

**SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT
(The Row Redevelopment Project)**

This Second Amendment to Redevelopment Agreement (“Second Amendment”) is made and entered into as of the 20th day of July, 2020 by and between the Community Development Agency of Lexington, Nebraska, a political subdivision (“CDA”), The Row Lexington, L.P., a Nebraska limited partnership (the “Row”), and The Row R&S, LLC, a Nebraska limited liability company (“R&S”) (collectively, the Row and R&S are sometimes referred to as the “Redeveloper”).

RECITALS

A. The CDA, The Row, and Stonyhill Ventures, LLC, a Nebraska limited liability company (“Stonyhill”), entered into that Redevelopment Agreement (The Row Redevelopment Project) dated August 10, 2017 (“Redevelopment Agreement”), for the redevelopment of certain property in a redevelopment area of the City of Lexington, Nebraska (“City”), as amended by that certain First Amendment to Redevelopment Agreement dated June 17, 2019 (the “First Amendment”).

B. R&S is the permitted assignee of Stonyhill’s rights and obligations under the Redevelopment Agreement.

C. The Redevelopment Agreement originally envisioned implementation of The Row Redevelopment Project in three (3) phases, including the development of a twenty (20) unit affordable housing project in Phase One, and the development of a total of twelve (12) additional market rate homes between Phase Two and Phase Three (“Project”).

D. The First Amendment consolidated Phase Two and Phase Three into a single Phase Two Project. However, due to delays in construction, the Redeveloper desires to implement Phase Two in two separate phases.

E. Phase Two will consist of the construction of eight (8) market rate homes with an Effective Date of 2020 on the real property legally described as:

Lot 21, Lot 22, Lot 25 and Lot 26, Block 10, Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska; and

Lot 15, Lot 16, Lot 19 and Lot 20, Block 9, Southwest Second Subdivision, a replat of Block 2 and Block 9, Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska (the “Phase Two Site”).

F. Phase Three will consist of the construction of four (4) market rate homes with an Effective Date of 2021 on the real property legally described as:

Lot 23 and Lot 24, Block 10, Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska; and

Lot 17 and Lot 18, Block 9, Southwest Second Addition, a replat of Block 2 and Block 9, Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska (the "Phase 3 Site").

G. The CDA and Redeveloper desire to enter into this Second Amendment to modify the terms of the Redevelopment Agreement as set forth below.

NOW THEREFORE, in consideration of the mutual promises described herein, the receipt and sufficiency of which is hereby acknowledged, the CDA and Redeveloper do hereby agree to amend the Redevelopment Agreement to make the changes set forth below:

1. **Section 1.01 – Defined Terms.**

- a. Subparagraph G – "Minimum Project Valuation" means an amount equal to the following valuation necessary to support the tax increment financing indebtedness for each phase of the Project:
 - i. **Phase One:** Three Million Two Hundred Thirteen Thousand Two Hundred and No/100 Dollars (\$3,213,200.00); and
 - ii. **Phase Two:** One Million Three Hundred Forty Nine Thousand Three Hundred and No/100 Dollars (\$1,349,300.00).
 - iii. **Phase Three:** Six Hundred Seventy Four Thousand Six Hundred and No/100 Dollars (\$674,600.00).
- b. Subparagraph I – "Phase Two" means the second phase of the Project developed by R&S which consists of eight (8) market rate single family townhome units and associated improvements on the Phase Two Site and in the Redevelopment Area.
- c. Subparagraph J – "Phase Three" means the third phase of the Project developed by R&S which consists of four (4) market rate single family townhome units and associated improvements on the Phase Three Site and in the Redevelopment Area.

2. **Section 3.01 – Tax Increment and Effective Date.** The Effective Date and base values for Phase Two and Phase Three of the Project shall be:

- a. Phase Two: An Effective Date of January 1, 2020 with a Base Value as of January 1, 2019. The CDA shall file a Notice to Divide Taxes for redevelopment project in connection with Phase Two prior to July 31, 2020 against the Phase Two Site.
- b. Phase Three: An Effective Date of January 1, 2021 with a Base Value as of January 1, 2020. The CDA shall file a Notice to Divide Taxes for the redevelopment project in connection with Phase Three prior to July 31, 2020 against the Phase Three Site.

3. **Section 3.02 – Tax Increment.** For Phase Two, the anticipated tax increment is the difference between the taxes payable for 2020 and the taxes payable for 2019. For Phase Three, the anticipated tax increment is the difference between the taxes payable for 2021 and the taxes payable for 2020.

4. **Section 3.03 – Issuance of TIF Indebtedness.**

- a. Phase Two. No sooner than thirty (30) days following the approval of this Second Amendment, the CDA shall issue TIF Indebtedness for Phase Two in the amount of Two Hundred Thirty Seven Thousand and No/100 Dollars (\$237,000.00) identifying R&S as the holder thereof, in the form of the TIF Note attached hereto as Exhibit “B-1” and incorporated by this reference.
- b. Phase Three. No sooner than thirty (30) days following the approval of this Second Amendment, the CDA shall issue TIF Indebtedness for Phase Three in the amount of One Hundred Eighteen Thousand and No/100 Dollars (\$118,000.00) identifying R&S as the holder thereof, in the form of the TIF Note attached hereto as Exhibit “B-1” and incorporated herein by this reference.

5. **Section 4.04 – Pay Real Estate Taxes.** Section 4.04 of the Redevelopment Agreement is hereby deleted and replaced in its entirety as follows:

“(a) The Redevelopers intend to create a taxable real property valuation 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 applicable completion date for each phase of the Project, as set forth on Exhibit “B”. During the period of this Agreement and after the Effective Date, Redevelopers, their successors and assigns, will: (1) not protest a real estate property valuation of the Project and the Project Site to a sum less than or equal to the Minimum Project Valuation; and (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."

6. **Exhibit "B"**. Exhibit "B" to the Redevelopment Agreement is hereby replaced in its entirety with Exhibit "B" attached hereto and incorporated by this reference.

7. **Exhibit "C"**. Exhibit "C" to the Redevelopment Agreement is hereby replaced in its entirety with Exhibit "C" attached hereto and incorporated by this reference.

8. **Reconfirm Other Terms**. All other terms and conditions of the Redevelopment Agreement are hereby reconfirmed except as expressly modified by the terms of this Second Amendment.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the CDA and the Redeveloper have signed this Second Amendment to 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 _____, 2020, 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

“REDEVELOPER”

THE ROW LEXINGTON, L.P., 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 LANCASTER)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, 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

THE ROW R&S, LLC, a
Nebraska limited liability company

By: _____
Name: _____
Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ___ day of _____, 2020, by _____, _____ of The Row R&S, LLC, a Nebraska limited liability company, on behalf of the company.

Notary Public

**EXHIBIT “B”
TIF INDEBTEDNESS**

1. **Principal Amount.** The TIF Indebtedness shall be issued in a series of TIF Promissory Notes, including: (a) the Phase One Note in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) issued August 31, 2017; (b) a Phase Two Note in the amount of Two Hundred Thirty Seven Thousand No/100 Dollars (\$237,000.00) to be issued in connection with Phase Two of the Project; and (c) a Phase Three Note in the amount of One Hundred Eighteen Thousand and No/100 Dollars (\$118,000.00) to be issued in connection with Phase Three of the Project. The aggregate TIF Indebtedness for all phases of the Project shall be approximately Eight Hundred Fifty Five Thousand and No/100 Dollars (\$855,000.00).

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) \$3,213,200.00 for Phase One; (b) \$1,349,300.00 for Phase Two; and (c) \$674,600.00 for Phase Three of the Project.

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, 2035. The anticipated Phase Maturity Date for Phase Three shall be December 31, 2036. The Maturity Date for Phases Two and Three shall be fifteen (15) years after the establishment of the Effective Date for such phase 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	Affordable: 20	Jan. 1, 2018	Dec. 31, 2019	\$3,213,000	\$500,000
2	Market: 8	Jan. 1, 2020	Dec. 31, 2020	\$1,349,300	\$237,000
3	Market: 4	Jan. 1, 2021	Dec. 31, 2021	\$674,600	\$118,000
Total Project	Market: 12 Affordable: 20	--	--	\$5,236,900	\$855,000

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, NEBRASKA PRIOR TO TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION AN OPINION OF COUNSEL, SATISFACTORY TO THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA 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, NEBRASKA

COMMUNITY REDEVELOPMENT REVENUE NOTE
(THE ROW REDEVELOPMENT PROJECT – PHASE ___)
SERIES 20__

Registered Holder	Principal Amount
The Row R&S, LLC	\$_____

Maturity Date	Interest Rate	Original Issuance Date
	4.5% per annum	

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 _____ installments due June 15, 20__ and December 15, 20__; provided, however, that to the extent the Tax Increment is insufficient to pay accrued interest due on said interest payment dates, accrued interest shall be capitalized and added to principal. Thereafter, principal and accrued interest shall be payable in _____ equal semi-annual installments due June 15, 20__, December 15, 20__ and each June 15 and December 15 thereafter through December 31, 20__, when all principal and accrued interest shall be due and payable. The 20__ tax liability shall be divided

when the 2034 tax payments are made in 20____. 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 – Phase ____), Series 20____, 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.

[SIGNATURE PAGE TO FOLLOW]

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:

Phase 1	20 affordable units:	\$500,000
Phase 2	8 market rate homes:	\$237,000
Phase 3	4 market rate homes:	\$118,000
Total TIF Sources		\$855,000

TIF Sources Calculations

Assumptions:

Number of Units:	32	Tax Levy (2016):	1.919819
Number of Phases:	3	Interest Rate:	4.5%
Base Value/Unit:	\$15,000	TIF Period (yrs):	15 years/phase
Final Value/Phase One:	\$3,213,200		
Final Value/Phase Two:	\$1,349,300		
Final Value/Phase Three:	\$674,600		

	Phase 1	Phase 2	Phase 3
# Units	20	8	4
Base Value	\$20,000	\$120,000	\$60,000
Base Taxes	\$400	\$2,300	\$1,150
Completed Value	\$3,213,000	\$1,349,300	\$674,000
Total Taxes	\$56,000	\$25,900	\$12,900
Tax Increment	\$49,100	\$23,600	\$11,750

*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	\$300,000	\$120,000	\$60,000
Engineering Fees	\$85,000	\$33,000	\$17,000
Legal Fees	\$25,000	\$17,000	\$8,000
Geothermal	\$96,000	-----	-----
Site Preparation	-----	\$67,000	\$33,000
Total Redeveloper Uses	\$506,000	\$237,000	\$118,000