

REAL ESTATE DEVELOPMENT AGREEMENT

This Development Agreement made and entered into this _____ day of _____, 2012, by and between COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF LEXINGTON, NEBRASKA, hereinafter called "Agency", and MRK Real Estate, L.L.C., hereinafter called "Developer."

WITNESSETH:

WHEREAS, the Agency is a duly organized and existing Community Development Agency, a body politic and corporate under the laws of the State of Nebraska, with lawful power and authority to enter into this Development Agreement;

WHEREAS, Agency and Developer desire to enter into this Development Agreement for acquisition, development and rehabilitation of land to assist in the removal of blight and substandard conditions in the City of Lexington within the meaning of the Nebraska Community Development Law (the "Act");

WHEREAS, the Agency, after approval by the City Council pursuant to §18-2116 of the Act, has adopted a Redevelopment Plan (the "Plan") for the real estate shown on Exhibit A.

WHEREAS, the Plan provides for the transfer of property to developers conditioned on improvements being constructed on the property in order to eliminate blight and prevent recurrence of blight and substandard conditions in the City;

WHEREAS, the Agency has determined the fair value of the real estate pursuant to §18-2118 of the Act and has taken into account and given consideration to the uses and purposes required by the Plan, the restrictions upon, and the covenants, conditions, and obligations assumed by the Developer of such property and the objectives of the Plan for the prevention of the recurrence of substandard and blighted areas;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements herein set forth, Agency and Developer do hereby covenant, agree and bind themselves as follows:

OBLIGATIONS OF AGENCY:

Section 1.01 Conveyance of Real Property

The Agency will convey the real property described to-wit:

Lot 2, Block 1, Wesleyan Addition Replat, an Addition to the City of Lexington, Dawson County, Nebraska.

Such conveyance shall be subject to the condition that the Developer shall commence construction on said real estate of a 15,000 square foot commercial building and associated improvements, as described in Exhibit A. Construction shall commence within 45 days of final approval of this Development Agreement. Developer shall complete construction within 12 months of the execution of this agreement.

Section 1.02 Installation of Paving and Utilities

The Agency shall provide for the installation of driveway access along the lot frontage, without charge or special assessment to the Developer or the property.

In addition, the Agency shall provide extensions of electrical and sanitary sewer utilities to the project without charge or special assessment.

Section 1.03 Perform Obligations of Development Agreement

The Agency will perform, or provide for the performance, in a timely manner, of all obligations to set forth in the Development Plan required to be performed by the Agency or City.

OBLIGATIONS OF DEVELOPER:

Section 2.01 Construction of Project

Developer will acquire land and construct a 15,000 square foot commercial building and associated improvements, as described in Exhibit A. Improvements in excess of \$1,500,000 will be constructed upon the property within 12 months of taking possession, and that such improvements are a material element of this Agreement.

Completion of project shall be by December 1, 2013.

Section 2.02 Non-Discrimination

Developer, for itself and its successors and assigns, agrees that during the construction of the Project, Developer will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance. Developer will comply with all applicable federal, state and local laws related to the Project.

Section 2.03 Immigration Status

Developer agrees that any contractor providing services on the construction will utilize the federal immigration verification system, as defined in Section 4-114, *Neb. Rev. Stat.* (Supp. 2009), to determine the work eligibility status of new employees physically performing services on the Project.

TERMINATION:

Developer only shall have the right to terminate this Agreement, without liability, by giving notice to Agency on or before _____, 2013. Developer shall be required to re-convey the property to the Agency free and clear of liens and encumbrances should developer terminate this agreement after receiving title to the real estate.

APPROVAL:

Developer agrees and understands that this Development Agreement is subject to approval of the governing bodies of Agency and the City of Lexington, and that in the event such approval is not obtained, that this Agreement is null and void.

COUNTERPARTS:

This Agreement may be signed in one or more counterparts which shall be as binding and effectual as the original.

ASSIGNMENT:

It is agreed that this contract shall not be assigned by the Developer without the written consent of the Agency. The parties further agree that Agency interest in this contract may be assigned to another agency of the City of Lexington.

ENTIRETY:

This Agreement constitutes the entire Agreement between the Parties, and any other Agreements between the parties, unless reduced to writing and executed by the parties shall be null and void.

IN WITNESS WHEREOF, the parties have set their hands to this Agreement the date and year first above written.

Community Development Agency
of the City of Lexington, Nebraska

MRK Real Estate, L.L.C.

By:_____

By:_____

EXHIBIT A

PROJECT DESCRIPTION MRK REAL ESTATE, L.L.C. PROJECT

OVERVIEW:

The Developer intends to acquire, develop and rehabilitate the real estate described to-wit:

Lot 2, Block 1, Wesleyan Addition Replat, an Addition to
the City of Lexington, Dawson County, Nebraska.

Exhibit B to the Development Agreement illustrates the site plan for the project.

The Developer will not develop the project in the development area or elsewhere without the benefit of the benefits under the development agreement. The costs and risks of the project are simply too great to be absorbed by the Developers without this assistance.

The Agency will convey needed property owned by the Agency to the Developer for project.

The Agency will rely on the City of Lexington to install paving and utilities to serve the project.