

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

This Third Amendment to Redevelopment Agreement (“Third Amendment”) is made and entered into as of the ____ day of _____, 2022 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, and as amended by that certain Second Amendment to Redevelopment Agreement dated July 20, 2020.

B. The Redevelopment Agreement provides for implementation of The Row Redevelopment Project (“Project”) in three (3) phases.

C. Phase Three of the Project consists of the construction of four (4) market rate homes on the real property legally described as follows:

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”).

D. The Redevelopment Agreement provides for an Effective Date of 2021 for Phase Three.

E. The construction of the Phase Three of the Project has been delayed, and the Effective Date must be amended.

F. The Redevelopment Agreement provides for the issuance of TIF Indebtedness for Phase Three in the amount of One Hundred Eighteen Thousand and No/100 Dollars (\$118,000.00).

G. The Redeveloper desires for the TIF Indebtedness for Phase Three of the Project to be allocated among the four (4) lots constituting the Phase 3 Site, and to be issued in a series of four (4) TIF Notes corresponding to each lot in the Phase 3 Site.

H. The CDA and Redeveloper desire to enter into this Third 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.** With respect to Phase Three of the Project, the term “Minimum Project Valuation” shall mean an amount equal to the valuation of each lot in the Phase 3 Site necessary to support the tax increment financing indebtedness for each lot in the Phase 3 Site, which is One Hundred Sixty Eight Thousand Six Hundred Fifty and No/100 Dollars (\$168,650.00) (the “Minimum Phase 3 Lot Valuation”).

2. **Section 3.01 – Tax Increment and Effective Date.** With respect to Phase Three of the Project, the Effective Date shall be January 1, 2023 with a Base Value of January 1, 2022. The CDA shall file a Notice to Divide Taxes for the redevelopment project in connection with Phase Three prior to July 31, 2023 against the Phase 3 Site.

3. **Section 3.03 – Issuance of TIF Indebtedness.** With respect to Phase Three of the Project, no sooner than thirty (30) days following the approval of this Third Amendment, the CDA shall issue TIF Indebtedness for Phase Three in a series of four (4) TIF Notes in the amount of Twenty Nine Thousand Five Hundred and No/100 Dollars (\$29,500.00) 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.

4. **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, or, with respect to Phase Three, not to protest any assessed value to a sum that is less than the Minimum Phase 3 Lot 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, the lots in any phase are assessed at less than the applicable Minimum Phase Valuation, or, with respect to Phase 3, any of the lots are assessed at less than the Minimum Phase 3 Lot 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."

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

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

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the CDA and the Redeveloper have signed this Third 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 _____, 2022, 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 _____, 2022, 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 _____, 2022, 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) issued April 7, 2021; and (c) a series of four (4) Phase Three Notes in the amount of Twenty Nine Thousand Five Hundred and No/100 Dollars (\$29,500.00) each 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, or \$168,650.00 per Phase Three lot.
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 Phase Maturity Date for Phase Two shall be December 31, 2035. The anticipated Phase Maturity Date for Phase Three shall be December 31, 2038. The Maturity Date for Phase 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, 2023	Dec. 31, 2023	\$674,600	\$118,000
Total Project	Market: 12 Affordable: 20	--	--	\$5,236,900	\$855,000

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