

REDEVELOPMENT AGREEMENT
(THE ROW REDEVELOPMENT PROJECT)

This Redevelopment Agreement is made and entered into as of the ___ day of _____, 2017, by and between the Community Development Agency of Lexington, Nebraska (“CDA”) and The Row Lexington, LP, a Nebraska limited partnership (the “Row”) and Stonyhill Ventures, LLC, a Nebraska limited liability company (“Stonyhill”)(collectively, the Row and Stonyhill shall be referred to as the “Redevelopers”).

RECITALS

A. The CDA 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 Redevelopment Agreement.

B. The City of Lexington (the “City ”), in furtherance of the purposes and pursuant to the provisions of Article VIII, Section 12 of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 to 18-2154, as amended (collectively the “Act”), has adopted a Redevelopment Plan for a blighted and substandard area designated by the City, including the Redevelopment Area.

C. Pursuant to that certain Option Agreement by and between the Redevelopers and the CDA, the Redevelopers contracted with the CDA to purchase the Project Site which is located in the Redevelopment Area.

D. The Redevelopers submitted a redevelopment project proposal to redevelop the Project Site.

E. The proposed redevelopment project involves acquisition of the Project Site and the construction of approximately thirty-two (32) single family residential townhomes in three (3) phases, along with associated improvements comprised of:

i. A twenty (20) unit affordable housing development to be undertaken by the Row; and

ii. Twelve (12) units of market rate rental housing to be undertaken by Stonyhill (the "Project"). The two (2) components of the Project are combined for purposes of this Agreement.

F. The CDA has approved the Redevelopers' proposed redevelopment project, including the utilization of tax-increment financing to assist in the cost of the eligible public improvements defined in this Redevelopment Agreement.

G. The CDA and the Redevelopers desire to enter into this Redevelopment Agreement for redevelopment of the Project Site.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein set forth, the CDA and the Redevelopers do hereby covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Terms Defined in this Redevelopment Agreement.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Redevelopment Agreement, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

A. “Act” means Article VIII, Section 12 of the Nebraska Constitution, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended, and acts amendatory thereof and supplemental thereto.

B. “CDA” means the Community Development Agency of Lexington, Nebraska.

C. “CDA Public Improvements” means all the public improvements that shall be undertaken and constructed by the CDA and/or the City in the Redevelopment Area, as more particularly described on Exhibit “A”, which are eligible improvements under the Act.

D. “City” means the City of Lexington, Nebraska.

E. “Effective Date” means the effective date of each phase of the Project, as identified in Section 3.01 of this Redevelopment Agreement, for the purpose of dividing the ad valorem taxes generated by each Project phase pursuant to Section 18-2147 of the Act.

F. “Eligible Project Costs” means only costs or expenses incurred by the Redevelopers for Public Improvements that are eligible for reimbursement under the Act.

G. “Minimum Project Valuation” means an amount equal to the following for each phase of the Project: (1) Three Million Two Hundred Thirteen Thousand Two Hundred and No/100 Dollars (\$3,213,200.00) for Phase One; (2) Three Hundred Fifty-Three Thousand Two Hundred and No/100 Dollars (\$353,200.00) for Phase Two; and (3) Three Hundred Fifty-Three Thousand Two Hundred and No/100 Dollars (\$353,200.00) for Phase Three.

H. “Phase One” means the first of three phases which collectively comprise the Project. Phase One shall include the construction of: (i) approximately four (4) new market rate single family residential townhome units by Stonyhill; and (ii) approximately twenty (20) new affordable attached single-family residential townhome units, and associated improvements on the Project Site by the Row, including the Private Improvements and the Public Improvements defined herein and described on Exhibit “A”.

I. “Phase Two” means the second of three phases by Stonyhill which collectively comprise the Project. Phase Two shall include the construction of approximately four (4) new market rate single family residential townhome units and associated improvements on the Project Site, and adjacent thereto, including the Private Improvements and the Public Improvements defined herein and described on Exhibit “A”.

J. “Phase Three” means the third of three phases by Stonyhill which collectively comprise the Project. Phase Three shall include the construction of approximately four (4) new market rate single family residential townhome units and associated improvements on the Project Site, and adjacent thereto, including the Private Improvements and the Public Improvements defined herein and described on Exhibit “A”.

K. “Private Improvements” means all the private improvements to be constructed on the Project Site as more particularly described on Exhibit “A” attached and incorporated by this reference.

L. “Project” means the improvements to the Project Site and adjacent thereto, including the Private Improvements and Public Improvements defined

herein and described on Exhibit “A”. The term “Project” shall include Phase One, Phase Two and Phase Three.

M. “Project Site” means all that certain real property situated in the City, more particularly described on Exhibit “A”. The Project Site shall be subdivided into thirty-two (32) separate residential lots pursuant to the final plat of Southwest First Addition.

N. “Public Improvements” shall mean all the public improvements more particularly described on Exhibit “A” which are eligible improvements under the Act, including both the Redeveloper Public Improvements and the CDA Public Improvements. The costs of the Public Improvements include the debt service payments of the TIF Indebtedness.

O. “Redevelopers” collectively means The Row Lexington, LP, a Nebraska limited partnership or its assignee, which is subject to the written approval of the CDA, and Stonyhill Ventures, LLC, a Nebraska limited liability company or its assignee, which is subject to the written approval of the CDA.

P. “Redeveloper Public Improvements” shall include all the public improvements that shall be undertaken and constructed by the Redeveloper on the Project Site, as more particularly described on Exhibit “A”, which are eligible improvements under the Act.

Q. “Redevelopment Agreement” means this Redevelopment Agreement between the CDA and the Redevelopers with respect to the Project.

R. “Redevelopment Area” means the Redevelopment Area that is legally described in the Redevelopment Plan.

S. “Redevelopment Plan” means the Redevelopment Plan for Redevelopment Area #5 adopted by the City Council of the City on February 27, 2007 pursuant to Resolution No. 07-12, as amended.

T. “TIF Indebtedness” means any bonds, notes, loans and advances of money or other indebtedness, including interest thereon, issued by the CDA or the City secured in whole or in part by TIF Revenues.

U. “TIF Revenues” or “Tax Increment” means incremental ad valorem taxes generated by the Project which are allocated to and paid to the CDA pursuant to the Act.

Section 1.02 Construction and Interpretation.

The provisions of this Redevelopment Agreement shall be construed and interpreted in accordance with the following provisions:

(a) This Redevelopment Agreement shall be interpreted in accordance with and governed by the laws of the State of Nebraska, including the Act.

(b) Wherever in this Redevelopment Agreement it is provided that any person may do or perform any act or thing the word “may” shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.

(c) The word “including” shall be construed as meaning “including, but not limited to.”

(d) The words “will” and “shall” shall each be construed as mandatory.

(e) The captions to the sections of this Redevelopment Agreement are for convenience only and shall not be deemed part of the text of the respective

sections and shall not vary by implication or otherwise any of the provisions hereof.

(f) To the extent the obligations, rights and duties of the Redevelopers under this Agreement may be separated by each phase, Stonyhill shall be solely responsible for the obligations, rights and duties applicable to the four (4) market rate dwelling units in Phase One and all of Phase Two and Phase Three, and the Row shall be solely responsible for the obligations, rights and duties applicable to the twenty (20) affordable dwelling units in Phase One.

ARTICLE II

REPRESENTATIONS

Section 2.01 Representations by the CDA.

The CDA makes the following representations and findings:

(a) The CDA is a duly organized and validly existing Community Development Agency under the Act.

(b) The CDA deems it to be in the public interest and in furtherance of the purposes of the Act to accept the proposal submitted by Redeveloper for the redevelopment of the Project Site as specified herein.

(c) The Project will achieve the public purposes of the Act by, among other things, increasing the tax base and lessening blighted and substandard conditions in the Redevelopment Area.

Section 2.02 Representations of the Redevelopers.

The Redevelopers makes the following representations and findings:

(a) The Row Lexington, LP is a Nebraska limited partnership, having the power to enter into this Redevelopment Agreement and perform all obligations

contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Agreement.

(b) Stonyhill Ventures, LLC is a Nebraska limited liability company, having the power to enter into this Redevelopment Agreement and perform all obligations contained herein and by proper action has been duly authorized to execute and deliver this Redevelopment Agreement.

(c) The execution and delivery of the Redevelopment Agreement and the consummation of the transactions herein contemplated will not conflict with or constitute a breach of or default under any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which the Row or Stonyhill is a party or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Row or Stonyhill contrary to the terms of any instrument or agreement.

(d) There is no litigation pending or to the best of its knowledge threatened against the Row or Stonyhill affecting its ability to carry out the acquisition, construction, equipping and furnishing of the Project or the carrying into effect of this Redevelopment Agreement or, except as disclosed in writing to the CDA, as to any other matter materially affecting the ability of the Redevelopers to perform their obligations hereunder.

(e) Pursuant to that certain Option Agreement by and between the two Redevelopers and the City, Stonyhill has contracted to purchase Phase Two and Phase Three Project Sites from the CDA, in phases, in fee simple and free from any

liens, encumbrances, or restrictions which would prevent the performance of this Agreement by the Redevelopers.

(f) Prior to substantial completion of constructions, the Redevelopers shall not assign this Agreement to any successor or assignee without the written approval of the CDA. Provided, however, the parties agree that the Row may sell membership interests to its investors and successors without restriction by or consent of the City.

ARTICLE III

OBLIGATIONS OF THE CDA AND PUBLIC IMPROVEMENTS

Section 3.01 Capture of Tax Increment.

Subject to the contingencies described below and to all of the terms and conditions of this Agreement, commencing for the tax year of the Effective Date for each phase of the Project and continuing thereafter, the CDA shall capture the Tax Increment, as defined below, from the Project pursuant to the Nebraska Community Development Law. The CDA shall capture the Tax Increment generated by each phase of the Project for a total period of not to exceed fifteen (15) years after the Private Improvements for each such phase have been completed and included in the assessed valuation of the Project Site and the Project Site is generating the Tax Increment subject to capture by the CDA (the "TIF Period").

The Project will be constructed in three phases, each of which will have a separate Effective Date for purposes of the division of ad valorem taxes pursuant to Section 18-2147 of the Act. The Effective Date for Phase One of the Project shall be January 1, 2018, thus creating the base value as of January 1, 2017. However,

if necessary to maximize the Tax Increment amount, the Redevelopers may delay the Phase One Effective Date to January 1, 2019 by providing written notice to the CDA. It is anticipated that the Effective Date for Phase Two of the Project will be January 1, 2019, establishing the base value as of January 1, 2018. It is further anticipated that the Effective Date for Phase Three of the Project will be January 1, 2020, establishing the base value as of January 1, 2019. However, in the event that Stonyhill desires to accelerate or delay commencement of construction on Phase Two or Phase Three of the Project, Stonyhill shall provide written notice to the CDA and the Effective Date of Phase Two or Phase Three, as applicable, shall be accelerated or delayed accordingly. The CDA shall file with the Dawson County Assessor the "Notice to Divide Taxes" on or prior to August 1 in the year of the Effective Date of each phase of the Project.

Section 3.02 Tax Increment.

The term Tax Increment shall mean, in accordance with Section 18-2147 of the Act, the difference between the ad valorem tax which is produced by the tax levy (fixed each year by the Dawson County Board of Equalization) for the Project Site before the completion of the construction of the Private Improvements for that year prior to the year in which the Effective Date falls, and the ad valorem tax which is produced by the tax levy for the Project Site after completion of construction of the Private Improvements as part of the Project. For Phase One, the anticipated Tax Increment is the difference between the taxes payable for 2018 and the taxes payable for 2017. For Phase Two, the anticipated Tax Increment is the difference between the projected taxes payable for 2019 and the taxes payable for 2018. For Phase Three, the anticipated Tax Increment is the difference

between the projected taxes payable for 2020 and the taxes payable for 2019. However, due to the construction schedule and anticipated absorption rate of the Private Improvements, it is not expected that the full amount of the annual Tax Increment for each phase of the Project will be generated in the year of the Effective Date of each phase, but will be generated following completion of construction of the Private Improvements comprising such phase. The anticipated Tax Increment for each phase of the Project is more particularly set forth on Exhibit "B".

Section 3.03 Issuance of TIF Indebtedness.

The CDA shall incur or issue TIF Indebtedness in a series of TIF Promissory Notes in the aggregate amount of approximately Six Hundred Sixty-Eight Thousand and No/100 Dollars (\$668,000.00), as calculated on the attached and incorporated Exhibit "B" for all three phases. The CDA shall issue a note or notes for the TIF Indebtedness for each phase, as further described below, the form of which is attached hereto as Exhibit "B-1". The TIF Indebtedness for Phase One shall be divided between a Phase One Series "A" TIF Note for the portion of the Phase One Project undertaken by the Row and a Phase One Series "B" TIF Note for the portion of the Project undertaken by Stonyhill. The Phase One Series "A" TIF Note shall be issued by the CDA to the Row, or to a lender of the Row, for the Tax Increment produced by the twenty (20) dwelling unit affordable single family residential townhome units included within Phase One. The Phase One Series "B" TIF Note shall be issued by the CDA to Stonyhill, or to a lender of Stonyhill, for the Tax Increment produced by the four (4) market rate single family residential townhome units included within Phase One. The Phase Two TIF Note and the

Phase Three TIF Note shall each be issued by the CDA to Stonyhill, or to a lender of Stonyhill, for the Tax Increment produced by the four (4) market rate single family residential townhome units included within Phase Two and Phase Three, as applicable. The TIF Indebtedness for each phase shall be in the following approximate amounts:

	<u>Series "A"</u>	<u>Series "B"</u>	<u>Total</u>
Phase One	\$500,000	\$56,000	\$556,000
Phase Two	\$56,000	-----	\$56,000
<u>Phase Three</u>	<u>\$56,000</u>	<u>-----</u>	<u>\$56,000</u>
Total	\$612,000	\$56,000	\$668,000

The TIF Notes shall be issued no sooner than thirty (30) days following the approval and execution of this Agreement. The TIF Notes shall not be a general obligation of the CDA or the City, which shall issue each Note solely as a conduit. If the Redevelopers intend to monetize the TIF Notes, then they shall locate a lender or other entity to acquire and fund the acquisition of the TIF Notes for the TIF Indebtedness. Redevelopers may pledge or assign the TIF Notes to such lender and the CDA shall consent to such pledge upon request. The TIF Indebtedness shall be secured by a pledge or assignment of the Tax Increment to be captured by the CDA.

Section 3.04 Use of TIF Indebtedness.

The CDA will collect and use the Tax Increment to pay debt service on the TIF Indebtedness incurred as provided in Section 3.03 of this Redevelopment Agreement. Notwithstanding the foregoing, the aggregate amount of the TIF Notes for Phase One, Phase Two and Phase Three that the CDA agrees to service and repay with the Tax Increment shall not exceed the amount of the Eligible Project Costs certified by Redeveloper pursuant to Section 4.02 and listed on

Exhibit “C”. The Tax Increment shall be paid pursuant to the terms of any TIF Notes and/or TIF resolution issued by the CDA relating to this Project.

Section 3.05 Creation of Fund.

The CDA will create a special fund to collect and hold the receipts of the Tax Increment. Such special fund shall be used for no purpose other than to pay TIF Indebtedness on the TIF Notes issued pursuant to Section 3.03 above.

Section 3.06 Projected TIF Sources and Uses.

In addition to the TIF Indebtedness calculation formula set forth on Exhibit “B”, the anticipated TIF sources and eligible uses are set forth on the attached and incorporated Exhibit “C”. The projected uses of the TIF funds are eligible under the Act, and are estimates which shall be confirmed upon construction completion and certified by the Redevelopers under Section 4.02 below.

Section 3.07 Purchase of Project Site.

(a) Phases. The City of Lexington, Nebraska is the record owner of the Redevelopment Area and shall, pursuant to the authority of Neb. Rev. Stat. § 18-2107(4) of the Act, convey the Project Site to the CDA.

Thereafter, Redevelopers shall purchase the Project Site from the CDA in phases corresponding to the three (3) phases comprising the Project.

The anticipated schedule for the acquisition of the Project Site is:

- i) Phase One – On or before September 1, 2017;
- ii) Phase Two – On or before December 31, 2018; and
- iii) Phase Three – On or before December 31, 2019.

Stonyhill may defer the closing dates for Phases Two and Three to coincide with the optimal timing for construction in accordance with the schedule described in Section 3.01.

(b) Prices. At the closing on the purchase of the Project Site in accordance with the phasing of the Project, the Redevelopers shall purchase the Project Site for the following amounts:

i) Phase One.

- Affordable Lots. The Row shall purchase the twenty (20) lots associated with the affordable housing component for the sum of Three Hundred Thousand and No/100 Dollars (\$300,000.00), which sum is based on the estimated infrastructure cost of Fifteen Thousand and No/100 Dollars (\$15,000.00) per lot for each of the twenty (20) lots. The per lot cost shall be determined by the final cost incurred by the City for the design and construction of the subdivision to include grading, street paving, utility installation and all associated improvements to the subdivided lots (“Subdivision Improvement Cost Adjustment”) prior to closing; and

- Market Rate Lots. Stonyhill shall purchase the four (4) market rate lots for the estimated cost of infrastructure price of Sixty Thousand and No/100 Dollars (\$60,000.00) comprised of four (4) lots at the estimated cost of Fifteen Thousand No/100 Dollars (\$15,000.00) per lot, subject to the Subdivision Improvement Cost Adjustment to be made prior to closing.

ii) Phase Two. Stonyhill shall purchase the four (4) market rate lots contained in Phase Two of the Project for the cost of infrastructure estimated to be Fifteen Thousand and No/100 Dollars (\$15,000.00) per lot which shall total Sixty Thousand and No/100 Dollars (\$60,000.00) subject to the Subdivision Improvement Cost Adjustment to be made prior to closing; and

iii) Phase Three. Stonyhill shall purchase the four (4) market rate lots contained in Phase Three of the Project for the cost of infrastructure estimated to be Fifteen Thousand and No/100 Dollars (\$15,000.00) per lot which shall total Sixty Thousand and No/100 Dollars (\$60,000.00) subject to the Subdivision Improvement Cost Adjustment to be made prior to closing.

(c) Closing. Redevelopers shall obtain title insurance commitments on the Project Site in sequence of the scheduled closings on the three (3) phases of the Project. If any defects in title exist, the Redevelopers shall provide written notice to the CDA of such defect which shall have a reasonable time to cure any such defects. The cost of the final owner's policy to insure Redevelopers in the purchase of the Project Site shall be equally shared by the Redevelopers and the CDA.

(d) Land Value:

i) Affordable Lots. The CDA agrees to convey the twenty (20) lots comprising the affordable housing project to the Row as provided in this Section 3.07 for the actual infrastructure cost estimated to be Fifteen Thousand and No/100 Dollars (\$15,000.00) per lot and subject to the

Subdivision Improvement Cost Adjustment. The CDA shall contribute the value of the land for the affordable lots, valued at One Hundred Ten Thousand and No/100 Dollars (\$110,000.00) for the Project Site for its contribution to the Project to further encourage the development of affordable housing opportunities in the City of Lexington.

ii) Market Rate Lots. The CDA agrees to convey the four (4) market rate lots of Phase I to Stonyhill as provided in this Section 3.07 for the actual infrastructure cost estimated to be Fifteen Thousand and No/100 Dollars (\$15,000.00) per lot and subject to the Subdivision Improvement Cost Adjustment. The CDA shall contribute the land for the market rate lots valued at Twenty Two Thousand and No/100 Dollars (\$22,000.00) to further encourage the development of housing opportunities in the City of Lexington.

ARTICLE IV

OBLIGATIONS OF REDEVELOPER

Section 4.01 Construction of Project; Insurance.

(a) The Redevelopers will complete the Redeveloper Public Improvements and the Private Improvements as described on Exhibit "A" and install all equipment necessary to operate the Redeveloper Public Improvements and the Private Improvements for each phase of the Project no later than the completion date for the applicable phase set forth on Exhibit "B". Stonyhill may, upon written notice to the CDA, accelerate or delay Phase Two and/or Phase Three of the Project based on the schedule of construction and sale of the residential homes to be constructed.

The Redevelopers shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Redeveloper Public Improvements and the Private Improvements. Until construction of the Redeveloper Public Improvements and the Private Improvements has been completed, Redevelopers shall make reports in such detail and at such times as may be reasonably requested by the CDA as to the actual progress of Redevelopers with respect to construction of the Redeveloper Public Improvements and the Private Improvements. Promptly after substantial completion by Redevelopers of the Redeveloper Public Improvements and the Private Improvements for each phase of the Project, Redevelopers shall notify the CDA of the completion and request that the CDA issue a Certificate of Completion, the form of which is attached as Exhibit "D" and incorporated by this reference. Once issued by the CDA, the Certificate of Completion for each phase of the Project shall be a conclusive determination of satisfaction of the agreements and covenants in this Redevelopment Agreement with respect to the obligations of Redevelopers to construct the Redeveloper Public Improvements and the Private Improvements for such phase, and Redevelopers shall be entitled to record the Certificate of Completion.

(b) Any contractor chosen by Redevelopers or Redevelopers themselves shall be required to obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations (provided that Redevelopers may self-insure in lieu of obtaining and keeping in force such policy of insurance) and a penal bond as required by the Act for any redevelopment work conducted in the public right-

of-way. The CDA shall be named as an additional insured. Any contractor chosen by Redevelopers or Redevelopers themselves, as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof (provided that Redevelopers may self-insure in lieu of obtaining and keeping in force such policy of insurance). This insurance shall insure against the perils of fire and extended coverage and shall include “special causes of loss” insurance for physical loss or damage.

Section 4.02 Cost Certification.

For each phase of the Project, Redevelopers shall submit to the CDA a certification of Eligible Project Costs, after expenditure of such project costs to verify the uses described on Exhibit “C”. Redevelopers may, at their option, submit one or more partial Eligible Project Costs Certifications prior to expenditure of all Eligible Project Costs providing certification of receipt of billings for work in progress. All Eligible Project Costs Certifications shall be subject to review and approval by the CDA prior to the funding of such eligible costs. Determinations by the CDA whether costs included in the Eligible Project Costs Certification are properly included in Eligible Project Costs as defined in this Agreement shall be made in its sole discretion and shall be conclusive and binding on Redevelopers.

Section 4.03 No Discrimination.

Each Redeveloper agrees and covenants, on its own behalf, for itself, its successors and assigns that as long as this Redevelopment Agreement is outstanding, it will not discriminate against any person or group of persons on account of race, sex, color, religion, national origin, ancestry, disability, marital

status or receipt of public assistance in connection with the Project. The Redevelopers will comply with all applicable federal, state and local laws related to the Project.

Section 4.04 Pay Real Estate Taxes.

(a) The Redevelopers intends to create a taxable real property valuation for each phase of the Project of not less than the Minimum Project Valuation set forth in Section 1.01(G) above, no later than as of the completion date for each phase of the Project, as set forth on Exhibit “B”. The Minimum Project Valuation is based upon the following: (1) the final valuation of the twenty (20) affordable units in Phase One of not less than Two Million Eight Hundred Sixty Thousand and No/100 Dollars (\$2,860,000.00); (2) a final valuation of the four (4) market rate units in Phase One of not less than Three Hundred Fifty-Three Thousand Two Hundred and No/100 Dollars (\$353,200.00); (3) the final valuation of the four (4) market rate units in Phase Two of not less than Three Hundred Fifty-Three Thousand Two Hundred and No/100 Dollars (\$353,200.00); and the final valuation of the four (4) market rate units in Phase Three of not less than Three Hundred Fifty-Three Thousand Two Hundred and No/100 Dollars (\$353,200.00) (each a “Minimum Phase Valuation”). Redevelopers shall create the applicable Minimum Phase Valuation of the Project Site no later than the applicable completion date for the applicable phase of the Project. During the period of this Agreement and after the applicable Effective Date, Redevelopers, their successors and assigns, will: (1) not protest a real estate property valuation of the Project and Project Site to a sum less than or equal to the Minimum Project Valuation; (2) not protest a real estate property valuation of the lots contained in any phase of the

Project to a sum that will bring the applicable phase valuation to an amount less than or equal to the applicable Minimum Phase Valuation; and (3) not convey the Project Site, any lot in the Project Site, or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes. Each purchaser of a home on the Project Site shall be subject to this provision so as to agree to not protest any assessed value to a sum that will bring the applicable phase valuation to an amount less than or equal to the applicable Minimum Phase Valuation.

(b) If, during the period of this Agreement and after the Effective Date, the Project Site is assessed at less than the Minimum Project Valuation or the lots in any phase are assessed at less than the applicable Minimum Phase Valuation, Redevelopers shall either: (1) successfully protest the valuation upwards such that the valuation of the applicable portion of the Project Site is equal to or greater than the applicable minimum valuation identified above; or (2) make a payment in lieu of taxes to the CDA upon thirty (30) days written notice in the amount of the shortfall equal to the amount the anticipated Tax Increment, as set forth on Exhibit "B", exceeds the actual Tax Increment; provided, however, that Redevelopers shall only be obligated to make such payment in lieu of taxes to the extent that the actual Tax Increment is insufficient to meet the current debt service payments on the TIF Notes. If the Redevelopers are required to pay any such shortfall as a payment in lieu of taxes, the Redevelopers shall be entitled to receive reimbursement of any such shortfall payment to the extent TIF Revenues later become available during the TIF Period in an amount in excess of the amount

necessary to meet the current debt service payments. Any such shortfall amounts not reimbursed at the end of the TIF Period shall be forgiven.

Section 4.05 No Assignment or Conveyance.

The Redevelopers shall not convey, assign or transfer the Project Site, any interest therein, or this Agreement prior to substantial completion of construction of the applicable phases without the prior written consent of the CDA, which shall not be unreasonably withheld and which the CDA may make subject to any terms or conditions it reasonably deems appropriate, except for the following conveyances, which shall be permitted without consent of the CDA:

(a) Any assignment as security for indebtedness (i) previously incurred by Redevelopers or incurred by Redevelopers after the Effective Date for Project costs or any subsequent physical improvements to the Project Site with the outstanding principal amount of all such indebtedness (whether incurred prior to or after the Effective Date) secured by the Project Site which shall have lien priority over the obligations of Redevelopers pursuant to this Redevelopment Agreement, or (ii) any additional or subsequent conveyance as security for indebtedness incurred by Redevelopers for Project costs or any subsequent physical improvements to the Project Site provided that any such conveyance shall be subject to the obligations of Redevelopers pursuant to this Redevelopment Agreement.

(b) Any conveyance of a lot in the Project Site to a non-exempt third party after Redevelopers has completed construction of the Private Improvements on said lot, provided that said non-exempt third party purchaser agrees to assume all obligations of Redevelopers under this Agreement with respect to said lot including, without limitation, the obligation to maintain the Minimum Phase

Valuation, as applicable, and to make a payment in lieu of taxes, as provided in Section 4.04(b) above.

(c) Any conveyance, assignment or transfer of a membership interest in the Row to an investor in such affordable project.

Section 4.06 Evidence of Financial Ability.

Redevelopers shall provide to the CDA evidence of availability of the specific amount of finances necessary for purposes of carrying out the obligations of each Redeveloper in connection with construction of the Private Improvements, before the later of (a) sixty (60) days following the execution of this Redevelopment Agreement, or (b) the commencement of construction of the Private Improvements. To the extent allowed by law, the CDA agrees to keep said information confidential. Such information shall state the amount and source of liquid assets on hand or immediately available to each Redeveloper for use in the Project; and shall state the amount and source of debt financing which is available, or irrevocably committed, to each Redeveloper for use in completing the Private Improvements. Such information shall be provided in a form satisfactory to the CDA, and evidence of loan commitments shall include all the documents evidencing the loan commitment and acceptance by each Redeveloper, 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. Submittal of such financial information in a form satisfactory to the CDA shall be a condition precedent to the requirement of the CDA to proceed with its obligations under this Redevelopment Agreement.

ARTICLE V

FINANCING REDEVELOPMENT PROJECT; ENCUMBRANCES

Section 5.01 Financing.

The Redevelopers shall pay all costs for the construction of the Private Improvements and the Redeveloper Public Improvements. Redeveloper shall be responsible for arranging all necessary financing for the construction of the Redeveloper Public Improvements and Private Improvements, including, with respect to the Redeveloper Public Improvements, the TIF Indebtedness. The CDA shall pay all costs for the construction of the CDA Public Improvements.

Section 5.02 Encumbrances.

Redevelopers shall not create any lien, encumbrance or mortgage on the Project or the Project Site except: (a) encumbrances which secure indebtedness incurred to acquire, construct and equip the Project or for any other physical improvements to the Project Site, (b) easements and rights of entry granted by either Redeveloper, (c) construction and materialman liens that may be filed in connection with the construction of the Private Improvements so long as any such lien is discharged or bonded within 90 days of completion of the Private Improvements, and (d) any other liens so long as any such lien is satisfied and released or substitute security is posted in lieu thereof within 90 days of Redevelopers receiving notice thereof.

ARTICLE VI

DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 General Remedies of the CDA and Redevelopers.

Subject to the further provisions of this Article VI, in the event of any failure to perform or breach of this Redevelopment Agreement or any of its terms or conditions, by any party hereto or any successor to such party, such party, or successor, shall, upon written notice from the another party, proceed immediately to commence such actions as may be reasonably designed to cure or remedy such failure to perform or breach which cure or remedy shall be accomplished within a reasonable time by the diligent pursuit of corrective action. In case such action is not taken, or diligently pursued, or the failure to perform or breach shall not be cured or remedied within a reasonable time, this Redevelopment Agreement shall be in default and the aggrieved party may institute such proceedings as may be necessary or desirable to enforce its rights under this Redevelopment Agreement, including, but not limited to, proceedings to compel specific performance by the party failing to perform or in breach of its obligations; provided that, in view of the additional remedies of the CDA set out in Section 6.02, the remedy of specific performance by Redevelopers shall not include or be construed to include the covenant to build or construct the Private Improvements or Project.

Section 6.02 Additional Remedies of the CDA.

In the event that:

- (a) Redevelopers, or successor in interest, shall fail to complete the construction of the Project on or before the applicable completion date set forth on Exhibit "B", as adjusted by any delay or acceleration allowed for under Section 3.01 above, or shall abandon construction work for any period of 120 days (not including any period covered pursuant to the terms of Section 6.04 below);

(b) Redevelopers, or successor in interest, shall fail to pay real estate taxes or assessments on the Project Site or any part thereof when due, and such taxes or assessments or payments in lieu of taxes shall not have been paid, or provisions satisfactory to the CDA made for such payment within thirty (30) days following written notice from the CDA;

(c) Redevelopers do not maintain an assessed valuation equal to or greater than the Minimum Project Valuation for the Project Site and the applicable Minimum Phase Valuation, for each Phase of the Project for the term of this Agreement and fails to satisfy the obligations of Section 4.04(b) of this Agreement; or

(d) There is, in violation of Section 4.05 of this Redevelopment Agreement, transfer of the Project Site or any part thereof, and such failure or action by Redevelopers has not been cured within 30 days following written notice from the CDA,

then the offending Redeveloper shall be in default of this Redevelopment Agreement; and in the event that such failure to perform, breach or default is not cured in the period herein provided, the parties agree that the damages caused to the CDA would be difficult to determine with certainty. To the extent that such failure results in the fact that the CDA is not able to capture the full amount of the anticipated Tax Increment contemplated hereunder, the offending Redeveloper shall be obligated, on an annual basis, to remit the sum by which the anticipated Tax Increment exceeds the actual Tax Increment.

Section 6.03 Remedies in the Event of Other Redeveloper Defaults.

In the event a Redeveloper fails to perform any other provisions of this Redevelopment Agreement (other than those specific provisions contained in Section 6.02), and such failure has not been cured within 30 days following written notice from the CDA, then the offending Redeveloper shall be in default. In such an instance, the CDA may seek to enforce the terms of this Redevelopment Agreement or exercise any other remedies that may be provided in this Redevelopment Agreement or by applicable law; provided, however, that the default covered by this Section shall not give rise to a right of rescission or termination of this Redevelopment Agreement.

Section 6.04 Limitation of Liability; Indemnification.

(a) Notwithstanding anything in this Article VI or this Redevelopment Agreement to the contrary, neither the CDA, the City, nor their officers, directors, employees, agents or their governing bodies shall have any pecuniary obligation or monetary liability under this Redevelopment Agreement. The obligation of the CDA on any TIF Indebtedness shall be limited solely to the Tax Increment pledged as security for such TIF Indebtedness. Specifically, but without limitation, neither the City nor the CDA shall be liable for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder. The Redevelopers releases the CDA and the City from and agree that the CDA and the City shall not be liable for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Private Improvements. Provided, however, such release shall not be deemed to include such liability actions as arise directly out of the sole negligence or willful misconduct of the CDA or the City.

(b) The Redevelopers agree to indemnify, defend (at the CDA's and/or the City's option) and hold harmless the CDA, the City, their respective employees, officials, agents, representatives and volunteers from and against any and all liabilities, damages, injuries (including death), property damage (including loss of use), claims, liens, judgments, costs, expenses, suits, actions, or proceedings and reasonable attorney's fees, and actual damages of any kind or nature, arising out of or in connection with any aspect of the acts, omissions, negligence or willful misconduct of Redevelopers, their employees, agents, officers, contractors or subcontractors, or Redevelopers' performance or failure to perform under the terms and conditions of this Redevelopment Agreement. Such indemnification, hold harmless and defense obligation shall exclude only such liability actions as arise directly out of acts, omissions, or the sole negligence or willful misconduct of the CDA or the City. The indemnification and defense obligations set forth herein shall survive the termination of this Redevelopment Agreement.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Memorandum.

A Memorandum of this Redevelopment Agreement in the form attached hereto as Exhibit "E" and incorporated by this reference shall be recorded with the Dawson County Register of Deeds for each phase of the Project. The Memorandum shall identify the Effective Date and the portion of the Project Site to which it applies.

Section 7.02 Governing Law.

This Redevelopment Agreement shall be governed by the laws of the State of Nebraska, including the Act.

Section 7.03 Binding Effect; Amendment.

This Redevelopment Agreement shall be binding on the parties hereto and their respective successors and assigns. This Redevelopment Agreement shall run with the Project Site. The Redevelopment Agreement shall not be amended except by a writing signed by the party to be bound.

Section 7.04 No Agency or Partnership.

This Redevelopment Agreement is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between the CDA and the City, on the one hand, and either Redeveloper, on the other hand, nor between the CDA and the City, on the one hand, and any officer, employee, contractor or representative of either Redeveloper, on the other hand. No joint employment is intended or created by this Redevelopment Agreement for any purpose. The Redevelopers agree to so inform their employees, agents, contractors and subcontractors who are involved in the implementation of or construction under this Redevelopment Agreement.

[Signature and Notary Pages to Follow]

IN WITNESS WHEREOF, the CDA and the Redevelopers have signed this Redevelopment Agreement as of the date and year first above written.

“CDA”

COMMUNITY DEVELOPMENT
AGENCY OF LEXINGTON, NEBRASKA

ATTEST:

By: _____
Secretary

By: _____
Chairman

STATE OF NEBRASKA)
) ss.
COUNTY OF DAWSON)

The foregoing instrument was acknowledged before me this ___ day of _____, 2017, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of Lexington, Nebraska, a public body corporate and politic, on behalf of the Agency.

Notary Public

“REDEVELOPERS”

THE ROW LEXINGTON, LP, a
Nebraska limited partnership

By: Ward F. Hoppe, LLC, a Nebraska
limited liability company,
General Partner

By: _____
Ward F. Hoppe, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2017, by Ward F. Hoppe, Manager of Ward F. Hoppe, LLC, General Partner of The Row Lexington, LP, a Nebraska limited partnership, on behalf of the partnership.

Notary Public

STONYHILL VENTURES, LLC, a
Nebraska limited liability company

By: _____
Ward F. Hoppe, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2017, by Ward F. Hoppe, Manager of Stonyhill Ventures, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

TABLE OF EXHIBITS:

Exhibit "A" – Description of Project

Exhibit "B" – TIF Indebtedness

Exhibit "B-1" – TIF Note

Exhibit "C" – Projected TIF Sources and Uses

Exhibit "D" – Certificate of Completion

Exhibit "E" – Memorandum of Redevelopment Agreement

EXHIBIT "A"
DESCRIPTION OF PROJECT

The Project undertaken by the Redevelopers on the Project Site, defined as the real estate legally described as:

Lots One (1) through Forty (40), all in Block Ten (10), Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska.

AND

The northern 825 feet, more or less, of Lot One (1), Block Nine (9), Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska, as will be further subdivided as a part of the Project

shall consist of the following:

- (a) **Private Improvements.** The construction of approximately thirty-two (32) single family residential townhome units, consisting of twelve (12) market rate single family residential townhome units and twenty (20) affordable single family residential townhome units, and associated improvements on the Project Site divided into multiple phases as described in the Agreement.

- (b) **Public Improvements.** The Public Improvements shall consist of the Redeveloper Public Improvements and the CDA Public Improvements, which are more particularly described as follows:
 - (i) Redeveloper Public Improvements: Land acquisition, grading, site preparation, eligible engineering and design expenditures and other eligible expenditures under the Act; paid for, in part, by the Tax Increment generated by the Private Improvements.

 - (ii) CDA Public Improvements: Construction of public streets, including the construction of both Roosevelt Drive and Eisenhower Drive from Walnut Street to Cedar Street. The construction of utility improvements including sanitary sewer, storm sewer, and water improvements. The CDA Public Improvements shall be completed on or before March 1, 2018.

The Project shall be completed in three (3) phases. Each phase may have a separate Effective Date. It is anticipated that the third phase of the Project will be completed no later than December 31, 2021; provided, however, that pursuant to Section 4.01 of the Redevelopment Agreement, Stonyhill shall have the right to delay completion of Phase Two and/or Phase Three.

**EXHIBIT “B”
TIF INDEBTEDNESS**

1. **Principal Amount.** The TIF Indebtedness shall be issued in a series of TIF Promissory Notes with a Phase One Series “A” Note and a Phase One Series “B” Note corresponding to Phase One of the Project and single TIF Notes for Phase Two and Phase Three of the Project. The aggregate TIF Indebtedness for all phases of the Project shall be approximately Six Hundred Sixty-Eight Thousand and No/100 Dollars (\$668,000.00).

2. **Anticipated Tax Increment:** The principal amount of the TIF Indebtedness including the TIF Notes for each Phase of the Project shall be the amount, together with interest accruing thereon, which can be amortized by the Phase Maturity Date, solely from the Tax Increment Revenues based upon the current aggregate ad valorem tax rate applicable to the portion of the Project Site included in the applicable phase multiplied by the following assumed phase valuations, subject to the required debt service covered, required reserve, and cost of issuance: (a) \$3,213,200 for Phase One allocated as follows:
 - (i) twenty (20) unit affordable project: \$2,860,000
 - (ii) four (4) unit market rate project: \$353,200.00, and
 (b) \$353,200 for Phase Two, and (c) \$353,200 for Phase Three.

3. **Payments.** Semi-annually with interest only until real estate taxes are fully collected for the tax year of the Effective Date in an amount sufficient to fully amortize the TIF Indebtedness on or before the Phase Maturity Date.

4. **Maturity Date.** The Phase Maturity Date for Phase One shall be December 31, 2032. The anticipated Phase Maturity Date for Phase Two shall be December 31, 2033. The anticipated Phase Maturity Date for Phase Three shall be December 31, 2034. The maturity dates for Phase Two and Phase Three are subject to adjustment and shall be fifteen (15) years after the establishment of the Effective Date by the filing of the Notice to Divide Tax with the Dawson County Assessor.

5. **TIF Projections for Each Phase.** The following chart presents the projected data for each phase of the Project:

Phase	# of Homes	Effective Date	Phase Completion Date	Minimum Phase Valuation	Phase Approx. TIF Amount
1	A: Affordable:20 B: Market: 4	Jan. 1, 2018	Dec. 31, 2019	A: \$2,860,000 B: \$353,200	\$556,000
2	Market: 4	Jan. 1, 2019	Dec. 31, 2020	\$353,200	\$56,000
3	Market: 4	Jan. 1, 2020	Dec. 31, 2021	\$353,200	\$56,000
Total Project	Market: 12 Affordable: 20	--	--	\$3,919,600	\$668,000

**EXHIBIT “B-1”
TIF PROMISSORY NOTE**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (“THE 1933 ACT”) AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE 1933 ACT SHALL BE IN EFFECT WITH RESPECT THERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE 1933 ACT AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON PRIOR TO TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION AN OPINION OF COUNSEL, SATISFACTORY TO THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON TO THE EFFECT THAT REGISTRATION UNDER THE 1933 ACT IS NOT REQUIRED.

No. 1

\$_____

UNITED STATES OF AMERICA
STATE OF NEBRASKA
THE COMMUNITY DEVELOPMENT AGENCY
OF LEXINGTON

COMMUNITY REDEVELOPMENT REVENUE NOTE
(HOUSING REDEVELOPMENT PROJECT)
SERIES _____

Registered Holder	Principal Amount
	\$

Maturity Date	Interest Rate	Original Issuance Date

THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA (the “Issuer”), a body politic and corporate organized and existing under the laws of the State of Nebraska, for value received hereby promises to pay, solely from the source and as hereinafter provided, to the Registered Holder identified above, or registered assigns, the Principal Amount identified above at the office of the Lexington City Treasurer, as Paying Agent and Registrar, from the Original Issuance Date identified above. Accrued interest shall be payable in three (3) installments due December 15, 2017, June 15, 2018 and December 15, 2018; provided, however, that to the extent the Tax Increment is insufficient to pay accrued interest due December 15, 2017, June 15, 2018 and December 15, 2018, accrued interest shall be capitalized and added to principal. Thereafter, principal and accrued interest shall be payable in twenty-eight (28) equal semi-annual installments due June 15, 2019, December 15, 2019 and each June 15 and December 15 thereafter through December 31, 2032, when all principal and accrued interest shall be due and payable. The 2032 tax liability shall be divided

when the 2032 tax payments are made in 2033. Payments on this Note will be made by check or draft mailed to the Registered Holder in whose name this Note is registered at the close of business on the calendar day next preceding the applicable payment date at his address as it appears on such note registration books. The principal of this Note is payable in any coin or currency of the United States of America which on the respective dates of payment is legal tender for the payment of public and private debts.

This Note is designated The Community Development Agency of Lexington, Nebraska Redevelopment Revenue Note (The Row Redevelopment Project), Series _____, aggregating _____ and No/100 Dollars (\$_____.00) (the "Note"), which has been issued pursuant to Section 12 of Article VIII of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended and supplemented (the "Act") and under and pursuant to a Resolution adopted by the Governing Body of the Issuer (the "Resolution"), to aid in the financing of a redevelopment project pursuant to the Act. This Note does not represent a debt or pledge of the faith or credit of the Issuer or grant to the Registered Holder of this Note any right to have the Issuer levy any taxes or appropriate any funds for the payment of the principal hereof nor is this Note a general obligation of the Issuer, or the individual officials, officers or agents thereof. This Note is payable solely and only out of the Tax Increment Revenues generated by the Project as identified in the Redevelopment Agreement by and between the Issuer and the Registered Holder hereof. All such revenue has been duly pledged for that purpose.

THIS NOTE DOES NOT NOW AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, NOR SHALL THIS NOTE EVER GIVE RISE TO ANY PECUNIARY LIABILITY OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA, A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

No recourse shall be had for the payment of the principal on this Note, or for any claim based hereon or upon any obligation, covenant or agreement contained in the Redevelopment Agreement against any past, present or future employee, member or elected official of the Issuer, or any incorporator, officer, director, member or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, officer, director or member as such is hereby expressly waived and released as a condition of and in consideration of the issuance of this Note.

It is hereby certified and recited and the Issuer has found: that the Project is an eligible "redevelopment project" as defined in the Act; that the issuance of this Note and the construction of the Project will promote the public welfare and carry out the purposes of the Act by, among other things, contributing to the

development of a blighted and substandard area of the City of Lexington, Nebraska, pursuant to a Redevelopment Plan adopted by the City; that all acts, conditions and things required to be done precedent to and in the issuance of this Note have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; and, that this Note does not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitations.

This Note is transferable only upon the books of the Issuer kept for that purpose at the office of the Registrar by the Registered Holder hereof in person, or by his duly authorized attorney, upon surrender of this Note together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his duly authorized attorney, together with a purchase letter, and thereupon a new registered Note or Notes in the same aggregate principal amounts shall be issued to the transferee in exchange therefor, and upon payment of the charges therein prescribed. The Issuer and the Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and premium, if any, and interest due hereon and for all other purposes.

The Note is issuable in the form of a registered Note without coupons. Subject to such conditions and upon the payment of such charges provided in the Resolution, the owner of any registered Note or Notes may surrender the same (together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of registered Notes of any other authorized denominations.

The Note is prepayable at any time in whole or in part, at a prepayment price of par, to the extent there are any funds in the debt service fund in excess of amounts necessary to pay scheduled debt service or in the event the Redeveloper directs the Issuer that it wishes to prepay the Note.

Prepayments shall reduce the number, but not the amount, of scheduled debt service payments on the Note, in inverse order of maturity.

It is hereby certified and recited that all conditions, acts and things required by law and the Redevelopment Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed and that the issue of this Note, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the laws of the State of Nebraska.

This Note shall not be entitled to any benefit under the Redevelopment Agreement referred to herein or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Registrar of the Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA has caused this Note to be signed in its name and on its behalf by the signature of its Chairman and attested by the signature of its Secretary, as of the Original Issuance Date identified above.

THE COMMUNITY DEVELOPMENT
AGENCY OF LEXINGTON, NEBRASKA

ATTEST:

Secretary

By: _____
Chairman

CERTIFICATE OF AUTHENTICATION

This Note is delivered pursuant to the within-mentioned Resolution.

Lexington City Treasurer,
as Paying Agent and Registrar

By: _____
Authorized Signature

EXHIBIT "C"
PROJECTED TIF SOURCES AND USES

1. PROJECTED TIF SOURCES

Summary:

	a: 20 affordable units: \$500,000
Phase 1	b: 4 market rate units: \$56,000
Phase 2	\$56,000
Phase 3	\$56,000
Total TIF Sources	\$668,000

TIF Sources Calculations

Assumptions:

Number of Units:	32	Tax Levy (2016):	1.919819
Number of Phases:	3	Interest Rate:	5.0%
Base Value/Unit:	\$15,000	TIF Period (yrs):	15 years/phase
Final Value/Phase One:	\$3,213,200		
Final Value/Phase Two:	\$353,200		
Final Value/Phase Three:	\$353,200		

	Phase 1	Phase 2	Phase 3
# Units	24	4	4
Base Value	\$360,000	\$60,000	\$60,000
Base Taxes	\$6,900	\$1,150	\$1,150
Completed Value	\$3,213,000	\$353,200	\$353,200
Total Taxes	\$56,000	\$6,800	\$6,800
Tax Increment	\$49,100	\$5,650	\$5,650

*Note: This chart presents the projections for each completed phase. The calculations may vary based on the number of homes constructed each year and the then-current tax levy.

2. PROJECTED TIF USES

	Phase 1	Phase 2	Phase 3
Redeveloper Uses			
Land Acquisition	\$360,000	\$80,000	\$80,000
Engineering Fees	\$80,000	-----	-----
Legal Fees	\$20,000	-----	-----
Geothermal	\$96,000		
Total Redeveloper Uses	\$556,000	\$80,000	\$80,000

EXHIBIT “D”
CERTIFICATE OF COMPLETION
(Phase ___)

The Community Development Agency of Lexington, Nebraska, a municipal corporation in the State of Nebraska (the “CDA”), hereby makes the conclusive determination and certification that, with regard to the following real property situated in the City of Lexington, Dawson County, Nebraska, to wit:

(“Redeveloper Property”), all the improvements required to be constructed upon the above-described Redeveloper Property have been satisfactorily completed in accordance with the requirements of the REDEVELOPMENT AGREEMENT (The Row Redevelopment Project) by and between the Community Development Agency of Lexington, Nebraska, a municipal corporation in the State of Nebraska, and The Row Lexington, LP, a Nebraska limited partnership, and its successors and assigns and Stonyhill Ventures, LLC, a Nebraska limited liability company, and its successors and assigns (collectively “Redeveloper”), said Agreement dated as of _____, 2017 and a Memorandum of which is recorded as Instrument No. _____, in the office of the Register of Deeds for Dawson County, Nebraska.

The CDA further makes the conclusive determination that the Private Improvements (as defined in the Agreement) to the above-described Redeveloper Property are presently in conformance with the Agreement.

IN WITNESS WHEREOF, the CDA and Redeveloper have executed this instrument this _____ day of _____, 20__.

“CDA”

COMMUNITY DEVELOPMENT
AGENCY OF LEXINGTON, NEBRASKA

Chairperson

STATE OF NEBRASKA)
) ss.
COUNTY OF DAWSON)

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by _____, Chairperson of the Community Development Agency of Lexington, Nebraska, on behalf of the Agency.

Notary Public

“REDEVELOPER”

THE ROW LEXINGTON, LP, a
Nebraska limited partnership

By: Ward F. Hoppe, LLC, a Nebraska
limited liability company,
General Partner

By: _____
Ward F. Hoppe, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2017, by Ward F. Hoppe, Manager of Ward F. Hoppe, LLC, General Partner of The Row Lexington, LP, a Nebraska limited partnership, on behalf of the partnership.

Notary Public

STONYHILL VENTURES, LLC, a
Nebraska limited liability company

By: _____
Ward F. Hoppe, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2017, by Ward F. Hoppe, Manager of Stonyhill Ventures, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

EXHIBIT "E"
MEMORANDUM OF REDEVELOPMENT AGREEMENT
(THE ROW REDEVELOPMENT PROJECT - PHASE _____)

This Memorandum of Redevelopment Agreement ("Memorandum") is made this ___ day of _____, 201__ by and between the Community Development Agency of Lexington, Nebraska ("CDA") _____, LLC, a Nebraska limited liability company ("_____") and _____, LLC, a Nebraska limited liability company ("_____")(together with _____, the "Redevelopers")

1. **Redevelopment Agreement.** CDA and Redevelopers have entered into that certain Redevelopment Agreement dated as of this even date, describing the private improvements being made to real property owned by Redeveloper and legally described as:

2. **Tax Increment Financing.** The Redevelopment Agreement provides for the capture of the Tax Increment, as defined therein, by the CDA of the private improvements to be made by the Redeveloper for a period not to exceed fifteen (15) years after the Effective Date of each phase of the Project. The Tax Increment so captured by the CDA shall be used to make the public improvements as described in the Redevelopment Agreement. The Effective Date for this phase of the Project is January 1, 20__.

3. **Minimum Phase Valuation.** The Redevelopment Agreement establishes a minimum taxable real property valuation for each phase of the Project as follows: (1) a final valuation of the four market rate lots in Phase One of not less than Three Hundred Fifty-Three Thousand Two Hundred and No/100 Dollars (\$353,200.00); (2) the final valuation of the twenty affordable lots in Phase One of not less than Two Million Eight Hundred Sixty and No/100 Dollars (\$2,860,000.00); (3) the final valuation of the four market rate lots in Phase Two of not less than Three Hundred Fifty-Three Thousand Two Hundred and No/100

Dollars (\$353,200.00); and the final valuation of the four market rate lots in Phase Three of not less than Three Hundred Fifty-Three Thousand Two Hundred and No/100 Dollars (\$353,200.00) (each a "Minimum Phase Valuation"). The Redevelopment Agreement further provides that neither Redevelopers, nor their successors and assigns, shall: (a) protest a real estate property valuation of the lots contained in any phase of the Project to a sum that will bring the applicable collective phase valuation to an amount less than or equal to the applicable Minimum Phase Valuation; or (b) convey the Project Site, any lot in the Project Site, or structures thereon to any entity which would be exempt from the payment of real estate taxes or cause the nonpayment of such real estate taxes.

4. **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 CDA offices in Lexington, Nebraska.

[SIGNATURE PAGES TO FOLLOW]

“CDA”

COMMUNITY DEVELOPMENT
AGENCY OF LEXINGTON, NEBRASKA

Chairperson

STATE OF NEBRASKA)
) ss.
COUNTY OF DAWSON)

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by _____, Chairperson of the Community Development Agency of Lexington, Nebraska, on behalf of the Agency.

Notary Public

“REDEVELOPERS”

THE ROW LEXINGTON, LP, a
Nebraska limited partnership

By: Ward F. Hoppe, LLC, a Nebraska
limited liability company,
General Partner

By: _____
Ward F. Hoppe, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2017, by Ward F. Hoppe, Manager of Ward F. Hoppe, LLC, General Partner of The Row Lexington, LP, a Nebraska limited partnership, on behalf of the partnership.

Notary Public

STONYHILL VENTURES, LLC, a
Nebraska limited liability company

By: _____
Ward F. Hoppe, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2017, by Ward F. Hoppe, Manager of Stonyhill Ventures, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public