

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

This First Amendment to Redevelopment Agreement (“First Amendment”) is made and entered into as of the ____ day of _____, 2019 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 Stonyhill Ventures, LLC, a Nebraska limited liability company (“Stonyhill”) (collectively, the Row and Stonyhill are sometimes referred to as the “Redeveloper”).

RECITALS

A. The CDA and Redeveloper 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”).

B. The Redevelopment Agreement originally envisioned three (3) phases for the development of a 20 (twenty) unit affordable housing project and 12 (twelve) additional market rate homes in the redevelopment project area (“Project”).

C. The Phase One Project consisted of a 20 (twenty) unit affordable housing project constructed on:

Lots One (1) through Twenty (20), Block Ten (10), Southwest First Addition, Lexington, Dawson County, Nebraska (“Phase One Site”).

D. Stonyhill desires to consolidate the previously designated Phase Two and Phase Three into a single Phase Two Project so all 12 market rate units are constructed concurrently in 2019 on real property legally described as:

Lots Twenty-One (21) through Twenty-Six (26), Block Ten (10), Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska; and

Lots Fifteen (15) through Twenty (20), Block Nine (9), Southwest Second Subdivision, a replat of Blocks 2 and Block 9, Southwest First Addition, an Addition to the City of Lexington, Dawson County, Nebraska (“Phase Two Site”).

E. The CDA and Redeveloper desire to entered into this First 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:** Two Million Twenty-Four Thousand and No/100 Dollars (\$2,024,000.00).
 - b. Subparagraph H – “Phase One” means the first phase of the Project developed by the Row which consists of the 20 (twenty) unit affordable single-family residential townhome units.
 - c. Subparagraph I – “Phase Two” means the second phase of the Project developed by Stonyhill which consists of 12 (twelve) market rate single family townhome units and associated improvements.
 - d. Subparagraph J – “Phase Three” is hereby deleted as it is not applicable.
2. **Section 3.01 – Tax Increment and Effective Date.**

The Effective Date and base values for the Project shall be:

 - a. Phase One: An Effective Date of January 1, 2018 with a Base Value as of January 1, 2017.
 - b. Phase Two: An Effective Date of January 1, 2019 with a Base Value as of January 1, 2018. The CDA shall file a Notice to Divide Taxes for redevelopment project in connection with Phase Two prior to July 31, 2019 against the Phase Two Site.
3. **Section 3.03 – Issuance of TIF Indebtedness.**
 - a. Phase One. In connection with Phase One, the CDA issued a TIF Note in the amount of Five Hundred Thousand and No/Dollars (\$500,000.00) as of August 31, 2017.
 - b. Phase Two. No sooner than thirty (30) days following the approval of this First Amendment, the CDA shall be prepared to issue TIF Indebtedness for Phase Two in one (1) series in the amount of Three Hundred Fifty Five Thousand and No/100 Dollars (\$355,000.00) identifying Stonyhill as the holder thereof, as shown on the revised Exhibit “B-1” which is attached and incorporated by this reference.

Collectively, the Project shall include TIF Indebtedness in an amount not to exceed Eight Hundred Fifty-Five Thousand and No/100 Dollars (\$855,000.00)

as shown on the revised Exhibit “B” which is attached and incorporated by this reference.

4. **Section 3.06 – TIF Sources and Uses.**

Any project TIF Indebtedness is now reflected on a revised Exhibit “B” attached and incorporated by this reference. The eligible uses are also identified on the revised Exhibit “C” which is attached and incorporated by this reference.

5. **Section 3.07 – Purchase of Project Site.**

The City has previously conveyed the Phase One Site to the CDA which sold it to Row for the Phase One project. The City shall convey the Phase Two Site to the CDA, if such transfer has not already been made. The CDA shall sell the Phase Two Site to Stonyhill prior to June 1, 2019, subject to mutual scheduling of the CDA and Stonyhill, for the price of the infrastructure of \$15,000 per lot. The purchase price for the Phase Two Site shall be \$180,000 in the aggregate.

6. **Section 4.04 – Real Estate Taxes.**

The Redeveloper intends to create taxable real property valuation for each phase of the Project not less than the Minimum Project Valuation as defined in this First Amendment. During the period of this Amendment following the applicable Effective Date, Redeveloper and their successors and assigns, shall: (a) not protest real property valuation of the Project and Project Site to a sum less than or equal to the Minimum Project Valuation; and (b) not convey the Project Site to any entity would be exempt from the payment of real estate taxes. Every purchaser of a home on the Phase Two Site shall be subject to this provision so as to not protest any assessed valuation that would bring the valuation for a particular phase to an amount less than or equal to the Minimum Project Valuation.

7. **Security for Lot Value.**

The CDA agrees and acknowledges that Redeveloper intends to sell the homes constructed in the Phase Two at less than full value for the residential lot, and that Redeveloper shall recover the land value of the lots through the tax increment financing component through the capture of the annual incremental taxes. The Authority acknowledges that the capture of the incremental taxes is conditioned upon the payment of the real estate taxes levied on the homes constructed as part of the Project. Redeveloper may, in its discretion, require a home purchaser to sign a promissory note in the principal amount not to exceed the stated value of the lot of \$35,000, secured by a subordinate trust deed, obligating the homeowner to pay the real estate taxes either to the county or to Redeveloper to secure the ability of the Redeveloper to pay for the site acquisition costs and infrastructure installation of the Project. The promissory note shall contain a due-on sale clause obligating the borrower to pay the unamortized balance due on the note. The promissory note shall be amortized by the tax increment revenues received by Redeveloper over the term of this Agreement.

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 First Amendment.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the CDA and the Redeveloper have signed this First 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 _____, 2019, 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 _____, 2019, 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 LANCASTER)

The foregoing instrument was acknowledged before me this ___ day of _____, 2019, by Ward F. Hoppe, Manager of Stonyhill Ventures, 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 with a Phase One Note in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00) issued August 31, 2017 and a Phase Two Note in the amount of Three Hundred Fifty Five Thousand No/100 Dollars (\$355,000.00) to be issued in connection with Phase Two of the Project. The aggregate TIF Indebtedness for both 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; and (b) \$2,024,000.00 for Phase Two 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, 2033. The Maturity Date for Phase Two 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	Affordable: 20	Jan. 1, 2018	Dec. 31, 2019	\$3,213,000	\$500,000
2	Market: 12	Jan. 1, 2019	Dec. 31, 2020	\$2,024,000	\$355,000
Total Project	Market: 12 Affordable: 20	--	--	\$5,237,000	\$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 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

\$355,000.00

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

COMMUNITY REDEVELOPMENT REVENUE NOTE
(HOUSING REDEVELOPMENT PROJECT – PHASE TWO)
SERIES 2019

Registered Holder	Principal Amount
Stonyhill Ventures, LLC	\$355,000.00

Maturity Date	Interest Rate	Original Issuance Date
	5.5% 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 three (3) installments due December 15, 2019, June 15, 2020 and December 15, 2020; provided, however, that to the extent the Tax Increment is insufficient to pay accrued interest due December 15, 2019, June 15, 2020 and December 15, 2020, 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, 2021, December 15, 2021 and each June 15 and December 15 thereafter through December 31, 2034, when all principal and accrued interest shall be due and payable. The 2034 tax liability shall be divided when the 2034 tax payments are made in 2035. 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 2019, aggregating Three Hundred Fifty Five Thousand and No/100 Dollars (\$355,000.00) (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	12 market rate homes:	\$355,000
Total TIF Sources		\$855,000

TIF Sources Calculations

Assumptions:

Number of Units:	32	Tax Levy (2016):	1.919819
Number of Phases:	2	Interest Rate:	5.5%
Base Value/Unit:	\$15,000	TIF Period (yrs):	15 years/phase
Final Value/Phase One:	\$3,213,200		
Final Value/Phase Two:	\$2,024,200		

	Phase 1	Phase 2
# Units	20	12
Base Value	\$20,000	\$180,000
Base Taxes	\$400	\$3,600
Completed Value	\$3,213,000	\$2,024,000
Total Taxes	\$56,000	\$38,500
Tax Increment	\$49,100	\$34,900

*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
Redeveloper Uses		
Land Acquisition	\$300,000	\$180,000
Engineering Fees	\$85,000	\$50,000
Legal Fees	\$25,000	\$25,000
Geothermal	\$96,000	-----
Site Preparation	-----	\$100,000
Total Redeveloper Uses	\$506,000	\$355,000