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Received - DIANE L. BATTIATO
Register of Deeds, Douglas County, NE
3/31/2005 09:34:11.30



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NOTICE OF REDEVELOPMENT AGREEMENT COVENANTS

This Notice of Redevelopment Agreement Covenants ("Notice") is made effective this 30th day of March, 2005, by KDI OMAHA, L.P., a Nebraska limited partnership (the "Developer").

WITNESSETH:

1. The City of Omaha, Nebraska and the Developer entered into a Redevelopment/ Subdivision Agreement (the "Redevelopment Agreement") that was approved by the Omaha City Council on February 8, 2005, by Ordinance No. 36919, pertaining to the real estate described on Exhibit A attached hereto and by this reference incorporated herein (the "Redevelopment Site"). Capitalized terms used in this Notice and not otherwise defined herein shall have the meanings given to such terms in the Redevelopment Agreement.

2. The Redevelopment Agreement provides that the following excerpts from Section 3.6 of the Redevelopment Agreement shall constitute covenants running with the land comprising the Entire Shopping Center Property and be binding on subsequent owners of the Entire Shopping Center Property as long as any Redevelopment Note issued pursuant to the Redevelopment Agreement is outstanding.

3.6 **Certain Agreements Regarding Tax Increment Financing.** While the Redevelopment Notes are outstanding, the Developer shall:

3.6.1 In recognition of unusual circumstances associated with the development of the Entire Shopping Center Property and the fact that the Developer intends to sell the lots within the Entire Shopping Center Property to third party users, the parties agree that it is not feasible in this Agreement to allocate any minimum real estate tax valuation to any particular lot. At the Redevelopment Loan closing, the Developer will certify to the City in writing that the Developer has given written notice to the bank or other lender of the Redevelopment Loan Funds that the owners of the lots in the Entire Shopping Center Property will not have the right to protest any real estate tax valuations of their respective lots while the TIF note is outstanding; provided, however, nothing contained herein shall prohibit the owner of Lot 3, Sorenson Park Plaza, to protest any real estate tax valuation while the TIF note is outstanding. The Developer agrees that it will not protest a real estate improvement valuation on the Entire Shopping Center Property of \$4,500,000.00 or less prior to or during construction.

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4 TIF DEL _____ SCAN _____ FV _____

3.6.2 Not to convey any portion of the Entire Shopping Center Property or any structures thereon to any entity which would be exempt from the payment of real estate taxes.

3.6.3 Not apply to the Douglas County Assessor for the structures, or any portion thereof, to be taxed separately from the underlying land of the Entire Shopping Center Property.

3.6.4 Maintain fire and extended coverage insurance thereon for the full insurable value thereof, subject to such deductibles, however, as the Developer and any subsequent owner of the real estate may determine. An owner or occupant of a building on the Entire Shopping Center Property may, with the consent of the City (which consent shall be reflected in an administrative amendment to this Agreement), which consent shall not be unreasonably withheld, and the written consent of the then holder or holders of any outstanding Redevelopment Notes elect to self-insure such risks. The City and the Developer hereby agree that the developer or specific owner of lots within the Entire Shopping Center Property may elect to self-insure such risks if they acquire and for so long as they occupy buildings on the Shopping Center Property. If the developer or specific owner of lots within the Entire Shopping Center Property later transfer their real estate in the Entire Shopping Center Property, the City, but only with the written consent of the then holder or holders of any outstanding Redevelopment Notes, may enter into an administrative amendment or amendments to authorize the then owners of a specific Lot or Lots within Sorensen Park Plaza, to self-insure if they appear to the City, in the City's reasonable judgment, to have sufficient financial strength to self-insure. In the event of a casualty loss, the Developer or the then owner of the damaged property, as appropriate, shall reconstruct such improvements or, alternatively, shall escrow funds or provide insurance proceeds in an amount equivalent to the amount of Excess Tax Revenues that would have been generated from the property had it not been damaged. Such escrowed funds or insurance proceeds shall be used to amortize the outstanding Redevelopment Notes secured by the Excess Tax Revenues from that owner's real estate. Section 3.6.4 of the Redevelopment Agreement shall not apply to Lot 3, Sorenson Park Plaza.

In lieu of compliance with the foregoing covenants, the Developer or subsequent holder of any Redevelopment Note may surrender any remaining amount outstanding of the Redevelopment Note to the City.

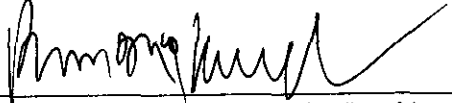
3. The Developer has agreed to include the covenants set forth above in any subsequent sale, assignment, sale-leaseback or other transfer of the Developer's Shopping Center Property.

4. This Notice of Redevelopment Agreement Covenants is executed pursuant to the provisions contained in the Redevelopment Agreement and is not intended to vary the terms and conditions

of the Redevelopment Agreement. The sole purpose of this Notice is to give notice of such covenants.

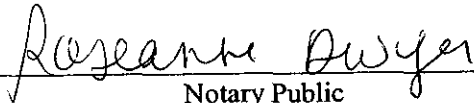
IN WITNESS WHEREOF, the parties hereto have executed this Notice of Redevelopment Agreement Covenants on the dates set forth beneath their respective signatures.

KDI OMAHA, L.P., a Nebraska limited partnership, by its General Partner KD Omaha 1103, Inc., a Nebraska corporation,

By: 
Bruce M. Kauderer, Vice President

STATE OF NEW YORK)
) ss.
COUNTY OF NASSAU)

The foregoing instrument was acknowledged before me this 14th day of March, 2005, by Bruce M. Kauderer, Vice President of KD Omaha 1103, Inc., a Nebraska corporation, General Partner of KDI Omaha, L.P., a Nebraska limited partnership.


Notary Public

My Commission expires: _____

ROSEANNE DWYER
Notary Public, State of New York
No. 4909302
Qualified in Nassau County
Commission Expires January 11, 2006

