

RESOLUTION NO. A- **84051**

1 BE IT RESOLVED by the City Council of the City of Lincoln, Nebraska:

2 That the agreement titled North Bank Junction Conditional Annexation and Zoning

3 Agreement, which is attached hereto, marked as Attachment "A" and made a part hereof by

4 reference, between the City of Lincoln and Roger and Eldonna Schwisow and Hartland Homes,

5 Inc., outlining certain conditions and understandings relating to the annexation of approximately

6 214.69 acres of property generally located within an area north of Salt Creek on the south to the

7 south line of Arbor Road on the north and from one-half mile west of North 56th Street on the west

8 to North 56th Street on the east, is approved.

9 BE IT FURTHER RESOLVED that the Mayor is authorized to execute the Annexation

10 Agreement on behalf of the City.

11 BE IT FURTHER RESOLVED that the City Clerk is directed to return two fully executed

12 copies of this Agreement to Rick Peo, Chief Assistant City Attorney, for distribution to the Owners.

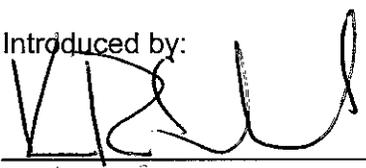
13 BE IT FURTHER RESOLVED that the City Clerk is directed to record the Annexation

14 Agreement or a summary memorandum thereof with the Register of Deeds, filing fees to be paid

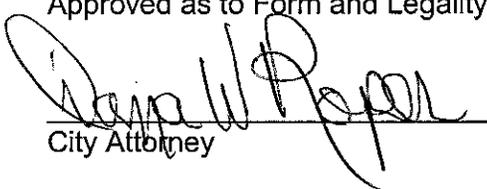
15 by the City.

See further Council Proceedings on next page.

Introduced by:



Approved as to Form and Legality:

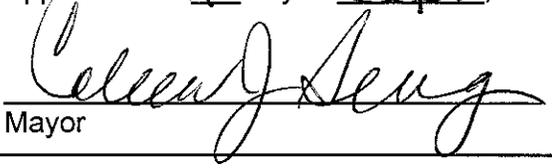


City Attorney

AYES: Camp, Cook, Eschliman,
 McRoy, Newman, Svoboda;
 NAYS: None; ABSTAINING:
 Marvin.

ADOPTED
 SEP 25 2006
 BY CITY COUNCIL

Approved this 27th day of Sept, 2004:



Mayor

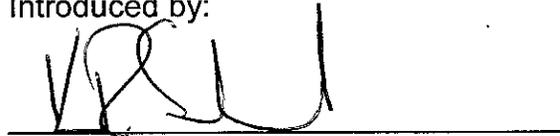
See further Council Proceedings on next page.

04R-273

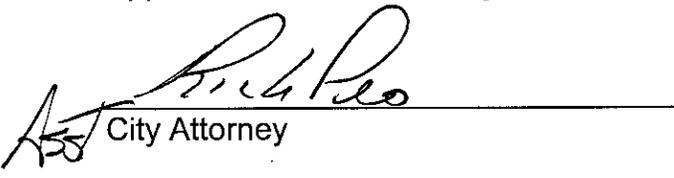
MOTION TO AMEND NO. 1

I hereby move to amend Bill No. 04R-273 by substituting the North Bank Junction Conditional Annexation and Zoning Agreement attached to the Resolution with the North Bank Junction Conditional Annexation Agreement which is attached hereto and marked as Attachment "A".

Introduced by:



Approved as to Form & Legality:


City Attorney

AYES: Camp, Cook, Eschliman,
Marvin, McRoy, Newman,
Svoboda; NAYS: None.

Requested by: Law Department

Reason for Request: Terms of the Agreement have been revised.

ADOPTED
SEP 25 2006
BY CITY COUNCIL

**NORTHBANK JUNCTION
CONDITIONAL ANNEXATION AND ZONING AGREEMENT**

This Northbank Junction Conditional Annexation and Zoning Agreement ("Agreement") is made and entered into this _____ day of _____, 2006, by and between **Roger H. Schwisow, Trustee of the Roger H. Schwisow Revocable Trust, and Eldonna Schwisow, Trustee of the Eldonna Schwisow Revocable Trust**, hereinafter collectively referred to as "Schwisow," and **Hartland Homes, Inc.**, a Nebraska corporation, hereinafter referred to as "Hartland" [Hartland and Schwisow are collectively referred to as "Owners"] and the **City of Lincoln, Nebraska**, a municipal corporation, hereinafter referred to as "City."

RECITALS

A. Owners have requested the City to annex in phases approximately 214.69 acres more or less of land generally located as lying within an area north of Salt Creek and from one-half mile west of North 56th Street on the west to North 56th Street on the east. The first phase consisting of approximately 62.68 acres is hereinafter referred to as the "Property" and is legally described on Exhibit A, attached hereto.

B. Owners have requested the City to approve Preliminary Plat No. 03004 for Northbank Junction.

C. Schwisow has requested the City to approve Special Permit No. 2004 for a 125,000 square foot planned service commercial development.

D. Owners have requested the City to approve Change of Zone No. 3398 to rezone portions of the Property from AG Agricultural District to R-3 Residential District and H-4 Highway Commercial District.

E. Owners and City anticipate the remaining approximately 152 acres will be annexed, rezoned, and platted at later dates ("Future Annexed Property"). The Future Annexed Property is shown on Exhibit B and is identified thereon as "Future Change of Zone to be Submitted."

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties do agree as follows:

1. **City Approvals.** The City agrees to annex the Property, grant the preliminary plat, grant Special Permit No. 2004, and approve Change of Zone No. 3398.

2. **Restriction on Development.**

(a) **Secondary Access.** Owners understand and agree that Owners shall be limited to a maximum of 115 final platted lots for residential dwellings until such time as Owners, at Owners' own cost and expense, construct a permanent second access to the R-3 Residential District portion of the Property from either Arbor Road or North 56th Street, or said secondary access is constructed as a special assessment district as provided below. Owners further agree that as part of the first final plat of the Property, the Owners shall dedicate the public street providing a permanent second access to the R-3 Residential District portion of the Property as shown on the preliminary plat. Owners shall further plat all of the Phase II lots abutting the street as an outlot and grant the City an irrevocable limited power of attorney authorizing the City to petition on behalf of Owners for a special assessment district to construct said street if Owners have not constructed said street within four years following approval of the final plat.

(b) **Pavement of Arbor Road.** Owners agree that there will be no intersecting street access to Arbor Road west of North 56th Street where it is now gravel and no buildable lots will be created abutting Arbor Road as shown on the preliminary plat until such time as Arbor Road is constructed and paved as provided in paragraph 4(a) below.

3. **Traffic Study.** Owners agree to complete a traffic impact study acceptable to the City's Department of Public Works and Utilities at Owners' own cost and expense prior to submitting an application for H-4 Highway Commercial District zoning north of Alvo Road so that a determination may be made about right-of-way widths, turn lanes and signalization of intersections to the reasonable satisfaction of the Department of Public Works and Utilities. The traffic impact study shall reflect Owners' proposed development of the commercial development north and south of Alvo Road and shall specifically include the estimated trip generation and driveway volume for the peak hour.

4. Site-Related Street Improvements.

(a) Site-related street improvements. The City and Owners covenant and agree that the Owners shall be responsible for the following site-related street improvements:

(i) Pavement of Arbor Road. Should Hartland elect to final plat buildable lots abutting Arbor Road, Hartland agrees at Hartland's own cost and expense to grade to City standards that portion of Arbor Road west of North 56th Street where it is now gravel to its full 120-foot width expanding to 130 feet at arterial street intersections to City standards. If the full 120-foot right-of-way (130 feet at arterial street intersections) is not available, Hartland shall grade the existing right-of-way to the fullest extent possible as approved by the Department of Public Works and Utilities. Hartland also agrees at Hartland's own cost and expense to construct two lanes of temporary asphalt pavement shifted to the south side of the centerline of the right-of-way in order to allow the City to come back later and construct the other two lanes with permanent concrete paving on the north side of the right-of-way. The asphalt paving will begin at the end of the existing rural asphalt paving approximately 1,300 feet west of North 56th Street with a paving transition that will move the centerline of the existing paving from the centerline of the Arbor Road right-of-way south so that the centerline of the new paving will be 12 feet south of the right-of-way of the centerline. In addition, a paved transition will need to be built from the end of the paving at the west property line of the Property west to move the centerline of the new paving to meet the existing aggregate surfaced portion of Arbor Road. If the west transition paving is outside the City limits when built, this work will require approval from the Lancaster County Board of Commissioners. This asphalt paving of Arbor Road shall include left-turn lanes at all intersections at a length acceptable to the City's Department of Public Works and Utilities. Hartland further agrees that there will be no intersecting street access to Arbor Road west of North 56th Street where it is now gravel until such work has been completed by the Owners. City agrees to acquire any additional right-of-way necessary to construct the paving transition west of the west property line of the Property.

(ii) Connection of North 52nd Street and Ranae Road to Arbor Road. City agrees that Owners may connect North 52nd Street and Ranae Road to the existing paved section of

Arbor Road by means of a private road with public access across the adjoining undeveloped parcel to the east as generally shown on Preliminary Plat No. 03004 for Northbank Junction.

(iii) Construction of right turn lanes in North 56th Street. Schwisow agrees, at Schwisow's own cost and expense, to construct a right turn lane in North 56th Street at its intersection with Alvo Road at a length and width determined by the Traffic Study. Hartland agrees, at Hartland's own cost and expense, to construct a right-turn lane in North 56th Street at its intersection with Northbank Drive at a length and width determined by the traffic study.

(iv) Construction of Alvo Road. Owners agree to construct Alvo Road as a City collector street through the City's executive order process and that construction contracts shall be let only after competitive bidding in accordance with City procedures..

(v) Reimbursement.

A. Arbor Road and North 56th Street. Owners acknowledge that Owners shall not be entitled to any reimbursement from the City other than pursuant to an approved Redevelopment Plan for the cost to construct Arbor Road or construct right turn lanes in North 56th Street as provided in subparagraphs (i) and (ii) above, provided the right-turn lanes are required to address the traffic generated by the development under the Special Permit.

B. Alvo Road. The City acknowledges that Alvo Road will serve as a collector street which serves other land beyond a final plat of the Property and therefore the City, pursuant to Lincoln Municipal Code § 26.11.110, may agree to contribute up to the difference in cost between an equivalent local street and the collector street paving. The City agrees to use its best efforts to repay Owners for this difference in cost if subsidy funding is included in the City's Capital Improvement Program budget and further provided that the total cost for paving Alvo Road may be provided for in a Redevelopment Contract authorized by a Redevelopment Plan adopted pursuant to the Community Development Law.

C. Eligibility for Reimbursement. In order to be eligible for reimbursement as provided in subparagraphs A and B above, the improvements must be constructed through the City's executive order process and construction contracts shall be let only after competitive bidding in accordance with City procedures.

(b) Arterial Street Impact Fee Facility Improvements.

(i) Arbor Road. Notwithstanding subparagraph (a) above, the City and Owners covenant and agree that Hartland shall have the option to construct Arbor Road as an Arterial Street Impact Fee Facility Improvement with two lanes of permanent concrete pavement with curb and gutter shifted to the south side of the centerline or the permanent concrete pavement may be paid for through an approved Redevelopment Plan. The permanent concrete will begin at the end of the existing rural asphalt paving approximately 1,300 feet west of North 56th Street with a concrete paving transition that will move the centerline of the existing paving from the centerline of the Arbor Road right-of-way south so that the centerline of the new paving will be 12 feet south of the right-of-way of the centerline. In addition, a concrete paved transition will need to be built from the end of the paving at the west property line of the Property west to move the centerline of the new paving to meet the existing aggregate surfaced portion of Arbor Road. If the west transition paving is outside the City limits when built, this work will require approval from the Lancaster County Board of Commissioners. This permanent concrete paving of Arbor Road shall include left-turn lanes at all intersections at a length acceptable to the City's Department of Public Works and Utilities. Hartland further agrees that there will be no intersecting street access to Arbor Road west of North 56th Street where it is now gravel until such work has been completed by the Hartland. Hartland shall construct Arbor Road through the City's executive order process and construction contracts shall be let only after competitive bidding in accordance with City procedures. City agrees to acquire any additional right-of-way necessary to construct the paving transition west of the west property line of the Property.

(ii) Reimbursement.

A. Directed Arterial Street Impact Fees. In the event Hartland constructs by executive order the Arbor Road improvements described in (i) above as an Arterial Street Impact Fee Facility Improvement, then the City agrees to reimburse Hartland for said costs without interest from Directed Arterial Street Impact Fees collected against the entire development of the Property and Future Annexed Property up to the Directed Arterial Street Impact Fee Amount of \$1,037,166 which reflects the amounts attributable to 100% development of the proposed development of the Property and proposed development of the Future Annexed

Property in 2006 based upon the 2006 Arterial Street Impact Fee Schedule. Reimbursement shall be subject to the following conditions:

1. Said reimbursement shall be paid quarterly from impact fees actually received;
2. Any reimbursement to be paid from impact fees shall not constitute a general obligation or debt of the City.

B. Hartland's cost in excess of Directed Impact Fee Amount. In the event Hartland's costs to construct the Arbor Road Improvements described in (i) above are in excess of the Directed Arterial Street Impact Fee Amount (\$1,307,166), City agrees to use its best efforts to reimburse Hartland with interest for the excess cost from other Arterial Street Impact Fees collected from this and/or other developments within the same benefit district within eleven (11) years from the date the Arbor Road Improvements described in (i) above are substantially constructed as determined by the City. Reimbursement from Impact Fees shall be subject to the same two conditions listed in Subparagraph A above. Interest on the outstanding balance shall draw interest at the rate of 2% per annum, provided, however, interest shall not begin to accrue until Hartland advances any excess funds to the City. Notwithstanding the above, the City's best efforts to reimburse Hartland with impact fees collected from other development within the same benefit district does not restrict the City from agreeing to reimburse future developers within the same benefit district from directed impact fees collected against the entire development of their property if those developers fund the construction of Impact Fee Facility Improvements. If a developer does not fund the construction of Impact Fee Facility Improvements, the Impact fees that are collected from that development shall be used to pay the oldest reimbursement obligation that the City may have in the same benefit district.

5. Maintenance Responsibility of Roadway and Ditches. Hartland understands that Arbor Road is a gravel and/or paved two-lane county section road and does not meet City of Lincoln standard specifications for street construction. The City is not, as a condition of annexation, requiring the immediate upgrading of Arbor Road to meet City standards, provided Hartland agrees, at Hartland's own cost and expense, to perform the following responsibilities with respect to Arbor Road:

(a) General maintenance, i.e. mowing and keeping ditches and driveway pipe free of obstruction, shall be the responsibility of Hartland. This responsibility shall extend to and include that portion of the public right-of-way from the edge of the maintained surface to the right-of-way line. The City shall be responsible to maintain the right-of-way north of the pavement.

(b) Should Hartland neglect or be negligent in performing the general maintenance of driveway, driveway pipes and ditches that is required and damages occur to the public roadway or the adjacent property, that Hartland shall be responsible for all damages and liabilities that occur.

(c) When it is determined by the Public Works and Utilities Department that a driveway pipe or pipes has deteriorated or been damaged to a point that replacement is required, Hartland shall replace said driveway pipe within one week of notification or bear the cost of said replacement.

(d) Hartland's maintenance responsibility for roadway and ditches in subparagraph (a) above shall terminate when Arbor Road is constructed with curb and gutter. These obligations may be assigned to a homeowners association approved by the City Attorney.

6. Conveyance of Right-of-Way. Hartland agrees to convey, at no cost to the City, the additional right-of-way for Arbor Road adjacent to the Property to provide 60 feet of right-of-way from the centerline of the roadway.

7. Public Sanitary Sewer.

(a) New Trunk Sewer. Owners understand and acknowledge that the Property is not presently serviced by the City's public sanitary sewer system and that in order to make the Property sewerable, a new sanitary sewer trunk needs to be constructed on the north side of Salt Creek with a siphon crossing to the south side of Salt Creek at approximately 68th Street then connected to the existing 60-inch trunk sewer at Holland Road. Owners further understand that the City's fiscal year 2005/2006 six-year capital improvement program does not show funding for the design and construction of this sanitary sewer until years three, four and five of the six-year plan. The City agrees to use its best efforts to construct this sanitary sewer on or before

December 31, 2009. However, said best efforts are contingent upon the City Council approving necessary rate increases in fiscal years 2005/2006, 2006/2007, 2007/2008, and 2008/2009.

(b) Hartland Construction of New Trunk Sewer. The City and Owners covenant and agree that Hartland shall have the option to construct the new trunk sewer as a Wastewater Impact Fee Facility Improvement.

(c) Reimbursement. In the event Hartland constructs by executive order the trunk sewer improvement described above in (a) above as a Wastewater Impact Fee Facility Improvement, then the City agrees to reimburse Hartland for said costs without interest from Directed Wastewater Impact Fees collected against the entire development of the Property and the Future Annexed Property up to the Directed Wastewater Impact Fee Amount of \$227,941 which reflects the amounts attributable to 100% development of the proposed development of the Property and Future Annexed Property in 2006 based upon the 2006 Wastewater Impact Fee Schedule. Reimbursement shall be subject to the following conditions:

1. Said reimbursement shall be paid quarterly from any impact fees actually received by the City;
2. Any reimbursement to be paid from impact fees shall not constitute a general obligation or debt of the City.

(d) Hartland's Cost in Excess of Directed Wastewater Impact Fee Amount. The City and Owners covenant and agree that in the event Hartland's cost to construct the new trunk sewer described in (a) above are in excess of the Directed Wastewater Impact Fee Amount (\$227,941), the City agrees to use its best efforts to reimburse Hartland for the excess cost from other Wastewater Impact Fees collected from this and/or other developments within the same benefit district and from Capital Improvement Program funding within eleven (11) years from the date the trunk sewer improvements described above are substantially constructed as determined by the City. Reimbursement from Impact Fees shall be subject to the same two conditions listed in subparagraph B above. Unless otherwise provided in an approved Redevelopment Agreement, interest on the outstanding balance shall draw interest at the rate of 2% per annum, provided however, interest shall not begin to accrue until Hartland advances any excess funds to the City. Notwithstanding the above, the City's best efforts to reimburse

Hartland with impact fees collected from other development within the same benefit district does not restrict the City from agreeing to reimburse future developers within the same benefit district from directed impact fees collected against the entire development of their property if those developers fund the construction of Impact Fee Facility Improvements. If a developer does not fund the construction of Impact Fee Facility Improvements, the Impact fees that are collected from that development shall be used to pay the oldest reimbursement obligation that the City may have in the same benefit district. The City further agrees to use its best efforts to show the new trunk sewer to be funded at City expense in Year One of the 2008/2009 six-year Capital Improvement Program, and the amount allocated to the project shall not be less than \$2,780,000. The balance of Hartland's cost to construct the new trunk sewer, if any, may be paid from tax increment financing funds authorized as part of a Redevelopment Contract entered into pursuant to a Redevelopment Plan approved pursuant to the Community Development Law. The City's best efforts are contingent upon the City Council approving necessary future rate increases for wastewater in subsequent years.

(e) Temporary Lift Station and Force Main. Notwithstanding (a) and (b) above, Owners may, at Owners' own cost and expense, make the Property sewerable by constructing a privately owned temporary lift station abutting 56th Street on the north side of Salt Creek and the pumping of wastewater through a force main located in 56th Street right-of-way connecting to the City's existing 60-inch trunk sewer at Holland Road in accordance with the Criteria Numbers 1 - 21 set forth in the "Policy on Temporary Pump Stations and Force Mains" ("Policy") adopted by Resolution No. A-83112 on December 6, 2004. The plans and specifications dated May 31, 2005 for the Northbank Junction Temporary Lift Station designed by Owners' engineer, JEO Consulting Group, Inc. is approved as being in conformance with the City's recommended Design Criteria for Wastewater Pumping Stations dated 2005, subject to the following qualifications:

1. The review and approval of the Northbank Junction Lift Station capacity, equipment, sizing and related appurtenances is based upon the design, acreage and anticipated land use as provided and submitted by JEO Consulting Group, Inc. on May 31, 2005;

2. This approval does not waive Owners' responsibility to comply with any regulatory requirements from the Nebraska Department of Environmental Quality (NDEQ) or to apply for all permits for construction required from the City of Lincoln's Building and Safety Department.

(f) Conveyance of Easement for Sanitary Sewer. Schwisow agrees to convey, at no cost to the City, a permanent 100-foot wide sanitary sewer easement to construct a future parallel sanitary sewer across the Property as shown on the preliminary plat, provided that the trunk sewer described in subparagraph (a) above is constructed on or before December 31, 2009. In the event said trunk sewer is not so constructed, the City shall pay Schwisow for the easement according to the following schedule based upon the year the City completes construction of said trunk sewer:

2010	\$10,000
2011	\$30,000
2012 or later	\$60,000.

8. Public Water Main. Owners understand and acknowledge that the Property is not presently serviceable with water from the City's public water system and that, in order to provide water service, a 24-inch water main needs to be constructed in North 56th Street from Fletcher Avenue to Alvo Road. Owners further understand that year one of the City's current fiscal year 2005/2006 six-year capital improvement program shows funding for the design and construction of this water main. City agrees to use its best efforts to construct said water main by May 31, 2007; except that the City may delay construction to correspond to the construction of the new trunk sewer or temporary lift station and force main to make the Property sewerable. If Owners desire to be connected to the public water system prior to the City's construction of said water main, Owners may construct the above water main by executive order construction and competitive bidding in accordance with City procedures at Owners' own cost and expense, except that City agrees to reimburse Owners for Owners' cost as provided in paragraph 9 of this Agreement.

9. Reimbursement for Executive Order Construction of Water Distribution or Trunk Sewer Impact Fee Facility Improvements. In the event the Owners construct by

executive order any portion of the water mains described in paragraph 8 of this Agreement, the City agrees to reimburse Owners for said costs without interest by no later than December 31, 2006 or sixty (60) days following Owners construction of the water main, whichever occurs later.

10. **Future Cost Responsibilities.** Owners understand and acknowledge that the future development of the Property approved by this Agreement shall be subject to the payment of Impact Fees and Owners agree to pay said Impact Fees if development occurs.

The Owners further agree that, by making the Site-Related Street Improvements and the conveyance of right-of-way outlined in paragraphs 4(a) and 6 of this Agreement, respectively, Owners shall not be relieved of any future obligation to dedicate land for, contribute to the cost of construction of, or to construct additional site-related public facilities or improvements which are attributable to proposed changes in land use, zoning, or intensity of development which will have the effect of causing the need for additional site-related improvements in the immediate area of such development.

11. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors and assigns and shall inure to and run with the Property.

12. **Amendments.** This Agreement may only be amended or modified in writing signed by the parties to this Agreement.

13. **Further Assurances.** Each party will use its best and reasonable efforts to successfully carry out and complete each task, covenant, and obligation as stated herein. Each of the parties shall cooperate in good faith with the other and shall do any and all acts and execute, acknowledge, and deliver any and all documents so requested in order to satisfy the conditions set forth herein and carry out the intent and purposes of this Agreement.

14. **Governing Law.** All aspects of this Agreement shall be governed by the laws of the State of Nebraska. The invalidity of any portion of this Agreement shall not invalidate the remaining provisions.

15. **Interpretations.** Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Agreement, but shall be interpreted according to the application of rules of interpretation of contracts generally.

16. **Construction.** Whenever used herein, including acknowledgments, the singular shall be construed to include the plural, the plural the singular, and the use of any gender shall be construed to include and be applicable to all genders as the context shall warrant.

17. **Relationship of Parties.** Neither the method of computation of funding or any other provisions contained in this Agreement or any acts of any party shall be deemed or construed by the City, Owners, or by any third person to create the relationship of partnership or of joint venture or of any association between the parties other than the contractual relationship stated in this Agreement.

18. **Assignment.** In the case of the assignment of this Agreement by any of the parties, prompt written notice shall be given to the other parties who shall at the time of such notice be furnished with a duplicate of such assignment by such assignor. Any such assignment shall not terminate the liability of the assignor to perform its obligations hereunder, unless a specific release in writing is given and signed by the other parties to this Agreement.

19. **Default.** Owners and City agree that the annexation, preliminary plat, special permit, and change of zone promote the public health, safety, and welfare so long as Owners and City fulfill all of their respective conditions and responsibilities set forth in this Agreement. In the event Owners default in fulfilling any of their covenants and responsibilities as set forth in this Agreement, the City may in its legislative authority rescind said special permit and rezone the Rezoned Property to its previous designation or such other designations as the City may deem appropriate under the then existing circumstances, or take such other remedies, legal or equitable, which the City may have to enforce this Agreement or to obtain damages for its breach, including reasonable attorney fees.

In the event the City defaults in fulfilling any of its covenants or responsibilities as set forth in this Agreement, the Owners may take such remedies, legal or equitable, which Owners may have to enforce this Agreement or to obtain damages for its breach, including reasonable attorney fees.

20. **Definitions.** For purposes of this Agreement, the words and phrases “cost” or “entire cost” of a type of improvement shall be deemed to include all design and engineering fees (except for the City’s fixed fee for engineering services), testing expenses, construction costs, publication costs, financing costs, and related miscellaneous costs. For the purposes of this Agreement, the words and phrases “building permit,” “development,” “Impact Fee Facility,” “Impact Fee Facility Improvement,” and “site related improvements” shall have the same meaning as provided for said words and phrases in Section 27.82.040 of the Lincoln Municipal Code. In addition, the words “Redevelopment Agreement” shall have the same meaning as provided for the words “redevelopment contract” in *Neb. Rev. Stat. § 18-2103(15)* (Reissue 1997).

21. **Recordation.** This Agreement or a notice or memorandum thereof shall be filed in the Office of the Register of Deeds of Lancaster County, Nebraska at Owners’ cost and expense.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

ATTEST:

THE CITY OF LINCOLN, NEBRASKA
a municipal corporation

City Clerk

By: _____
Coleen J. Seng, Mayor

HARTLAND HOMES, INC.
a Nebraska corporation

Witness: _____

By: _____
Duane Hartman, President

**Roger H. Schwisow, Trustee of the
Roger H. Schwisow Revocable Trust**

**Eldonna Schwisow, Trustee of the
Eldonna Schwisow Revocable Trust**

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by Coleen J. Seng, Mayor of the City of Lincoln, Nebraska, a municipal corporation.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by Duane Hartman, President of Hartland Homes, Inc., a Nebraska corporation.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by Roger H. Schwisow, Trustee of the Roger H. Schwisow Revocable Trust.

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2006, by Eldonna Schwisow, Trustee of the Eldonna Schwisow Revocable Trust.

Notary Public

**NORTHBANK JUNCTION
ANNEXATION
LEGAL DESCRIPTION**

EXHIBIT "A"

A portion of Lot 2, Finigan Brothers Addition, located in the Southeast Quarter of Section 29 and a portion of Lots 20 & 21 Irregular Tracts, located in the East Half of Section 32, all located in Township 11 North, Range 7 East of the Sixth Principal Meridian, Lancaster County, Nebraska, more particularly described by metes and bounds as follows.

Commencing at the South $\frac{1}{4}$ corner of Section 29, Township 11 North, Range 7 East, and the POINT OF BEGINNING;

Thence North $00^{\circ}12'36''$ West, on the West line of the Southeast Quarter of Section 29, a distance of 404.53 feet;

Thence South $89^{\circ}47'13''$ East, a distance of 560.11 feet;

Thence North $00^{\circ}12'47''$ West, a distance of 240.00 feet;

Thence North $21^{\circ}25'43''$ East, a distance of 58.64 feet;

Thence North $29^{\circ}47'13''$ East, a distance of 270.00 feet;

Thence South $60^{\circ}12'47''$ East, a distance of 100.00 feet;

Thence North $29^{\circ}47'13''$ East, a distance of 110.00 feet;

Thence South $60^{\circ}12'47''$ East, a distance of 302.27 feet;

Thence South $00^{\circ}12'47''$ East, a distance of 802.76 feet;

Thence South $89^{\circ}36'40''$ East, a distance of 158.56 feet;

Thence North $89^{\circ}14'35''$ East, a distance of 700.14 feet;

Thence South $89^{\circ}36'40''$ East, a distance of 404.05 feet;

Thence North $00^{\circ}42'49''$ East, a distance of 1268.39 feet;

Thence North $00^{\circ}54'00''$ West, a distance of 551.53 feet;

Thence South $89^{\circ}26'19''$ East, a distance of 150.05 feet;

Thence South $00^{\circ}54'00''$ East, a distance of 549.81 feet;

Thence South $00^{\circ}42'49''$ West, a distance of 1319.66 feet;

Thence South $02^{\circ}09'17''$ West, a distance of 695.35 feet;

Thence South $83^{\circ}55'33''$ West, a distance of 1401.63 feet;

Thence North $00^{\circ}23'20''$ East, a distance of 547.03 feet;

Thence South $35^{\circ}52'55''$ West, a distance of 118.58 feet;

Thence South $48^{\circ}04'39''$ West, a distance of 114.64 feet;

Thence South $67^{\circ}53'46''$ West, a distance of 112.52 feet;

Thence South $85^{\circ}44'25''$ West, a distance of 99.26 feet;

Thence North $89^{\circ}36'40''$ West, a distance of 128.00 feet;

Thence South $00^{\circ}23'20''$ West, a distance of 50.44 feet;

Thence South $01^{\circ}31'39''$ East, a distance of 100.06 feet;

Thence South $08^{\circ}58'20''$ West, a distance of 400.39 feet;

Thence North $81^{\circ}01'40''$ West, a distance of 180.00 feet;

Thence North $08^{\circ}58'20''$ East, a distance of 22.20 feet;

Thence North $81^{\circ}01'40''$ West, a distance of 100.00 feet;

Thence North $08^{\circ}58'20''$ East, a distance of 66.75 feet;

Thence North $06^{\circ}06'49''$ East, a distance of 200.50 feet;

Thence North $00^{\circ}23'20''$ East, a distance of 418.66 feet;

Thence South $89^{\circ}36'40''$ East, a distance of 6.00 feet;

Thence North $00^{\circ}23'20''$ East, a distance of 173.00 feet;

Thence North $89^{\circ}36'40''$ West, a distance of 186.00 feet;

Thence North $00^{\circ}23'20''$ East, a distance of 56.25 feet;

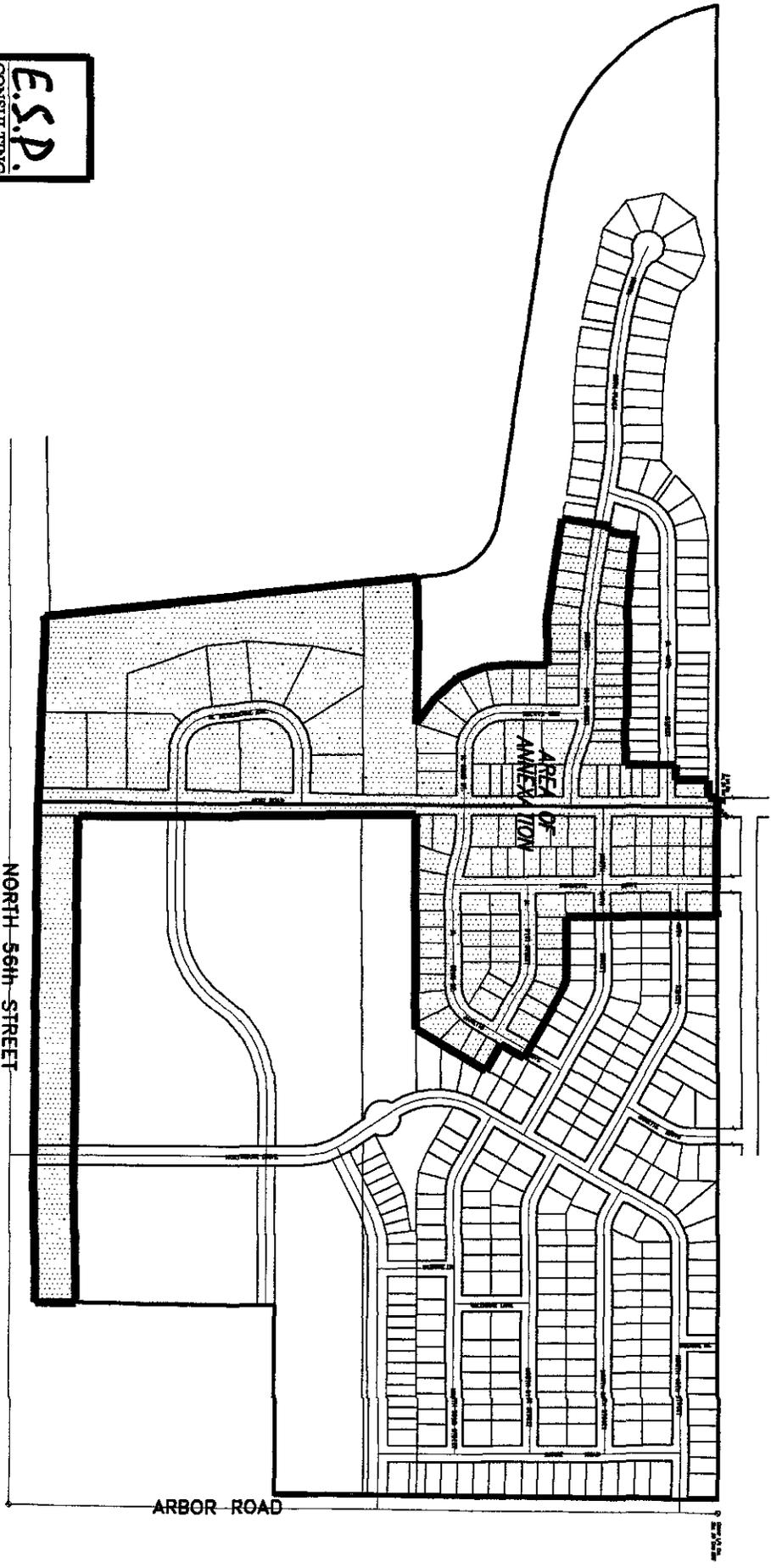
Thence North $89^{\circ}36'40''$ West, a distance of 120.00 feet;

Thence North $00^{\circ}23'20''$ East, a distance of 63.75 feet;

Thence North $89^{\circ}36'40''$ West, a distance of 33.25 feet;

Thence North $00^{\circ}01'01''$ East, a distance of 36.00 feet to the POINT OF BEGINNING, and containing a calculated area of 2,730,162.17 square feet or 62.68 acres more or less.

NORTHBANK JUNCTION ANNEXATION EXHIBIT



E.S.P.
CONSULTING
ENGINEERS

601 OLD
CHENEY RD.
SUITE 'A'
LINCOLN
NEBRASKA
68512



SCALE: NONE

04R-273

10/11/04 Council Proceedings:

COOK Placed Bill No. 04R-273 on pending.
Seconded by Friendt & carried by the following vote: AYES: Camp, Cook,
Friendt, McRoy, Newman, Svoboda, Werner; NAYS: None.

9/11/06 Council Proceedings:

Request to remove from Pending for P.H. 9/18/06, with Action 9/25.

9/18/06 Council Proceedings:

MARVIN Moved to waive the rules to remove Bill No. 04R-273 from Pending to
have Public Hearing this date, 9/18/06, and to continue Public Hearing with Action on
9/25/06.

Seconded by Svoboda & carried by the following vote: AYES: Camp, Cook,
Eschliman, Marvin, McRoy, Newman, Svoboda; NAYS: None.

9/25/06 Council Proceedings:

SVOBODA Moved to amend Bill No. 04R-273 by substituting the North Bank Junction
Conditional Annexation and Zoning Agreement attached to the Resolution with the North
Bank Junction Conditional Annexation Agreement which is attached hereto and marked
as Attachment "A".

Seconded by Eschliman & carried by the following vote: AYES: Camp, Cook,
Eschliman, Marvin, McRoy, Newman, Svoboda; NAYS: None.

A-84051

September 21, 2006

Patte Newman, Chair
Lincoln City Council
555 S. 10th St
Lincoln, NE 68508

RECEIVED

SEP 22 2006

CITY COUNCIL
OFFICE

Re: North 56th & Arbor Road Redevelopment Plan

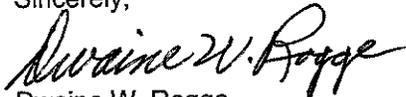
Dear Ms. Newman and Council Members:

I am the owner of land in the vicinity of North 56th and I-80 which I have wanted to develop for commercial purposes for approximately 15 years. During that time, I have participated in several efforts to convince the city to extend sewer and water to this area. Together with other property owners, I have paid for the design, and redesign of the trunk sewer to serve the area between Salt Creek and I-80, and have pleaded with the city to move forward with services to this area. We have wonderful access with both Highway 77 and I-80 having been built by the state, but without sewer and water service, the area simply cannot be developed in the manner it should.

It is my understanding that the Redevelopment Plan before you has been modified to eliminate the residential area from the plan, due to objections from the Lincoln Public Schools. Without the TIF financing from that small residential area, I'm told we can't raise enough money for the sewer line to be built north from Alvo Road to the Interstate. That is where we need the sewer!! In my opinion, the area south of the Interstate will develop close to the interchange first, then move south. If the sewer does not get extended to the interstate, the most valuable property will not be able to develop for several more years.

Please approve the Redevelopment Plan in the form approved by the Planning Commission, including the small area of residential development. The commercial development that small TIF district could start will enable you to pay off the TIF bonds early. This area is unique, and has been overlooked by the city for a long time.

Sincerely,



Dwaine W. Rogge

RECEIVED

SEP 25 2006

CITY COUNCIL
OFFICE

September 22, 2006

Members of the City Council:

I am out of town and unable to attend the public hearing on this matter, but wish to inform you that the Lincoln Chamber of Commerce supports the North 56th Street & Arbor Road Redevelopment Plan in the form approved by the Planning Commission.

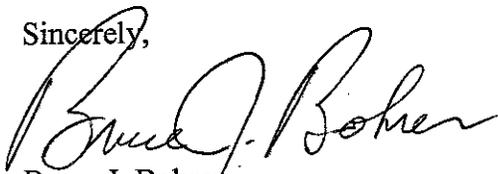
We understand that some concerns have been expressed regarding the use of a small portion of the proposed residential development for Tax Increment Financing. It is our understanding that construction of the sanitary sewer line to serve the proposed industrial park north of I-80 would be paid for with the TIF, and no part of the TIF would directly benefit the residential development. It is also our understanding that the construction of both sewer and water to the proposed industrial park would likely be delayed for two to three years if TIF dollars generated by this small part of the residential development are not used for the sewer construction.

We believe Lincoln needs the land on the north side of I-80 for a large industrial park, and that without utilities, it will be nearly impossible to convince a prospective employer to choose that site. Most large users will not even consider a site unless utilities are immediately available.

While we understand the concerns expressed about the use of TIF on residential projects, this appears to be a unique situation which would not, and should not set a precedent for using TIF to build residential projects. None of the TIF is proposed to directly benefit the residential project in this case. In addition, TIF bonds can be retired early, and future commercial projects in the area could provide the revenue to do just that.

This is an important project for Lincoln. We hope you will exercise your discretion in favor of this limited use of TIF to provide significant economic development opportunities for Lincoln.

Sincerely,



Bruce J. Bohrer

Senior Vice President & General Counsel – Public Policy