

REDEVELOPMENT AGREEMENT
(Vintage Townhomes Redevelopment Project)

This Redevelopment Agreement is made and entered into as of the 24th day of June, 2025, by and between the Community Development Agency of Lexington, Nebraska (“CDA”), the City of Lexington, Nebraska (“City”), and Hoppe & Son, LLC, a Nebraska limited liability company (“Hoppe”). The CDA, City and/or Hoppe may individually be referred to hereinafter as the “Party” or collectively as the “Parties”.

RECITALS

A. Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2157 (the “Act”), the City Council approved a redevelopment plan entitled: “Amendment to the Redevelopment Plan of the City of Lexington, Nebraska (Vintage Townhomes Redevelopment Project),” for redevelopment within a portion of the blighted and substandard Redevelopment Area #6 in the City (the “Redevelopment Area”).

B. The CDA owns the Project Site, other than the outlot and adjacent streets, which is located the Redevelopment Area.

C. The proposed redevelopment project involves the construction of nineteen (19) townhome units and associated improvements in up to three (3) phases, with all phases constituting part of the single redevelopment project.

D. The City intends to undertake the construction of public improvements to provide infrastructure and create buildable lots within the Project Site, as more particularly described on Exhibit “A” (the “Public Improvements”).

E. Hoppe and/or its successors and assigns intends to undertake the construction of the townhome units upon the buildable lots within the Project Site, as more particularly described on Exhibit “A” (the “Private Improvements”).

F. The CDA intends to convey the Project Site to Hoppe and/or its successors and assigns to facilitate the Project on the terms and conditions set forth herein.

G. The substantial investment necessary for such redevelopment of the Project Site is not economically feasible without the assistance of tax increment financing.

H. The City has agreed to install the Public Improvements for the proposed redevelopment project so long as the Tax Increment created by the Project is used to reimburse the City for the Public Improvement expenses.

I. The CDA has approved the proposed redevelopment project, including the utilization of tax-increment financing to provide for the construction of the Public Improvements.

J. The Parties desire to enter into this Redevelopment Agreement for redevelopment of the Project Site.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the Parties 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 18-2157, as amended, and acts amendatory thereof and supplemental thereto.

B. “Anticipated Lot Valuation” means the amount of Two Hundred Eighty-Five Thousand and No/100 Dollars (\$285,000.00).

C. “Anticipated Project Valuation” means the amount of Five Million Four Hundred Fifteen Thousand and No/100 Dollars (\$5,415,000.00).

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

E. “County” means Dawson County, Nebraska.

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

G. “Effective Date” has the meaning set forth in Section 3.02 of this Redevelopment Agreement.

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

I. “Hoppe” means Hoppe & Son, LLC, a Nebraska limited liability company.

J. “Lot” means a lot of record located within the Project Site.

K. “Private Improvements” shall include all the private improvements that shall be undertaken and constructed by Hoppe on the Project Site as more particularly described on Exhibit “A”.

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 Parties acknowledge and agree that the Project shall be completed in multiple phases in successive years, as further described herein, and that all phases shall collectively constitute the Project.

M. “Project Completion Date” means on or before December 31, 2027.

N. “Project Site” means all that certain real property situated in the City of Lexington, Dawson County, Nebraska, more particularly described on Exhibit “A”.

O. “Public Improvements” shall include all the public improvements that shall be undertaken and constructed by the City on the Project Site as more particularly described on Exhibit “A” which are eligible improvements under the Act. The costs of the Public Improvements include the debt service payments of the TIF Indebtedness.

P. “Redevelopment Agreement” means this Redevelopment Agreement between the CDA, the City, and Hoppe with respect to the Project.

Q. “Redevelopment Area” means the Redevelopment Area #6 that is set forth in the Redevelopment Plan.

R. “Redevelopment Plan” means the Redevelopment Plan for Redevelopment Area #6 adopted by the City on November 8, 2022, pursuant to Resolution No. 2022-25, as amended from time to time.

S. “Tax Increment” means, in accordance with Neb. Rev. Stat. § 18-2147, the difference between the ad valorem tax which is produced by the tax levy (fixed each year by the County Board of Equalization) for the Project Site starting with the year prior to the Effective Date (defined in Neb. Rev. Stat. § 18-2103(29) as the “Redevelopment Project Valuation”), and the portion of the ad valorem tax in excess of the Redevelopment Project Valuation which is produced by the tax levy for each phase of the Project Site after completion of construction of the Private Improvements serving such phase of the Project.

T. “TIF Indebtedness” means the sums payable under 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 the Tax Increment.

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 phrase “at any time” shall be construed as meaning “at any time or from time to time.”

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

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

(f) The words “herein,” “hereof,” “hereunder,” “hereinafter” and words of similar import shall refer to the Redevelopment Agreement as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.

(g) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.

(h) 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.

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 the City and Hoppe 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 employment, increasing the tax base, and lessening blighted and substandard conditions in the Redevelopment Area.

(d) The costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the CDA and have

been found to be in the long-term best interest of the community impacted by the Project.

Section 2.02 Representations of City.

The City makes the following representations and findings:

(a) The City is a city of the first class duly organized and existing within the State of Nebraska, 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) The Project would not be economically feasible without the use of tax increment financing.

(c) The Project would not occur in the Redevelopment Area without the use of tax increment financing.

Section 2.03 Representations of Hoppe.

Hoppe makes the following representations and findings:

(a) Hoppe is a Nebraska limited liability company and has 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) The execution and delivery of the Redevelopment Agreement and the consummation of the transactions therein 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 Hoppe 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 Hoppe contrary to the terms of any instrument or agreement.

(c) There is no litigation pending or to the best of its knowledge threatened against Hoppe 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 Hoppe to perform its obligations hereunder.

(d) Irrespective of ownership of the Lots, Hoppe acknowledges and agrees that Hoppe shall have no right to the Tax Increment created by the Project.

(e) Hoppe has not filed and does not intend to file an application with the Nebraska Department of Revenue to receive tax incentives under the ImagiNE Nebraska Act related to a project on the Project Site.

(f) The Project would not be economically feasible without the use of tax increment financing.

(g) The Project would not occur in the Redevelopment Area without the use of tax increment financing.

ARTICLE III OBLIGATIONS OF THE CDA

Section 3.01 Lots and Covenants.

The CDA agrees to convey the Lots to Hoppe subject to the terms and conditions of Article V of this Redevelopment Agreement.

The CDA has or, prior to the conveyance of the Lots from the CDA to Hoppe, will record certain covenants, conditions, and restrictions (“Covenants”) against the Lots with the County Register of Deeds, which shall include any covenant, condition, and/or restriction deemed necessary by the City in relation to the Project or the Project Site, in the City’s sole discretion.

Section 3.02 Capture of Tax Increment.

Subject to the contingencies described below and to all of the terms and conditions of this Redevelopment Agreement, commencing with the tax year of the Effective Date for each phase of the Project and continuing thereafter, the CDA shall capture the Tax Increment from the Private Improvements on each phase of the Project pursuant to the Act. The CDA shall capture the Tax Increment generated by each phase of the Project to assist in the payment of the Public Improvements for a total period of not to exceed fifteen (15) years for each phase after the Private Improvements have been included in the assessed valuation of each phase of the Project and are generating the Tax Increment subject to capture by the CDA.

The townhome units comprising the Private Improvements shall be constructed in up to three (3) phases. In order to optimize the Tax Increment for the Project, each phase will have a separate “Effective Date” for the division of ad valorem taxes and the number of townhome units included in each phases will be based upon the construction and absorption rate of the Private Improvements; provided, however, that the Effective Date of the final phase of the Project shall be no later than January 1, 2028.

The CDA shall file with the County Assessor the “Notice to Divide Tax” on or prior to July 1 in the calendar year of the Effective Date for each phase of the Project, which shall identify the legal description of the Lot(s) constituting the phase, the Base Year (calendar year prior to the Effective Date) for such phase, and the year in which the tax division becomes effective (calendar year of the Effective Date) for said phase.

Section 3.03 Issuance of TIF Indebtedness.

On or after thirty (30) days following the approval and execution of this Redevelopment Agreement, the CDA shall incur and issue TIF Indebtedness in the amount of Nine Hundred Fifty-Five Thousand and No/100 Dollars (\$955,000.00), as calculated on the attached and incorporated Exhibit "B". The TIF Indebtedness shall be issued by the CDA to the City or, at the election of the City, to a lender of the City. The TIF Indebtedness shall be in the form of a TIF Promissory Note attached hereto as Exhibit "E" and incorporated by this reference ("TIF Note"). The TIF Indebtedness shall not be a general obligation of the CDA or City which shall issue the TIF Note solely as a conduit and any payments to be made on the TIF Note shall be limited to the Tax Increment generated by the Project.

Section 3.04 Use of TIF Indebtedness.

The CDA will collect the Tax Increment and use said Tax Increment to pay debt service on the TIF Indebtedness incurred as provided in Section 3.03 above. Notwithstanding the foregoing, the amount of the TIF Indebtedness that the CDA agrees to service and repay with the Tax Increment shall not exceed the amount of the Eligible Project Costs certified pursuant to Section 4.02 below.

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 issued pursuant to Section 3.03 above.

Section 3.06 Projected TIF Sources and Uses.

The anticipated TIF sources and eligible uses are set forth on the attached and incorporated Exhibit "C". The projected uses of the Tax Increment are eligible under the Act, and are estimates which shall be confirmed upon construction completion and certified by the City under Section 4.02 below.

**ARTICLE IV
OBLIGATIONS OF THE CITY AND HOPPE**

Section 4.01 Construction of Project; Insurance.

(a) The City will complete the Public Improvements and install all equipment necessary to operate the Public Improvements for the Project. The City shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Public Improvements. Until construction of the Public Improvements has been completed, the City shall make reports in such detail and at such times as may be reasonably requested by the CDA as to the actual progress of the City with respect to construction of the Public Improvements. Promptly after completion by the City of the Public Improvements, the City shall furnish to the CDA a Certificate of Completion from the City's engineer or architect.

(b) Hoppe will complete the Private Improvements and install all equipment necessary to operate the Private Improvements for each phase of the Project no later than the Project Completion Date. Hoppe shall be solely responsible for obtaining all permits and approvals necessary to acquire, construct and equip the Private Improvements. Until construction of the Private Improvements has been completed, Hoppe shall make reports in such detail and at such times as may be reasonably requested by the CDA as to the actual progress of Hoppe with respect to construction of the Private Improvements. Promptly after completion by Hoppe of the Private Improvements for each phase of the Project, Hoppe shall furnish to the CDA a Certificate of Completion from Hoppe's engineer or architect.

(c) Any contractor chosen by the City or the City itself shall be required to obtain and keep in force at all times from construction commencement until completion of construction, policies of insurance on each phase including coverage for contractors' general liability and completed operations (provided that the City may self-insure in lieu of obtaining and keeping in force such policy of insurance) and a penal bond as required by the Act. The CDA shall be named as an additional insured.

(d) Any contractor chosen by Hoppe or Hoppe itself shall be required to obtain and keep in force at all times from construction commencement until completion of construction, policies of insurance on each phase including coverage for contractors' general liability and completed operations (provided that Hoppe may self-insure in lieu of obtaining and keeping in force such policy of insurance) and a penal bond as required by the Act. The CDA shall be named as an additional insured. Any contractor chosen by Hoppe or Hoppe itself, as an owner, shall be required to purchase and maintain property insurance upon the Project to the full insurable value thereof (provided that Hoppe 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.

The City shall submit to the CDA one or more certifications of Eligible Project Costs after expenditure of such Project costs. The City may, at its 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. Determinations by the CDA whether costs included in the Eligible Project Costs Certification are properly included in Eligible Project Costs as defined in this Redevelopment Agreement shall be made in its sole discretion and shall be conclusive and binding on the City.

If the City fails to submit Eligible Project Costs Certifications in an amount equal to or greater than the principal amount of the TIF Indebtedness upon completion of the Public Improvements, the principal amount of the TIF

Indebtedness shall be adjusted to reflect the aggregate amount of Eligible Project Costs certified.

Section 4.03 No Discrimination.

The City and Hoppe agree and covenant for themselves, their respective 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 City and Hoppe agree and covenant for themselves, their respective successors and assigns that during the construction of the Project, the City and Hoppe will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, disability, marital status or receipt of public assistance. The City and Hoppe will comply with all applicable federal, state and local laws related to the Project.

Section 4.04 Pay Real Estate Taxes.

The City and Hoppe shall use reasonable efforts to create a taxable real property valuation of the Project and Project Site of not less than the Anticipated Project Valuation no later than as of the Effective Date of the final phase of the Project. To reach the required Anticipated Project Valuation, Hoppe shall use reasonable efforts to create a taxable real property valuation of each Lot of not less than the Anticipated Lot Valuation no later than the applicable completion date for said Lot. During the period of this Redevelopment Agreement and after the applicable Effective Date for each Lot, Hoppe, its successors and assigns, including purchasers of the townhome units: (1) will not protest a taxable real property valuation of a Lot to a sum less than the Anticipated Lot Valuation; and (2) will not convey a Lot 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.

Section 4.05 Financing.

(a) The City shall pay all costs for the construction of the Public Improvements and shall be responsible for arranging all necessary financing related thereto, including the TIF Indebtedness.

(b) Hoppe shall pay all costs for the construction of the Private Improvements and shall be responsible for arranging all necessary financing related thereto.

Section 4.06 Encumbrances.

Neither the City nor Hoppe shall 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,

(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 ninety (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 ninety (90) days of receiving notice thereof.

ARTICLE V CONVEYANCE OF LOTS

Section 5.01 CDA Authority.

The Lots are currently owned by the CDA. The CDA agrees to convey the Lots to Hoppe pursuant to the terms and conditions of this Article V of this Redevelopment Agreement.

Pursuant to Neb. Rev. Stat. § 18-2118, the CDA may transfer real property in a redevelopment project area at its fair value for uses in accordance with a redevelopment plan. In determining fair value of real property for uses in accordance with the redevelopment plan, the CDA shall take into account into account and give consideration to: (1) the uses and purposes required by the redevelopment plan; (2) the restrictions upon, and the covenants, conditions, and obligations assumed by the redeveloper of such property; (3) the objectives of the redevelopment plan for the prevention of the recurrence of substandard and blighted areas; and (4) such other matters as the CDA shall specify as being appropriate.

The purchase price for each Lot shall be \$0 (the "Purchase Price"). However, the CDA has determined that the Lots will be transferred to Hoppe for fair value based upon Hoppe's obligations with respect to the Lots set forth in this Redevelopment Agreement and the Covenants upon the Lots. Further, in making this determination, the CDA has considered that the Project will implement the Redevelopment Plan, increase the housing stock and create housing for seniors, eliminate the blight and substandard conditions of the Project Site, and increase property tax revenue in the long-term.

Section 5.02 Conveyance of Lots.

As soon as a building permit could be issued for the construction of the townhomes on the Lots, Hoppe may request that the CDA convey the Lots to Hoppe so long as Hoppe is ready, willing, and able to commence the construction of the townhomes on the Lots. The CDA reserves the right to request the necessary proof of Hoppe's construction readiness.

It is anticipated that the Lots will be transferred to Hoppe in multiple conveyances. Hoppe shall submit a request to the CDA for a conveyance of the Lots, which shall identify the legal description of the Lot(s) to be included in the conveyance. On a mutually acceptable date as soon as reasonably practicable following Hoppe's request (each a, "Closing Date"), the CDA shall convey the applicable Lot(s) to Hoppe. Notwithstanding anything to the contrary contained

herein, the Parties acknowledge and agree that the CDA shall have no obligation to convey any Lot(s) to Hoppe after July 31, 2027.

Section 5.03 Closing Costs.

Hoppe shall pay all closing costs for each conveyance of the Lots including, without limitation, any and all fees of the Title Company, cost of the title insurance policy, and all costs of filing the Deed.

Section 5.04 Title.

(a) Deed. On each Closing Date, the CDA shall deliver to Hoppe, and Hoppe shall accept from the CDA, a warranty deed conveying to Hoppe fee simple title to the applicable Lots (referred to herein as the "Property to be Conveyed"), subject to the Permitted Exceptions. For purposes hereof, "Permitted Exceptions" shall mean: (i) covenants, conditions, restrictions, and easements of record; (ii) taxes not yet due and payable; (iii) liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the time of closing and which CDA is willing to and does so remove at closing; (iv) encumbrances caused by the acts or omissions of Hoppe; (v) easements, licenses, and use restrictions granted under this Redevelopment Agreement; and (vi) any other title exceptions shown on the Title Commitment and which are not properly and timely objected to by Hoppe.

(b) Evidence of Title. Hoppe may obtain a title commitment (the "Title Commitment") from a title insurance company duly authorized to do business in Nebraska (the "Title Company") covering title to the Property to be Conveyed and showing fee simple title in the CDA. Hoppe shall review the Title Commitment and advise the CDA whether the Title Commitment discloses exceptions to title other than Permitted Exceptions or discloses matters that render title to the Property to be Conveyed unmarketable. Hoppe shall notify CDA of such title defects within fifteen (15) days after receipt of the Title Commitment. The CDA shall have fifteen (15) days after written notice of such defects from Hoppe to have the exceptions removed from the Title Commitment or to have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or defects. Provided, however, in the event that CDA shall be unable or unwilling to correct such title defects within the fifteen (15) day period, Hoppe may elect to terminate this Redevelopment Agreement with respect to the applicable Lot(s). In the event Hoppe elects to take title to such Lot(s), such exceptions or defects shall be deemed to be Permitted Exceptions.

Section 5.05 Condition of Lots.

Hoppe does hereby acknowledge, represent, warrant and agree to and with the CDA that: (i) Hoppe is expressly purchasing the Property to be Conveyed in its existing condition "AS IS, WHERE IS, AND WITH ALL FAULTS" with respect to all facts, circumstances, conditions and defects; (ii) the CDA has no obligation to inspect for, repair or correct any such facts, circumstances, conditions or defects or to compensate Hoppe for same; (iii) the CDA has provided Hoppe sufficient opportunity to make such independent factual, physical and legal examinations and inquiries as Hoppe deems

necessary or appropriate with respect to the Property to be Conveyed and the transaction contemplated by this Redevelopment Agreement; (iv) the CDA has specifically bargained for the assumption by Hoppe of all responsibility to inspect and investigate the Property to be Conveyed and of all risk of adverse conditions and has structured the Purchase Price and other terms of this Redevelopment Agreement in consideration thereof; and (v) Hoppe has undertaken all such inspections and investigations of the Property to be Conveyed as Hoppe deems necessary or appropriate with respect to the Property to be Conveyed and the suitability of the Property to be Conveyed for Hoppe's intended use, and based upon same, Hoppe is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers, Hoppe has approved the Property to be Conveyed in all respects, and Hoppe is and will be fully satisfied that the Purchase Price and other terms of this Redevelopment Agreement are fair and adequate consideration for the Property to be Conveyed.

Section 5.06 Property Taxes and Assessments.

The Property to be Conveyed is currently exempt from property taxes. All real and personal property taxes and assessments, if any, assessed against the Property to be Conveyed for the year in which Closing occurs because of the conveyance shall be paid by Hoppe.

Section 5.07 CDA Option to Repurchase Lots.

In the event Hoppe fails to commence construction on any Lot within one hundred twenty (120) days of the Closing Date, the CDA, shall be entitled, at its option, to repurchase the Property to be Conveyed back from Hoppe upon payment to the Hoppe the Purchase Price.

Section 5.08 Lot Sales.

(a) Hoppe shall not assign, convey, or transfer a Lot or any interest therein prior to completion of construction of the Private Improvements on the applicable Lot 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 conveyance, which shall be permitted without consent of the CDA: (i) any conveyance as security for indebtedness previously incurred by Hoppe or incurred by Hoppe after the effective date for Project costs or any subsequent physical improvements to the premises with the outstanding principal amount of all such indebtedness (whether incurred prior to or after the effective date of this Redevelopment Agreement) secured by the Project Site which shall have lien priority over the obligations of Hoppe pursuant to this Redevelopment Agreement, or (ii) any additional or subsequent conveyance as security for indebtedness incurred by Hoppe for Project costs or any subsequent physical improvements to the premises provided that any such conveyance shall be subject to the obligations of Hoppe pursuant to this Redevelopment Agreement.

(b) After Hoppe has completed construction of the Private Improvements on a Lot, Hoppe shall have the right, without the consent of the CDA, to transfer

and convey the applicable Lot to a non-exempt third party purchaser, provided that said non-exempt third party purchaser agrees to assume the obligations of Hoppe under this Redevelopment Agreement, including the obligations to: (i) pay all real estate taxes on the Lot, and (ii) not protest an assessed property valuation of the Lot to an amount less than the Anticipated Lot Valuation.

(c) During the fifteen (15) year period commencing on the applicable Effective Date for a Lot, all successive owners of a Lot shall only have the right to sell their Lot in conformance with Section 5.08(b) above.

ARTICLE VI DEFAULT, REMEDIES; INDEMNIFICATION

Section 6.01 Default.

The Parties agree that the following shall constitute a “default” under the terms of this Redevelopment Agreement:

- (a) A Party fails to perform or comply with any term, condition, or obligation of this Redevelopment Agreement and does not cure such defect within thirty (30) days after receiving written notice from another Party specifying the nature of the breach of the Redevelopment Agreement; or
- (b) Hoppe shall abandon construction work for any period of twelve (12) months.

Section 6.02 Remedies.

In the event that a Party is in default pursuant to Section 6.01 above, the non-breaching Party or Parties may pursue any remedy available at law or in equity, including without limitation, one or more of the following: (1) suspend its performance under this Redevelopment Agreement until receiving adequate assurances from the breaching Party that it has cured the default and will continue performance under this Redevelopment Agreement; and (2) terminate this Redevelopment Agreement.

Section 6.03 Release and Indemnification.

Hoppe hereby releases from and covenants and agrees that the CDA and the City, together with their governing body, officers, agents, including their independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purpose of this Section 6.03, collectively the “Indemnified Parties”) shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect arising from the Private Improvements or within the Project Site. Provided, however, such release shall not be deemed to include such liability actions arising from the Public Improvements, with respect to the City, or that arise directly out of the willful

misconduct of the CDA or the City, as determined by a court of competent jurisdiction.

Additionally, the Indemnified Parties shall not have any pecuniary obligation or monetary liability under this Redevelopment Agreement, except to the extent of the City's obligations related to the Public Improvements. The obligation of the Indemnified Parties on the TIF Note or any indebtedness contemplated hereunder shall be limited solely to the Tax Increment pledged as security for such indebtedness. Specifically, but without limitation, the Indemnified Parties shall not be liable to Hoppe or any other third party for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder, except as otherwise set forth in this Redevelopment Agreement. This Section 6.03 shall survive the termination of this Redevelopment Agreement.

Section 6.04 Additional Parties Added as Redeveloper.

The Parties specifically agree that additional parties or entities may be admitted to and included as redeveloper(s) of the Project upon the mutual written consent of the Parties.

**ARTICLE VII
MISCELLANEOUS**

Section 7.01 Memorandum.

A Memorandum of this Redevelopment Agreement shall be recorded with the County Register of Deeds. The form of the Memorandum is attached as Exhibit "D" and incorporated by this reference.

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, employee, partnership, joint venture or association as between the CDA, the City and/or Hoppe, nor between the CDA, the City and/or any officer, employee, contractor or representative of Hoppe. No joint employment is intended or created by this Redevelopment Agreement for any purpose. Hoppe

agrees to so inform its employees, agents, contractors and subcontractors who are involved in the implementation of or construction under this Redevelopment Agreement.

Section 7.05 Document Retention.

The City and Hoppe shall each retain copies of all supporting documents that are associated with the Redevelopment Plan, the Project, or this Redevelopment Agreement and that are received or generated by the City and/or Hoppe for three (3) years following the end of the last fiscal year in which ad valorem taxes are divided for the Project. Supporting documents shall include, but not be limited to, any cost-benefit analysis conducted pursuant to Section 18-2113 of the Act and any invoice, receipt, claim, or contract received or generated by the City that provides support for receipts or payments associated with the division of taxes.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties 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 _____, 2025, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of Lexington, Nebraska, on behalf of the Agency.

Notary Public

“CITY”
THE CITY OF LEXINGTON,
NEBRASKA

ATTEST:

By: _____
City Clerk

By: _____
Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF DAWSON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____ and _____, Mayor and City Clerk respectively of the City of Lexington, Nebraska, on behalf of the City.

Notary Public

“HOPPE”

Hoppe & Son, LLC,
a Nebraska limited liability company

By: _____
Jake Hoppe, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Jake Hoppe, Manager of Hoppe & Son, LLC, on behalf of the company.

Notary Public

EXHIBIT “A”
DESCRIPTION OF PROJECT

The Project undertaken by the City and Hoppe on the Project Site, legally described as:

Lots 1 through 19, and Outlot A, Wycoff 3rd Addition, City of Lexington, Dawson County, Nebraska; and the adjacent public rights-of-way of Wycoff Drive and Hawks Lane (the “Project Site”),

shall consist of the following:

- (a) **Private Improvements—Constructed by Hoppe and/or its successors and assigns.** The construction of nineteen (19) townhome units and associated improvements on the Project Site. The preliminary site plan, floor plans, and exterior elevations for the Private Improvements are attached hereto as Exhibit “A-1” (the “Project Schematic Drawings”). The Project Schematic Drawings shall serve as the basis for development of the final design and construction plans and specifications for the Private Improvements.

- (b) **Public Improvements—Constructed by the City.** The eligible expenses and Public Improvements may include, but are not limited to, the eligible public expenses under the Act, including: site acquisition, site preparation, grading, street improvements, utility installation, public park improvements, eligible engineering expenditures, and other eligible public improvements on the Project Site and in the Redevelopment Area, which public improvements are eligible improvements under the Act pursuant to this Redevelopment Agreement; paid for, in part, by the Tax Increment created by the Private Improvements.

The street improvements will include the paving of the adjacent public rights-of-way of Wycoff Drive and Hawks Lane.

The public park improvements will include the construction of a pond and trail on the City-owned outlot (the “City Park”). A conceptual drawing of the City Park is attached hereto as Exhibit “A-2”.

Notwithstanding anything to the contrary herein, until the City formally accepts bids for the Public Improvements, the City shall have the right to change the scope of the Public Improvements.

The Project shall be completed in up to three (3) phases. Each phase may have a separate effective date.

PROJECT SCHEMATIC DRAWINGS



Exhibit "A-1"

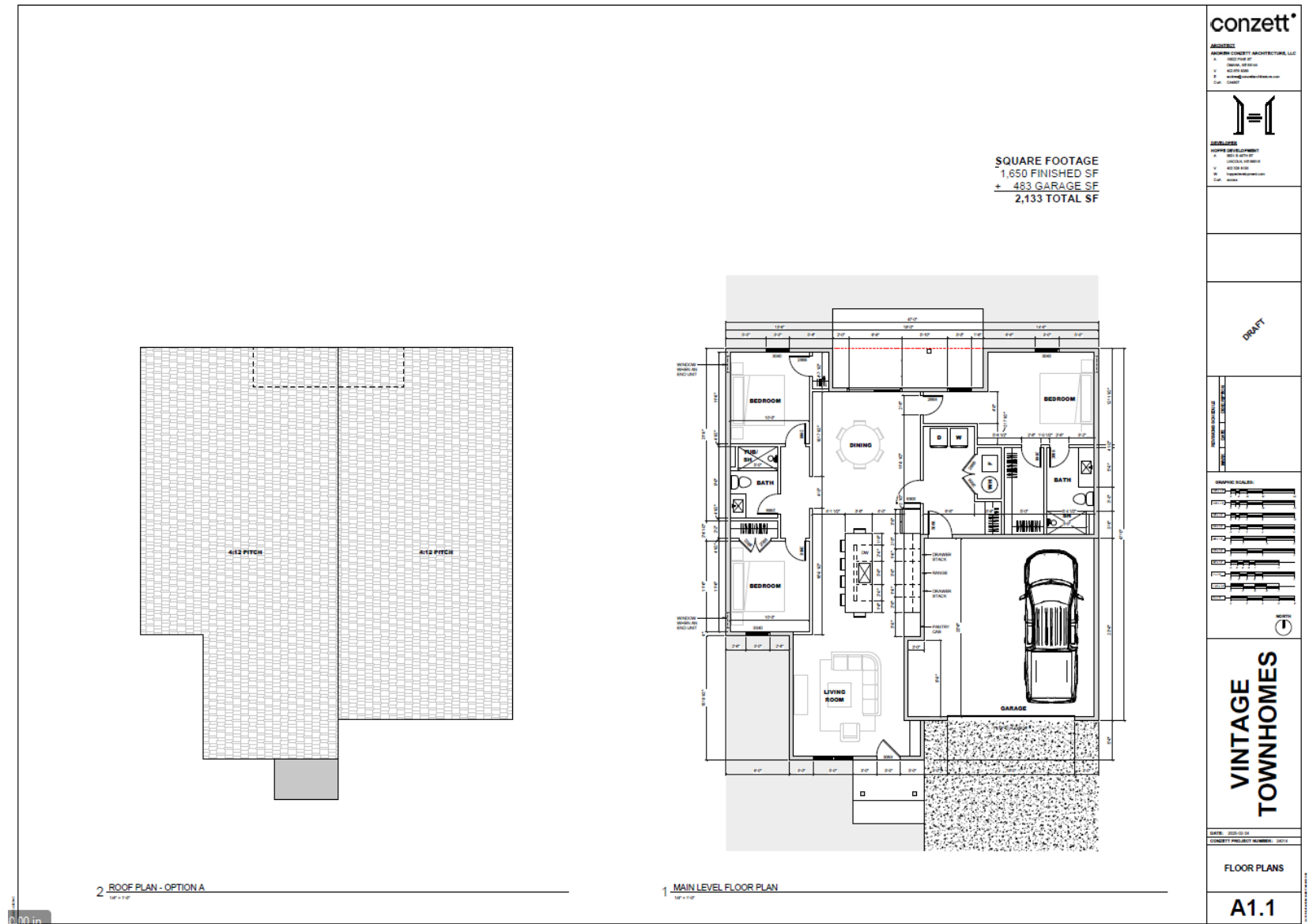


Exhibit "A-1"

EXHIBIT "A-2"
CITY PARK

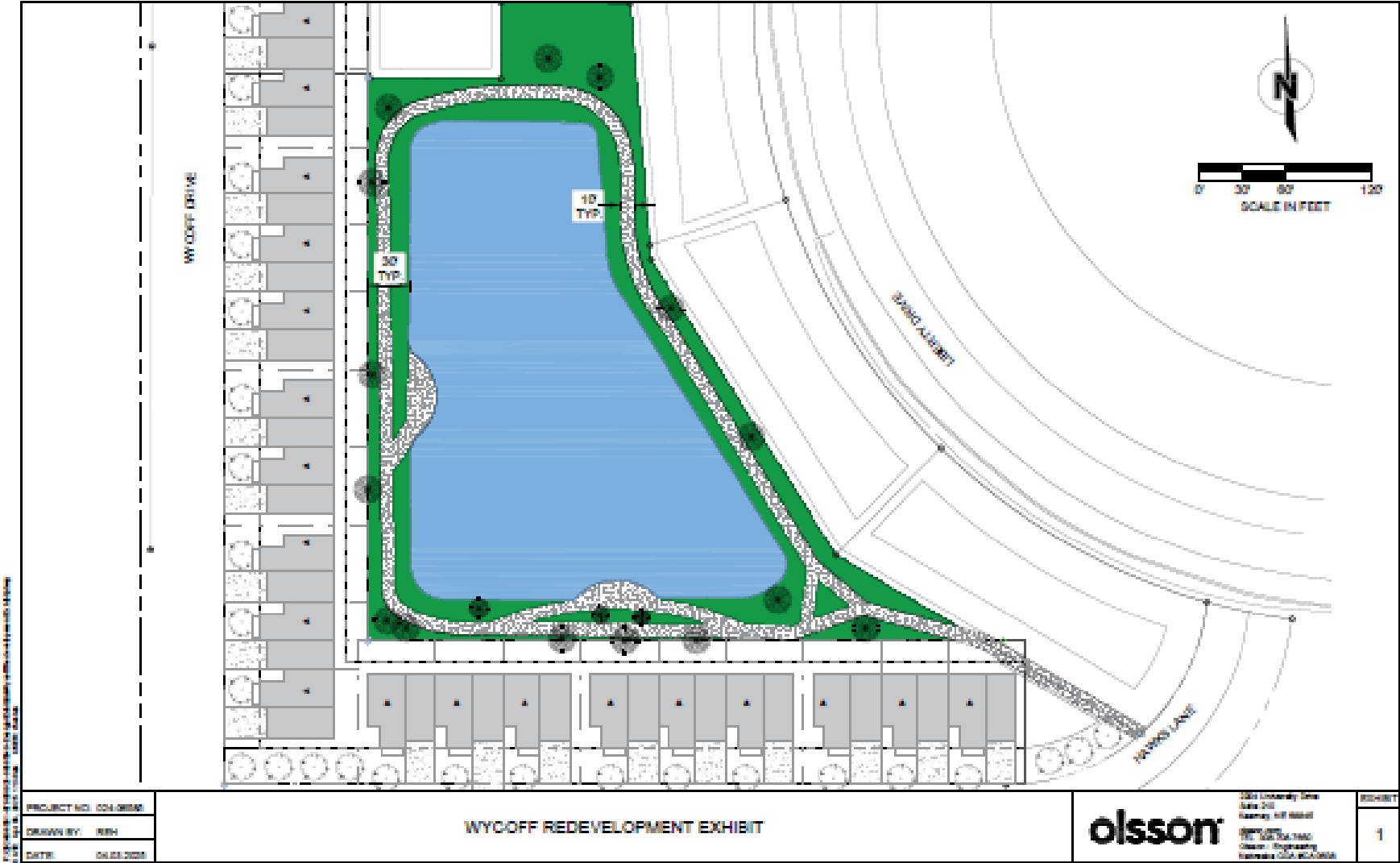


Exhibit "A-2"

**EXHIBIT “B”
TIF INDEBTEDNESS**

1. **Projected Base Value:** \$237,500 (19 lots x \$12,500/lot)
2. **Projected Final Value (Minimum Project Valuation):** \$5,415,000 (19 lots x \$285,000/lot)
3. **Difference in Valuation:** \$5,177,500 (\$272,500/lot)
4. **Assumed Tax Levy:** 1.64733
5. **Anticipated Tax Increment:** \$85,291 (\$4,489/lot)
6. **TIF Indebtedness:**
 - a. **Principal Amount.** The principal amount of the TIF Indebtedness shall be \$955,000.00.
 - b. **Interest Rate.** The interest rate for the TIF Indebtedness shall be 4.0%.
 - c. **Payments.** Semi-annually commencing when real estate taxes are fully collected for the tax year of the Effective Date for the first phase of the Project.
 - d. **Anticipated Maturity Date.** The Maturity Date for the TIF Indebtedness shall be December 15th of the fifteenth (15th) year real estate taxes are collected for the final phase of the Project. The Effective Date for the final phase of the Project shall be no later than January 1, 2028. Solely as an example, if the final phase Effective Date is January 1, 2028, then the Maturity Date shall be December 15, 2043 (2042 taxes paid in 2043).
 - e. **TIF Period.** The period for TIF on this Project will be fifteen (15) years per phase, commencing on the Effective Date of the first phase and terminating on the Maturity Date (as determined above). Payment of ad valorem taxes in arrears pursuant to customary payments in Nebraska shall not affect the 15 year TIF period.

Note: All calculations are based on assumptions and estimates of future values that may be different than the values that are actually calculated or may vary from year to year.

EXHIBIT "C"
PROJECTED TIF SOURCES AND USES

1. TIF SOURCES:

Assumptions:

Tax Levy:	1.64733
Interest Rate:	4.0%
Townhomes:	19

Per Townhome:	Base Value	Base Taxes	Final Value	Final Taxes	Tax Inc
	\$12,500	\$206	\$285,000	\$4,695	\$4,489

	Per Lot	Total
Base Value	\$12,500	\$237,500
Final Value	\$285,000	\$5,415,000

TIF Projections:

	Value	Taxes
Base Year	\$237,500	\$3,912
Completed	\$5,415,000	\$89,203
Increment	\$5,177,500	\$85,291

Annual TIF	\$85,291
Total TIF (15 yrs)	\$1,279,358
Present Value	\$955,103
	\$955,000 (rounded)

2. TIF USES:

Site Acquisition	\$120,000
Site Preparation/Grading	\$112,000
Public Infrastructure (Street, Water, Sewer, Electrical)	\$747,340
City Park (Pond/Trail)	\$218,000
Engineering Fees	\$97,000
Legal Fees	TBD - \$15,000
Total:	\$1,309,340

EXHIBIT “D”

After recording please return to:

Joe Pepplitsch
City Manager
406 E 7th Street
Lexington, NE 68550

MEMORANDUM OF REDEVELOPMENT AGREEMENT (Vintage Townhomes Redevelopment Project)

This Memorandum of Redevelopment Agreement (“Memorandum”) is made this 24th day of June, 2025, by and between the Community Development Agency of Lexington, Nebraska (“CDA”), the City of Lexington, Nebraska (“City”), and Hoppe & Son, LLC, a Nebraska limited liability company (“Hoppe”).

1. **Redevelopment Agreement.** The CDA, the City, and Hoppe have entered into that certain Redevelopment Agreement dated as of this even date, describing the Public Improvements and the Private Improvements being made to real property to be owned by or under the control of Hoppe and legally described as:

Lots 1 through 19, Wycoff 3rd Addition, City of Lexington,
Dawson County, Nebraska (the “Project Site”).

2. **Tax Increment Financing.** The Project shall be completed in phases. 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 Hoppe on the Project Site 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.

3. **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]

IN WITNESS WHEREOF, the CDA, the City, and Hoppe have signed this Memorandum of 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 _____, 2025, by _____ and _____, Chairman and Secretary respectively of the Community Development Agency of Lexington, Nebraska, on behalf of the Agency.

Notary Public

“CITY”
THE CITY OF LEXINGTON,
NEBRASKA

ATTEST:

By: _____
City Clerk

By: _____
Mayor

STATE OF NEBRASKA)
) ss.
COUNTY OF DAWSON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____ and _____, Mayor and City Clerk respectively of the City of Lexington, Nebraska, on behalf of the City.

Notary Public

“HOPPE”

Hoppe & Son, LLC,
a Nebraska limited liability company

By: _____
Jake Hoppe, Manager

STATE OF NEBRASKA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Jake Hoppe, Manager of Hoppe & Son, LLC, on behalf of the company.

Notary Public

EXHIBIT “E”
FORM OF 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

\$955,000.00

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

COMMUNITY REDEVELOPMENT REVENUE NOTE
(VINTAGE TOWNHOMES REDEVELOPMENT PROJECT)
SERIES 2025A

Maturity Date	Interest Rate	Original Issuance Date
See attached Schedule 1	4.0%	

Registered Holder	Principal Amount
City of Lexington, Nebraska	\$955,000.00

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 City Treasurer, as Paying Agent and Registrar, and in like manner to pay solely from said source interest on said principal sum at the Interest Rate identified above from the Original Issuance Date identified above or from the most recent date to which interest has not been paid. Principal and accrued interest shall be payable in semi-annual installments due June 15 and December 15 for each year that the Vintage Townhomes Redevelopment Project generates tax increment until the Maturity Date or, if earlier, until such Principal Amount has been paid in full. 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 the address as it appears on such note registration books. The principal and interest 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 Community Redevelopment Revenue Note (Vintage Townhomes Redevelopment Project), Series 2025A, aggregating Nine Hundred Fifty-Five Thousand and No/100 Dollars (\$955,000.00) in principal amount (the "Note"), which has been issued pursuant to the Section 12 of Article VIII of the Nebraska Constitution and Neb. Rev. Stat. §§ 18-2101 through 18-2157, as amended and supplemented (the "Act") and under and pursuant to the terms of that certain Redevelopment Agreement between the Issuer, the City of Lexington, Nebraska, and Hoppe & Son, LLC, a Nebraska limited liability company, for the Vintage Townhomes Redevelopment Project (the "Redevelopment Agreement"), 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 or the interest hereon 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 generated by the Project defined in the Redevelopment Agreement (the "Project"). All such revenue has been duly pledged for the purpose of paying this Note.

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

No recourse shall be had for the payment of the principal of or interest 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 as in a form provided by Issuer, 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 prepayable at any time in whole or in part, to the extent there are any funds in the debt service fund in excess of amounts necessary to pay scheduled debt service. 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 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.

COMMUNITY DEVELOPMENT
AGENCY OF LEXINGTON, NEBRASKA

ATTEST:

Secretary

By: _____
Chairman

CERTIFICATE OF AUTHENTICATION

City Treasurer, City of Lexington as Paying
Agent and Registrar

By: _____
Authorized Signatory

Schedule 1

Maturity Date

Pursuant to the Redevelopment Agreement, the CDA shall capture the Tax Increment generated by each phase of the Project to assist in the payment of the Public Improvements for a total period not to exceed fifteen (15) years for each phase after the Private Improvements have been included in the assessed valuation of each phase of the Project and are generating the Tax Increment subject to capture by the CDA. The Maturity Date shall be determined in accordance with the phasing of the Project pursuant to the terms and conditions set forth in the Redevelopment Agreement.

The Project may have up to three (3) phases, and each phase shall have a separate “Effective Date” for the division of ad valorem taxes on the lots developed in the applicable phase. The Maturity Date of this Note shall be December 15th of the fifteenth (15th) year real estate taxes are collected for the final phase of the Project. Solely as an example, if the final phase Effective Date is January 1, 2028, then the Maturity Date shall be December 15, 2043 (2042 taxes paid in 2043). Upon determination of the Effective Date of the final phase of the Project, the CDA may, but has no obligation to, supplement this Schedule 1 to identify the Maturity Date with more specificity.