

DEVELOPMENT AGREEMENT

This agreement made this _____ day of December, 2009, between the CITY OF LEXINGTON, NEBRASKA, a municipal corporation, hereafter referred to as CITY, and the GREATER LEXINGTON CORPORATION, a Nebraska Corporation, hereafter referred to as GLC.

WHEREAS, GLC owns the following described real estate:

Tract 1:

Lots 33, 34, 35, 36, and 37, Block 2, Paulsen's First Addition to the City of Lexington, Dawson County, Nebraska, and

Tract 2:

A tract of land in the Northeast Quarter of the Southeast Quarter of Section Thirty-one (31), Township Ten (10) North, Range Twenty-one (21) West of the 6th P.M., Dawson County, Nebraska, and more particularly described as follows:

Beginning at the Center One-Quarter Corner of Section Thirty-one (31), Township Ten (10) North, Range Twenty-one (21) West of the 6th P.M., Dawson County, Nebraska;

Thence N 0°07'00" W (an assumed bearing), and along the West Line of the Northeast Quarter of said Section Thirty-one (31), a distance of 537.00 feet, to the intersection of the West Line of the Northeast Quarter of said Section Thirty-one (31), and the Southerly Right-of-Way of Nebraska Public Power & Irrigation District;

Thence S 78°33'11" E, and along the Southerly Right-of-Way Line of Nebraska Public Power & Irrigation District, a distance of 226.47 feet, to the Northwest Corner of Paulsen's 1st Addition;

Thence S 0°06'35" E, and along the West Line of Paulsen's 1st Addition, and also along the Westerly Right-of-Way Line of Erie Street, a distance of 1176.33 feet, to the Northerly Right-of-Way Line of 18th Street;

Thence S 89°53'25" W, and along the Northerly Right-of-Way Line of 18th Street, a distance of 221.73 feet, to the West Line of the Southeast Quarter of said Section Thirty-one (31);

Thence N 0°07'00" W, and along the West Line of the Southeast Quarter, a distance of 684.70 feet, to the place of beginning, and including 6.11 acres, more or less; and

WHEREAS, CITY owns the following described real estate:

Lot 1, Block 1; Lot 1, Block 2; and Lot 1, Block 3 Northwest Second Addition to the City of Lexington, Dawson County, Nebraska; and

WHEREAS, CITY and GLC have cooperatively replatted the above described properties or portions of such properties, into the Northwest Third Addition, and the parties have agreed to an exchange of property that will result in each party owning lots in said Northwest Third Addition which are proportionate to the property ownership before the creation of said subdivision; and

WHEREAS, it is the intent of CITY and GLC to further housing development in the City of Lexington, Nebraska through the provision of affordable housing lots and to provide a development plan for the Northwest Third Addition.

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

1. EXCHANGE OF PROPERTY BY CITY: CITY hereby agrees to convey to GLC the real estate described as follows:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, Block One, Northwest Third Addition.

Lots 1, 2, 3, 4, 5, 6, 7, 8, 11, 12, and 13, Block Two, Northwest Third Addition.

2. EXCHANGE OF PROPERTY BY GLC: In consideration of the conveyance of lots by CITY, GLC hereby agrees to convey to CITY the real estate described as follows:

The East One-half of Block 8, Northwest Third Addition;

3. PHASE ONE OF DEVELOPMENT: The parties further agree that the lots owned by GLC shall constitute the first phase of development of Northwest Third Addition. GLC shall make said lots available for sale to developers, builders, or private individuals for the construction of housing. As between the parties to this Agreement, the following conditions shall apply to such development:

- a. GLC shall convey the lots with the stipulation that construction on said lots shall begin within twelve (12) months of sale; if construction on a lot(s) does not begin within twelve months of sale, title of the lot(s) will revert back to GLC.
- b. Nothing in this Agreement shall restrict GLC from entering into additional agreements, including restrictive covenants or other agreements relating to lots in Phase One of Development.
- c. The sale price of individual lots will be determined by GLC, in no instance will the sale price of any individual lot exceed \$12,500.00.
- d. CITY shall provide paved streets, sanitary sewer, storm sewer, water and electric service to the lots in Phase One, construction to commence with one year of the date of this Agreement;

- e. In the event that improvement districts are necessary to complete infrastructure improvements for the lots; the maximum assessment to any lot will be \$5,000.
 - f. After deduction of the reasonable sale expenses of said lots, and deduction of reasonable administrative expenses, including property taxes, insurance, advertising and legal fees, GLC shall be entitled to recover \$90,000.00 as net proceeds of the sale of said lots. After said amount has been recovered, any additional proceeds shall be divided between the parties equally.
4. REAL ESTATE TAXES: The parties agree that Dawson County General Real Estate Taxes to be assessed and due against the property owned by GLC for 2009 shall be the responsibility of GLC for payment, and shall be apportioned among the residential lots described in Paragraph 1, above. General Real Estate taxes for 2010 and all following years for the lots described in Paragraph 1 shall be the responsibility of GLC.
 5. PHASE TWO DEVELOPMENT: The parties agree that CITY shall be the owner of Block 8, Northwest Third Addition, and shall be solely responsible for development of said Block as a Residential Planned unit Development. CITY shall provide for street paving and utilities for said Block 8, and shall recover the cost of such improvements through assessment districts or through further development agreements.
 6. PHASE THREE DEVELOPMENT: The parties agree that Phase Three and any further phases of development of Northwest Third Addition will not occur until a substantial portion of Phase One has been developed. CITY, as a municipal corporation, does not intend to be the marketing entity for the development of housing lots. GLC shall have the right of first purchase for any lots or group of lots considered for future development in Northwest Third Addition, and CITY shall not convey any lots or group of lots to any other developer until GLC has been given notice of the intent to sell or convey such lots, and GLC shall after such notice have 30 days to give notice of its intention to purchase said lots at the same price offered to any other developer.
 7. BINDER: This Agreement shall be binding upon the heirs, assigns and successors of the parties hereto.
 8. COUNTERPARTS: This Agreement may be signed in one or more counterparts which shall be as binding and effectual as the original.
 9. ASSIGNMENT: It is agreed that this contract shall not be assigned by either party without the written consent of both parties.
 10. 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.

