed by Redeveloper this _____ day of _____, 2016.

"Redeveloper"

ANTELOPE SQUARE, LLC, a Nebraska limited liability company

By: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by_____, _____, on behalf Antelope Square, LLC, a Nebraska limited liability company.

(Seal)

_____
Notary Public

ACCEPTED by the City of Lincoln, Nebraska, this _____ day of _____, 2016.

ATTEST:

CITY OF LINCOLN, NEBRASKA
a municipal corporation

_____
City Clerk

_____
Chris Beutler, Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Chris Beutler, Mayor of the City of Lincoln.

_____
Notary Public

EXHIBIT G

FAÇADE EASEMENT AGREEMENT

Return the Original to:

City Attorney's Office
Attention: Rick Peo
555 South 10th Street
Lincoln, NE 68508

FAÇADE EASEMENT AGREEMENT

THIS FAÇADE EASEMENT AGREEMENT (the "**Agreement**") is made this as of this ____ day of _____, 20____ by and between Antelope Square, LLC, a Nebraska limited liability company ("**Grantor**"), and the City of Lincoln, Nebraska, a municipal corporation in the State of Nebraska ("**Grantee**").

RECITALS

A. Grantor owns certain real estate located in Lincoln, Lancaster County, Nebraska, legally described as:

_____, Lincoln, Lancaster County, Nebraska (the "**Property**").

B. Grantor entered into a Redevelopment Agreement, dated as of _____, 2016 between the Grantor as Redeveloper, the Grantee as the City, as evidenced by a Memorandum of the Redevelopment Agreement and Use Restrictions, dated as of the _____ day of _____, 2013 between the Grantor and Grantee and recorded as Instrument No. _____ in the office of the Register of Deeds for Lancaster County, Nebraska (the "**Redevelopment Agreement**") for the redevelopment and renovation of the Property.

C. Pursuant to the Redevelopment Agreement, to ameliorate the blighted and substandard conditions of the Property and to enhance the aesthetics of the attached single-family buildings constructed on the Property (the "**New Housing**"), Grantor agreed to make certain improvements to the vertical exterior façade of the New Housing (the "**Façade**") for the benefit of the public. Under the Redevelopment Agreement Grantor is receiving tax increment financing from Grantee to make certain public improvements including, but not limited to the improvements to the Façade.

D. This Agreement sets forth the parties' rights and obligations with respect to the Façade.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, Grantor and Grantee do now hereby agree as follows:

1. Façade. In consideration of the benefits received by Grantor under the Redevelopment Agreement, Grantor hereby agrees to subject the façade of the Property to the restrictions described herein.

2. Façade Restrictions. Grantor agrees to observe and comply with the following restrictions:

a. Grantor shall not demolish, remove or raze the Façade during the term of this Agreement.

b. Grantor shall not undertake, or allow to be undertaken, any material changes to the Façade, without the express written consent of Grantee. Changes to the Façade include, but are not limited to:

(i) Any material change in the Façade, including the alteration, partial removal, construction, remodeling or physical or structural change or change in color or surfacing with respect to the appearance or construction of the Façade;

(ii) Any significant reconstruction, repair, repainting or refinishing of any Façade feature that alters its state from the existing condition.

c. This section shall not preclude Grantor from implementing any ordinary or necessary maintenance as set forth in Section 3 below or permitted signage.

3. Façade Maintenance. Grantor shall perform all ordinary and/or necessary maintenance and repairs on the Façade to maintain its appearance and structural soundness and to prevent any deterioration of the Façade.

4. Specification of Work. In the event Grantor desires to make any material changes to the Façade, Grantor shall give Grantee copies of the plans, designs, elevations, specifications and documents relating to the change or work, including specification of all materials, colors and construction techniques to be used in any such work and photographs of the subject area as it appears at the time of the request.

5. Casualty Damage. In the event that the New Housing or any part thereof shall be damaged by fire or other casualty, then Grantor shall use reasonable effort to reconstruct the Façade to the condition required under this Agreement. If the New Housing is damaged to such an extent that Grantor determines that reconstruction of said Housing is not feasible and provides Grantee with a statement from an independent engineer to the same effect, then this Agreement shall be void and of no further force or effect with respect to said New Housing.

6. Inspection. Grantee shall be permitted to have reasonable access to the Property to inspect the Façade for the purpose of determining conformance with this Agreement.

7. Term. The term of this Agreement shall be fifteen (15) years from the date of completion of the improvements to the Façade. Provided, however, this Agreement shall terminate at any earlier date that the Redevelopment Agreement is terminated and is no longer in effect.

8. Public Access. Grantor acknowledges and agrees that the general public shall have the regular and substantial opportunity to view the Façade from the streets, sidewalks and other property near the New Housing. Grantor shall have no obligation under this Agreement to allow the general public to view the interior of the New Housing.

9. Indemnification. Grantor shall defend, indemnify and hold Grantee harmless from and against any liability, claims, suits, demands, judgments (including costs, expenses and attorneys fees), resulting from actions or claims by third parties or defaults under this Agreement by Grantor arising out of the conveyance of or possession of the Façade Easement.

10. Binding Effect. This Agreement shall be appurtenant to and run with the property. The grant of this easement shall be binding upon the heir, executors, administrators, successors and assigns of Grantor.

[SIGNATURE PAGE FOLLOWS]

This Façade Easement Agreement is effective as of the date first stated above.

"Grantor"

Antelope Square, LLC, a Nebraska limited liability company

By: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by_____, _____, on behalf Antelope Square, LLC, a Nebraska limited liability company.

(Seal)

_____
Notary Public

"Grantee"

THE CITY OF LINCOLN, Nebraska,
a municipal corporation

Attest: _____
City Clerk

By: _____
Chris Beutler, Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Chris Beutler, Mayor of the City of Lincoln, Nebraska, a municipal corporation.

_____
Notary Public

EXHIBIT H

Bond No. _____

PENAL BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, **Antelope Square, LLC**, a Nebraska limited liability company, 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 **_____ Dollars ($_____.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 (Antelope Square Project), dated _____, 2016 (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 New Housing 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 New Housing 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 New Housing 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 obligation, Surety shall promptly indemnify and save harmless the Obligee to the extent any payment in connection with the carrying out of the prosecution of the New Housing 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 Contractors and/or Subcontractors with labor or materials in the prosecution of the New Housing 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 _____, 2016.

"Redeveloper"

Antelope Square, LLC, a Nebraska limited liability company

By: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by_____, _____, on behalf Antelope Square, LLC, a Nebraska limited liability company.

(Seal)

_____
Notary Public

EXHIBIT I

DISBURSEMENT AGREEMENT

This Disbursement Agreement is entered into between the City of Lincoln, Nebraska, a municipal corporation (City) and Antelope Square, LLC, a Nebraska limited liability company (Redeveloper).

City and Redeveloper have entered into a Redevelopment Agreement for the Antelope Square 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 requires the Redeveloper to construct certain New Housing 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 New Housing.

3. Construction Loan. Redeveloper shall, prior to commencement of the New Housing, provide evidence that the construction financing or title insurance for such work 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. 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 work required under the Redevelopment Agreement.

Dated: _____, 2016.

REDEVELOPER:

Antelope Square, LLC,
a Nebraska limited liability company

By: _____
Title: _____

CITY OF LINCOLN, NEBRASKA
a municipal corporation

By: _____
Chris Beutler, Mayor of Lincoln

EXHIBIT J

MEMORANDUM OF REDEVELOPMENT AGREEMENT

Return the Original to:

City Attorney's Office
Attention: Rick Peo
555 South 10th Street
Lincoln, NE 68508

MEMORANDUM OF REDEVELOPMENT AGREEMENT

This Memorandum of Redevelopment Agreement ("**Memorandum**") is made as of this ___ day of _____, 2016 by and between the City of Lincoln, Nebraska, a municipal corporation ("**City**"), and Antelope Square, LLC, a Nebraska limited liability company ("**Redeveloper**").

1. Redevelopment Agreement. The City and Redeveloper have entered into that certain Redevelopment Agreement dated as of this even date, describing the public improvements being made by the City in the Redevelopment Area and the New Housing to be constructed on the real property owned by Redeveloper and legally described as:

_____, Lincoln, Lancaster County, Nebraska (the "**Project Site**").

2. Tax Increment Financing. The Redevelopment Agreement provides for the capture of the Tax Increment, as defined therein, by the City of the New Housing to be constructed by the Redeveloper for a period not to exceed fifteen (15) years after the Project Effective Date for each phase of the New Housing as defined in the Redevelopment Agreement. The Tax Increment so captured by the City shall be used to make the public 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.

[SIGNATURE PAGES TO FOLLOW]

Executed by the City this _____ day of _____, 2016.

ATTEST:

CITY OF LINCOLN, NEBRASKA
a municipal corporation

_____
City Clerk

_____
Chris Beutler, Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Chris Beutler, Mayor of the City of Lincoln.

_____
Notary Public

Executed by Redeveloper this _____ day of _____, 2016.

"**Redeveloper**"

Antelope Square, LLC, a Nebraska limited liability company

By: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by_____, _____, on behalf Antelope Square, LLC, a Nebraska limited liability company.

(Seal)

_____
Notary Public