

REDEVELOPMENT CONTRACT
(The R. Perry Workforce Housing Redevelopment Project)

This Redevelopment Contract for the R. Perry Workforce Housing Redevelopment Project (“**Redevelopment Contract**”) is made and entered into as of the 17th day of February, 2025, by and between the Community Development Agency of Lexington, Nebraska (the “**Agency**”), and R. Perry Construction, Inc., an Iowa corporation, together with its successors and assigns (“**Redeveloper**”). The Agency and/or Redeveloper may individually be referred to hereinafter as a “**Party**” or collectively as the “**Parties**”.

WITNESSETH:

WHEREAS, in conformance with the Nebraska Community Development Law, sections 18-2101 et seq., of the Nebraska Revised Statutes (the “**Act**”), the Mayor and Council of the City of Lexington, Nebraska (the “**City**”), has adopted and approved a redevelopment plan entitled, “Redevelopment Plan for the R. Perry Workforce Housing Redevelopment Project,” as may be amended and supplemented (the “**Plan**”), for the real estate described on Exhibit “A”, attached hereto and incorporated herein (the “**Project Site**”), which is located in the City, and which has previously been declared blighted, substandard, and eligible for redevelopment by the Mayor and Council of the City; and

WHEREAS, the Agency has encouraged and induced Redeveloper to engage in certain development activities and construct improvements in the Project Site and Redeveloper is not willing to incur the substantial investment necessary for such redevelopment of the Project Site without the assistance of tax-increment financing (“**TIF**”) provided by the Agency to Redeveloper in this Redevelopment Contract; and

WHEREAS, pursuant to the Plan, Redeveloper intends to undertake the phased construction of approximately 110 single-family residences, as well as a multi-family apartment complex consisting of approximately three 30-unit apartment buildings, together with such other public and private improvements related thereto, within the Project Site, as depicted on the proposed site plan for the redevelopment project attached hereto and incorporated as Exhibit “B”, and all as more particularly described in the Plan (collectively, said improvements are referred to in this Redevelopment Contract as the “**Redevelopment Project**”); and

WHEREAS, it is anticipated that the Redevelopment Project will occur in Phases (defined below), in accordance with the terms of this Redevelopment Contract; and

WHEREAS, the real property within the Project Site, other than easements for public utilities, is to be privately owned by Redeveloper and/or its successors; and

WHEREAS, the Agency proposes to authorize, and via the adoption and execution of this Redevelopment Contract, hereby does authorize issuance of its tax increment financing promissory note (the “**TIF Note**”) pursuant to the terms herein, to provide for eligible costs relating to the Redevelopment Project; and

WHEREAS, Redeveloper seeks the assistance of the Agency for the costs of the eligible improvements of the Redevelopment Project and therefore is willing to agree to the conditions herein set forth as an inducement to the Agency to issue the TIF Note as provided herein and in the TIF Note.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, the Agency and Redeveloper do hereby agree, covenant, and warrant as follows:

Section 1. Representations, Warranties and Covenants of Redeveloper.

Redeveloper hereby represents, covenants, and warrants as follows:

- (a) Redeveloper is a corporation, duly organized and existing under the laws of the State of Iowa, is not in violation of any provisions of its articles of organization or bylaws, is authorized to enter into and perform its obligations under this Redevelopment Contract and, to the best of the knowledge of Redeveloper, is not in violation of the laws of the State of Nebraska.
- (b) Throughout the term of this Redevelopment Contract, Redeveloper will reasonably endeavor to construct, operate, and maintain the Redevelopment Project in accordance with the terms of this Redevelopment Contract and the Plan, or amendments thereof, and all applicable local, state and federal laws and regulations (including, without limitation, environmental, zoning, building code and public health laws and regulations). Throughout the term of this Redevelopment Contract and subject to the provisions of Section 21 of this Redevelopment Contract, in the event of any casualty damage to the Redevelopment Project, as and to the extent owned by Redeveloper, Redeveloper agrees to repair and reconstruct such damaged portion or portions of the Redevelopment Project so that such reconstructed real property has a taxable value at least equal to the value as most recently determined prior to the event or events of casualty loss. Redeveloper agrees to substantially effect such repair and reconstruction whether or not insurance proceeds are sufficient or available for such purposes.
- (c) Redeveloper shall endeavor in good faith to complete the Redevelopment Project on or before December 31, 2034, at an estimated cost of \$53,688,256.
- (d) Redeveloper has not received notices or communications from any local, state or federal official or body that the activities of Redeveloper respecting the Project Site or the construction of the Redevelopment Project thereon may be or will be in violation of any law or regulation.
- (e) Redeveloper will use its best efforts to obtain or to cause others to obtain, in a timely manner, all required permits, licenses and approvals and to meet, in a timely manner, all requirements of all applicable local, state, and federal laws and

regulations which must be obtained or met for the Redevelopment Project to be lawfully constructed, occupied or operated.

- (f) The execution and delivery of this Redevelopment Contract, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Redevelopment Contract are not prevented or limited by, and will not conflict with or result in a breach (i) of any provision of any evidence of indebtedness, agreement or instrument of whatever nature to which Redeveloper is now a party or by which it is bound; or (ii) of any past, pending or threatened litigation, court order, or administrative proceeding, by which Redeveloper is or might become bound.
- (g) To the best of its actual knowledge, Redeveloper is not aware of any hazardous waste or other significant environmental pollution condition or hazard existing on or within the Project Site.
- (h) Redeveloper acknowledges and agrees that neither the Agency nor the City shall be obligated to pay any costs related to the Redevelopment Project other than costs to be paid from available grant monies derived from ad valorem incremental real estate taxes generated from the Redevelopment Project (“**TIF Revenues**”), if any, and Redeveloper hereby undertakes and agrees to pay any and all such cost. All costs of the Redevelopment Project shall be paid in full and there are and shall be no construction liens unpaid against the Project Site or any of the improvements thereon. Redeveloper agrees to provide for the construction of both the Redevelopment Project improvements located within the Project Site as described in the Plan or as described in this Redevelopment Contract, except to the extent that the Agency or the City shall agree otherwise by separate written agreement with Redeveloper.
- (i) Redeveloper agrees and covenants for itself, its successors and assigns that as long as the TIF Note 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 Redevelopment Project. Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Redevelopment Project, Redeveloper will not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, ancestry, disability, marital status or receipt of public assistance. Redeveloper will comply with all applicable federal, state and local laws related to the Redevelopment Project.
- (j) Redeveloper agrees that any contractor providing services related to the Redevelopment Project will utilize the federal immigration verification system, as defined in Section 4-114 of the Nebraska Revised Statutes, to determine the work eligibility status of new employees physically performing services on the Redevelopment Project.

- (k) Redeveloper owns the Project Site in fee simple and free from any liens, encumbrances, or restrictions which would prevent the performance of this Redevelopment Contract by Redeveloper.
- (l) Any general contractor chosen by Redeveloper or Redeveloper itself shall obtain and keep in force at all times until completion of construction, policies of insurance including coverage for contractors' general liability and completed operations of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate, and a penal bond as required by the Act and Section 11 of this Redevelopment Contract. Redeveloper shall be named as additional insureds on each such policy. Any contractor chosen by Redeveloper or Redeveloper itself, as an owner, shall be required to purchase and maintain property insurance upon the Redevelopment Project to the full insurable value thereof. This insurance shall insure against the perils of fire and extended coverage and shall include "All Risk" insurance for physical loss or damage. The contractor with respect to any specific contract or Redeveloper shall also carry insurance on all stored materials. Upon the request of the Agency or City, the contractor or Redeveloper, as the case may be, shall furnish the Agency and the City with a certificate of insurance evidencing policies as required above.
- (m) At all times during the term of this Redevelopment Contract, Redeveloper shall maintain policies insuring the improvements located within the Project Site in an amount equal to at least ninety percent (90%) of their full insurable value.
- (n) The Redevelopment Project is not economically viable without the assistance of TIF and Redeveloper would not construct the Redevelopment Project without TIF.
- (o) With respect to the Redevelopment Project, Redeveloper has not pursued or received, and will not pursue or receive, tax incentives under the Nebraska Advantage Act or the ImagiNE Nebraska Act, or a refund of the City's local option sales tax revenue.

Section 2. Incorporation of Plan; Agency to Issue TIF Note.

This Redevelopment Contract hereby incorporates the Plan by this reference. The Agency and Redeveloper anticipate that the Redevelopment Project and related construction will be undertaken and constructed in multiple Phases (defined below). The Parties anticipate that a total of one (1) TIF Note will be issued for the Redevelopment Project (i.e., one TIF Note for all Phases). Each Phase is anticipated to have a different "**Effective Date**" (as defined in the Act) for the division of TIF Revenues, along with a new increment period. The increment period for each Phase will end after the applicable 15 year period or when the TIF Note is paid in full, whichever occurs first.

Establishment of each Phase shall be directly related to the construction of the residential improvements completed each year. Commencing on July 1st of the first year in which the

Redevelopment Project improvements are being completed, and annually on or before each July 1st thereafter, Redeveloper shall notify the Agency in writing of the lot(s) to be included in the **"Notice to Divide Taxes"** (as detailed under Section 18-2147 of the Act) for the respective Phase in such year. The lot(s) identified by Redeveloper in a given year shall constitute a **"Phase"** of the Redevelopment Project. The written notice shall include the legal description of the lot(s) in the Phase, the Effective Date for the Phase, the base year valuation for the lot(s), and such other provisions as may be deemed necessary by the Agency including usual and customary representations. The Agency shall file the Notice to Divide Taxes with the Dawson County Assessor on or prior to August 1 of such year, establishing such year as the Effective Date for the lots identified in Redeveloper's timely and compliant notice.

Notwithstanding the foregoing, unless otherwise consented to by the City in writing, the Redevelopment Project shall not include more than ten (10) annual Phases, and the Effective Date for any Phase shall be no later than January 1, 2035. In accordance therewith, any lots within the Project Site which have not been included as part of a prior Phase as of January 1, 2035, shall automatically be included within the Notice to Divide Taxes for the 2035 calendar year, irrespective of the progress of construction on such lots.

In order to provide for payment of some of the TIF-eligible costs for the Redevelopment Project set forth in the Plan and this Redevelopment Contract, as described in Exhibit "C", attached hereto and incorporated herein (the **"Eligible Costs"**), the Agency shall proceed to issue the TIF Note in the form attached hereto and incorporated herein as Exhibit "D", in the principal amount of Nine Million Seven Hundred Ninety-Nine Thousand Thirty-Nine & 00/100 Dollars (\$9,799,039.00), at an interest rate of two percent (2.00%) per annum, pursuant to the terms and conditions set forth in the Redevelopment Contract and/or the TIF Note. The TIF Note shall be issued on the basis of interest which is includable in income for both federal and Nebraska State income taxes. Issuance of the TIF Note shall occur no less than thirty (30) days after the Agency's authorization of the same via resolution.

The Agency shall be and is hereby authorized to issue the TIF Note at the expiration of thirty (30) days following the Agency's approval and adoption of this Redevelopment Contract, in accordance with the terms of this Redevelopment Contract and the TIF Note. The TIF Note shall constitute a limited obligation of the Agency payable exclusively from the TIF Revenues generated by the Redevelopment Project pursuant to section 18-2147 of the Act, and collected for a period not to exceed fifteen (15) years from the Effective Date (for each Phase). Prior to receipt of any TIF Revenues, the Agency shall create a special fund established solely to make payments on the TIF Note (the **"TIF Fund"**). Upon receipt of the TIF Revenues, the Agency shall deposit the TIF Revenues into the TIF Fund, and thereafter disburse said TIF Revenues to the holder of the TIF Note (but only from available TIF Revenues), at the times provided in the TIF Note.

The principal amount paid on the TIF Note shall not exceed the aggregate amount of Eligible Costs incurred by Redeveloper, as evidenced by paid invoices or other acceptable evidence, as determined by the Agency in its reasonable discretion, tendered by Redeveloper to the Agency (**"Eligible Cost Certifications"**); and the Agency shall have no obligation to make any such payments on the TIF Note that would result in the same. Redeveloper may, at its

option, submit one or more partial Eligible Cost Certifications prior to expenditure of all Eligible Costs providing certification of receipt of billings for work in progress. All Eligible Cost Certifications shall be subject to review and approval by the Agency prior to the funding of such Eligible Costs. If Redeveloper fails to submit Eligible Cost Certifications in an amount equal to or greater than the principal amount on the TIF Note within one (1) year after completion and/or termination of construction, as applicable, of the Redevelopment Project, the principal amount of the TIF Note shall be reduced to the then-current aggregate amount of Eligible Cost Certifications approved by the Agency. Redeveloper and/or the holder of the TIF Note, as applicable, shall fully cooperate with the Agency to facilitate the same in the event of such occurrence, including forfeiture or the original TIF Note and reissuance of a replacement TIF Note with a reduced principal amount.

The Agency may treat the registered holder of the TIF Note as the absolute owner of the TIF Note for the purpose of making payments thereon and for all other purposes. All payments on account of interest or principal made to the registered holder of the TIF Note in accordance with the terms of this Redevelopment Contract and the TIF Note shall be valid and effectual and shall be a discharge of the Agency and its officers and agents, in respect of the liability upon the TIF Note or claims for interest to the extent of the sum or sums so paid. The Agency shall keep current records of all payments on the TIF Note and the outstanding balance of principal and interest on the TIF Note, and such records shall be treated as determinative by the Parties and/or their assigns. The holder of the TIF Note may transfer or pledge the TIF Note upon prior written notice to the Agency. At any time, the Agency shall have the option of prepaying in whole or in part principal of the TIF Note. The chairperson and secretary of the Agency, or any one of them, shall be authorized to take any and all actions, and to execute any and all documents deemed by them necessary to effect the transactions authorized by this Redevelopment Contract and/or the TIF Note.

Notwithstanding anything in this Section 2 and/or this Redevelopment Contract to the contrary, the Parties acknowledge that Redeveloper's ability to construct all the anticipated residential improvements will primarily depend upon market conditions, market demand, and other factors that are outside of Redeveloper's control. Accordingly, in the event Redeveloper fails to construct all the anticipated residential improvements due to such extraneous factors, such failure shall not, by itself, constitute a default of this Redevelopment Contract. However, in the event of the same, the Agency may, in its discretion, require the reduction in principal and interest on the TIF Note in proportion to the percentage of the Redevelopment Project that was not completed. Redeveloper and/or the Holder of the TIF Note, as applicable, shall fully cooperate with the Agency to facilitate the foregoing in the event of such occurrence, including forfeiture or the original TIF Note and reissuance of a replacement TIF Note with a reduced principal amount.

Section 3. Workforce Housing Project; Conditions Related Thereto.

In accordance with the Plan, and pursuant to the Act and the "Workforce Housing Tax Increment Financing Incentive Plan" adopted by the City (the "**Incentive Plan**"), this Redevelopment Contract specifically contemplates and authorizes the use of TIF for all: (i) owner-occupied single-family residential units/improvements constructed within the Project Site

that are sold (as constructed and inclusive of the respective lot) for a purchase price no greater than the maximums set forth under section 18-2103(32)(c) of the Act, as may be adjusted from time to time; and (ii) all renter-occupied multi-family residential improvements within the Project Site that are constructed at a cost no greater than the maximums set forth under section 18-2103(32)(c) of the Act, as may be adjusted from time to time (as applicable, referred to herein as “**Workforce Housing TIF**”).

The maximum sales price of the owner-occupied single-family residences, in relation to eligibility for Workforce Housing TIF, shall be determined at the time of sale of each improved lot, and shall not be fixed as of the date of this Redevelopment Contract – such that any changes to the maximums under 18-2103(32)(c) shall apply to the subsequent sale of any unsold lots/residences which are part of the Redevelopment Project. Accordingly, so long as a lot/residence complies with the then-current maximums (at the time of the sale) set forth under 18-2103(32)(c) of the Act, the improvements associated therewith shall be considered “Workforce Housing” under the Act, and shall be eligible for treatment as such with respect to the City’s administration of TIF (i.e., such improvement shall constitute Eligible Costs).

The maximum cost to construct the renter-occupied multi-family residential units in relation to eligibility for Workforce Housing TIF shall be determined at the time of substantial completion of the unit(s), and shall not be fixed as of the date of this Redevelopment Contract – such that any changes to the maximums under 18-2103(32)(c) shall apply to the subsequently constructed units which are part of the Redevelopment Project. Accordingly, so long as a multi-family unit complies with the then-current maximums (at the time of substantial completion) set forth under 18-2103(32)(c) of the Act, the improvements associated therewith shall be considered “Workforce Housing” under the Act, and shall be eligible for treatment as such with respect to the City’s administration of TIF (i.e., such improvement shall constitute Eligible Costs).

If some, but not all, of the residential improvements constructed by Redeveloper meet the eligibility criteria for Workforce Housing TIF, only the qualifying improvements shall be eligible for Workforce Housing TIF. Any ineligible portion(s) or improvement(s) shall still qualify for normal TIF, but the hard construction costs associated with such improvement(s) shall not be considered Eligible Costs.

To ensure compliance with the foregoing, upon Redeveloper’s submission of any Eligible Cost Certification which includes costs associated with the hard construction costs for private improvements (i.e., the construction of the physical residence), such Eligible Cost Certification shall be supported and/or supplemented by sufficient documentation evidencing that the improvement(s) associated with such costs was sold or constructed, as the case may be, in an amount that does not exceed the maximums under 18-2103(32)(c) of the Act (at the time of the sale or substantial completion of construction, as applicable). Unless and until the Agency receives the same, such improvements will not be deemed as Eligible Costs.

Section 4. Covenants With Respect to Taxation of Project Site.

Redeveloper agrees with respect to the Redevelopment Project as follows:

- (a) Until the termination of this Redevelopment Contract (as described in Section 20 hereof), the Redevelopment Project shall be operated for the use substantially similar to that contemplated in the Plan and no sale or conveyance of such property shall be made to any person or entity for ownership or use which would cause the real property within the Project Site to be eligible for exemption from ad valorem taxes under Section 77-202 R.R.S. Neb. 2009, as now existing or hereafter amended, or any successor provision thereto, and that it will not make application for any structure, or any portion thereof, to be taxed separately from the underlying land of any lot.
- (b) Via construction of the Redevelopment Project, Redeveloper intends to create a taxable real property valuation of: not less than \$325,000 (inclusive of improvements) for each single-family residential lot within the Project Site (the “**SF Minimum Valuation**”); and not less than \$4,500,000 (inclusive of improvements) for the lot(s) comprising the multi-family apartments within the Project Site (the “**MF Minimum Valuation**”). From and after the issuance of the TIF Note, and so long as the TIF Note remains outstanding and unpaid, Redeveloper, together with its successors and assigns, including subsequent purchasers of land within the Project Site, shall not protest any taxable valuation assessed for the Project Site, or any portion thereof, as determined by the appropriate assessing and taxing officials of Dawson County, Nebraska, for purposes of local ad valorem real estate taxes, to an amount below: (i) the SF Minimum Valuation with respect to any single-family residential lot within the Project Site; and (ii) the MF Minimum Valuation with respect to the lot(s) comprising the multi-family apartments within the Project Site. The foregoing shall be a covenant and restriction upon every lot within the Project Site, and shall run with the land.
- (c) If Redeveloper has monetized the TIF Note by pledging it to its lender, Redeveloper shall solely be responsible for all payments due to such lender. If, during the period of this Redevelopment Contract and after the filing of a notice to divide, a portion of the Project Site is assessed at less than the Minimum Valuation, Redeveloper agrees to defer receipt of any shortfall in TIF Revenues caused thereby. If Redeveloper is required to defer the receipt of any such shortfall amounts, Redeveloper shall be entitled to receive reimbursement of any such shortfall payment to the extent incremental ad valorem taxes later become available during the fifteen (15) year period prescribed by the Act (for each Phase) in an amount in excess of the amount necessary to meet the current debt service payments. Redeveloper shall forgive any such shortfall amounts not reimbursed at the end of the fifteen (15) year period prescribed by the Act (for each Phase).

- (d) Redeveloper, its successors and assigns, including subsequent purchasers of land within the Project Site, further agree as follows:
- (i) to pay all local ad valorem real estate taxes for the Project Site as levied and assessed before the same become delinquent; and
 - (ii) not to seek any administrative review or judicial review of the applicability or validity of any tax statute relating to taxation of the Redevelopment Project or to raise such inapplicability or invalidity as a defense in any administrative or judicial proceedings; and
 - (iii) not to seek any tax deferral or tax abatement with respect to local ad valorem taxes, either as presently or prospectively authorized under any law of the State of Nebraska or federal law with respect to the Redevelopment Project; and
 - (iv) to pay or cause to be paid, when due and before any fine, penalty, interest or cost may be added thereto for the non-payment thereof, all water and sewer rates and charges, occupancy tax, special assessments and other governmental levies and charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, which are assessed, levied, confirmed, imposed or become payable with respect to the Redevelopment Project; provided, however, that any special assessments levied for water, sewer or paving improvements shall be permitted to be paid as the same fall delinquent and may bear interest from the date of levy or other appropriate date set by the levying body; and
 - (v) to retain copies of all supporting documents (as defined under section 18-2119(4) of the Act) actually generated and received by Redeveloper in relation to the Redevelopment Project or Plan until the expiration of three years following the end of the last fiscal year in which ad valorem taxes were divided in relation to the Redevelopment Project.

Section 5. Release and Indemnification.

Redeveloper hereby releases from and covenants and agrees that the Agency 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 5, 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 Redevelopment Project or within the Project Site. Provided, however, such release shall not be deemed to include such liability actions as arise directly out of the willful misconduct of the Agency or the City.

Additionally, the Indemnified Parties shall not have any pecuniary obligation or monetary liability under this Redevelopment Contract. The obligation of the Indemnified Parties on the TIF Note or any indebtedness contemplated hereunder shall be limited solely to the incremental ad valorem taxes generated from the Redevelopment Project pledged as security for such indebtedness. Specifically, but without limitation, the Indemnified Parties shall not be liable to Redeveloper or any other third party for any costs, liabilities, actions, demands, or damages for failure of any representations, warranties or obligations hereunder.

Section 6. Covenants to Run with the Land; Easement; Recording of Redevelopment Contract.

Redeveloper and Agency agree and acknowledge that this Redevelopment Contract and the undertakings of Redeveloper and the Agency provided herein shall be considered as and constitute covenants running with the land binding upon Redeveloper and the Agency and their successors and assigns and upon each successive owner of the Project Site or any portion thereof. Redeveloper hereby acknowledges and agrees that by the terms of this Redevelopment Contract it is binding and obligating any and all of its interest in the Project Site, now or hereafter acquired, and hereby covenants and warrants for the benefit of the Agency and the registered owner of the TIF Note that Redeveloper shall defend such interest in the Project Site against the claims and interests of any and all persons. Redeveloper and the Agency agree and acknowledge that a memorandum of this Redevelopment Contract, in substantially the same form attached hereto and incorporated herein as Exhibit "E", shall be recorded at the expense of Redeveloper against all real estate located in the Project Site and shall remain of record until the TIF Note has been paid in full or matured. The Agency shall have the authority to execute such memorandum(s) without additional public determinations or meetings. Upon request, Redeveloper agrees to provide the Agency with a title report or other evidence as to the status of title to the Project Site after the recording of the memorandum of this Redevelopment Contract. After the TIF Note has been paid in full, Redeveloper or any successor or assign of Redeveloper shall have the right to request in writing and the Agency shall, upon such request, execute and deliver an appropriate instrument evidencing the termination of this Redevelopment Contract and of the covenants and undertakings herein provided. The Agency and Redeveloper may mutually agree, in writing, to release specific parcels or lots located within the Project Site from any or all of the specific provisions of this Redevelopment Contract.

Section 7. Default and Remedies upon Default.

Redeveloper and Agency agree with respect to any defaults or failures of performance by Redeveloper or Agency as follows:

- (a) The following shall constitute “**Events of Default**” under the terms of this Redevelopment Contract:
 - (i) failure by Redeveloper or Agency to observe timely or perform timely any covenant, condition, obligation or agreement on its part to be observed or performed under this Redevelopment Contract;

- (ii) any representation or warranty made herein by Redeveloper or Agency proves untrue in any respect reasonably deemed to be material by the Agency or Redeveloper;
 - (iii) an event of default or material breach by or attributable to Redeveloper or Agency relating to the Redevelopment Project or any portion thereof, including, without limitation, breach of the terms of any agreement or other instrument relating to the financing or construction thereof; or
 - (iv) Redeveloper makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt or petitions for an order for relief, petitions or applies to any tribunal for the appointment of any receiver or any trustee or a debtor in possession of Redeveloper or any part of its property or commences any proceeding related to Redeveloper under any reorganization, arrangement, readjustment of debt, dissolution or liquidation act, code, law or statute of any jurisdiction, whether now or hereafter in effect, or if there is commenced against Redeveloper any such proceedings and Redeveloper by any act indicates its consent or approval of or acquiescence in any such proceeding or the appointment of any receiver or any trustee or debtor in possession for Redeveloper or any part of its property or suffers any such receivership or trusteeship.
- (b) Whenever an Event of Default occurs, in addition to all other remedies available to the Agency or Redeveloper at law or in equity, the Agency or Redeveloper may: (1) suspend its performance under this Redevelopment Contract until receiving adequate assurances from Redeveloper or Agency that Redeveloper or Agency has cured the default and will continue performance under this Redevelopment Contract; and/or (2) take such action at law or in equity as the Agency or Redeveloper reasonably deem appropriate, including specific performance or injunction to enforce or compel performance of the provisions of this Redevelopment Contract; provided that the remedy of specific performance against Redeveloper shall not include or be construed to include the covenant to build or construct the Redevelopment Project.
- (c) In addition to the remedies under Section 7(b), the Agency shall have the following additional remedies upon an Event of Default by Redeveloper:
 - (i) If at any time during the term of this Redevelopment Contract an Event of Default by Redeveloper shall occur and remain continuing, the City or Agency shall have the right, but not the obligation, to cure such breach on behalf of Redeveloper with respect to the construction of the improvements characterized as Eligible Costs. If the City or Agency elects to cure a breach of Redeveloper, Redeveloper shall reimburse the City or Agency for the documented and reasonable costs of curing

Redeveloper's breach within 30 days of demand from City or Agency given to Redeveloper. If Redeveloper's breach can be cured by the payment of Eligible Costs, the City or Agency may cure such defect and obtain reimbursement, with notice to Redeveloper, via a set off to the principal amount of the TIF Note equal to the Eligible Costs reasonably expended by the City or Agency. The Eligible Costs expended by the City or Agency must be certified by the City or Agency to the holder of the grant proceeds and all subsequent distributions of TIF Revenues shall be distributed to the City or Agency, as applicable, until such Eligible Costs expended by the City or Agency have been reimbursed in full. Interest shall accrue on the amount expended by the City or Agency at the rate provided in the TIF Note and such interest shall commence from the date that the Agency gives notice to Redeveloper of Redeveloper's Event of Default.

- (ii) If at any time during the term of this Redevelopment Contract an Event of Default by Redeveloper shall occur and remain continuing, following written notice from the Agency to Redeveloper of such Event of Default, the Agency may withhold any TIF Revenues received, and shall not be required to remit said TIF Revenues as debt service on the TIF Note unless and until Redeveloper cures the Event of Default.
- (iii) If at any time during the term of this Redevelopment Contract an Event of Default by Redeveloper shall occur and remain continuing and uncured for a period of more than sixty (60) days after written notice from the Agency to Redeveloper of such Event of Default, unless Redeveloper has commenced to cure the same and is diligently prosecuting the same to completion, the Agency may, upon further written notice to Redeveloper, terminate and void the TIF Note, in which case Redeveloper shall forfeit the TIF Note to the Agency within thirty (30) days' of the Agency's written notice, and no further TIF Revenues shall be owed thereon.
- (d) No remedy herein conferred upon or reserved to the Agency or the registered owner of the TIF Note is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Redevelopment Contract or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
- (e) If any provision of this Redevelopment Contract is breached by a Party and thereafter waived by the other Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

- (f) Anything in this Section 7 to the contrary notwithstanding, none of the events described in subsection 7(a)(iv) above shall, on their own, constitute an Event of Default after construction of the Redevelopment Project has been substantially completed.

Section 8. Status of Agency and City.

Neither the Agency nor the City is or shall be regarded as the partner, joint venturer or other jointly acting party with Redeveloper for any purpose whatsoever and the undertakings and agreements on the part of the Agency herein provided for are undertaken solely pursuant to the provisions of sections 18-2101 to 18-2150 of the Act and for the limited governmental purposes of promoting and encouraging redevelopment of a blighted and substandard area. Redeveloper acknowledges that Redeveloper or its successors and assigns are and shall remain in control of the Redevelopment Project for all purposes provided that Redeveloper acknowledges and agrees that the City is and shall be the owner of and shall be in control of all public street, sewer and water improvements constituting a part of or serving the Redevelopment Project.

Section 9. Manner of Sale of TIF Note.

Redeveloper agrees either to purchase the TIF Note for the principal amount thereof or to find a purchaser for the TIF Note upon terms and conditions acceptable to the Agency. Neither the Agency nor the City under the terms of this Redevelopment Contract undertakes any responsibility with respects to the sale or placement of the TIF Note. Any such sale or placement of the TIF Note shall be by means of a private placement to a financial institution or other institutional buyer capable of evaluating the risks of investment in the TIF Note or to Redeveloper. Any such purchaser, including Redeveloper, shall provide to the Agency an investment letter setting forth the understanding as to purchase for investment and not for any further distribution, in form and substance approved by the Agency, in its sole discretion. The loan to be accomplished by this Section, and the obligation of the Agency to remit the TIF Revenues for the Redevelopment Project as debt service on the TIF Note, may be accomplished by offset so that no bankable currency is exchanged between the Parties at closing of the TIF Note, notwithstanding other payments required hereunder. If the Agency so requests, Redeveloper shall, from time to time, furnish the Agency with satisfactory evidence as to the use and application of the TIF Revenues.

Section 10. Reimbursement of Agency and City Fees.

Upon full execution and effectiveness of this Redevelopment Contract, Redeveloper shall reimburse the Agency for its legal fees incurred in relation to the Redevelopment Project in the amount of \$15,000. Such reimbursements shall be payable directly to the Agency or Agency's special counsel, at the direction of the Agency.

Section 11. Indemnification and Penal Bond

Redeveloper hereby agrees to indemnify and save the Agency and City harmless for any payment or liability to which the Agency or City may become subject for carrying out of any

contract entered into by Redeveloper with respect to the Redevelopment Project. Redeveloper agrees to provide to the Agency evidence that there is in effect a bond for the payment of costs to the extent required under Section 18-2151 of the Act.

Section 12. Additional Parties Added as Redeveloper.

The Parties specifically agree that additional parties or entities may be admitted to and included within the meaning of the term “Redeveloper” via the written consent of both Parties.

Section 13. Redevelopment Contract Binding Upon Successors and Assigns.

This Redevelopment Contract is made for the benefit of Redeveloper, the Agency and the registered owners from time to time of the TIF Note as third party beneficiaries. This Redevelopment Contract shall be binding upon the Agency and Redeveloper, and any successors or assigns thereof. Redeveloper may assign its interest in the Redevelopment Project only upon receipt of prior written consent from the Agency. The Agency and Redeveloper acknowledge and agree that, in the event Redeveloper assigns its rights and obligations under this Redevelopment Contract, in whole or in part, to any assignee, Redeveloper and the assignee shall both be bound by the terms of the Plan and this Redevelopment Contract (as and to the extent of any such assignment with respect to the assignee). No assignment by Redeveloper to the assignee shall be effective until a written instrument binding the assignee under the terms of the Plan and this Redevelopment Contract (as and to the extent of such assignment), duly acknowledged and in recordable form, has been executed and delivered by the assignee and recorded in the real estate records of Dawson County, Nebraska, with respect to the Project Site.

Section 14. Titles of Sections.

Any titles of the several Sections of this Redevelopment Contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions hereof.

Section 15. Notices.

Except as otherwise specified herein, all notices hereunder shall be in writing and shall be given to the relevant Party at its address set forth below, or such other address as such Party may hereafter specify by notice to the other given by United States mail or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

- (a) in the case of Redeveloper, if mailed to or delivered personally to:

R. Perry Construction, Inc.
c/o Roy Perry
P.O. Box 2853
Sioux City, IA 51106
Roy@rperryconstruction.com

- (b) in the case of Agency, if mailed to or delivered personally to:

City of Lexington, Nebraska
Attention: City Manager
406 E 7th Street
Lexington, NE 68550
jpepp@cityoflex.com

Each such notice, request or other communication shall be effective (i) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (ii) if given by any other means, when delivered at the addresses specified in this Section or at any such other address with respect to any such Party as that Party may, from time to time, designate in writing and forward to the other Party as provided in this Section.

Section 16. Severability.

If any provision of this Redevelopment Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case, for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative and unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained, invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, sections or paragraphs in this Redevelopment Contract shall not affect the remaining portions of this Redevelopment Contract or any part thereof.

Section 17. Counterparts.

This Redevelopment Contract may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 18. Law Governing.

The Parties agree that this Redevelopment Contract shall be governed and construed in accordance with the laws of Nebraska.

Section 19. Time of the Essence.

Time shall be of the essence of this Redevelopment Contract.

Section 20. Termination.

This Redevelopment Contract shall commence as of the date first above written and shall automatically terminate (if not otherwise terminated earlier pursuant to the terms of this

Redevelopment Contract) upon the earlier of maturity of the TIF Note or payment of all principal and interest owed toward the TIF Note.

Section 21. Force Majeure Event.

No Party shall be considered in breach of, or in default in its obligations with respect to any of the obligations under this Redevelopment Contract in the event that a delay in the performance of such obligations is caused by a Force Majeure Event. A “**Force Majeure Event**” means any failure or delay in performance by a Party that is proximately caused by unforeseeable causes beyond its control and without its fault or negligence, such as acts of God, wars or insurrections, pandemics, and epidemics, among others. In the event of the occurrence of any such delay due to a Force Majeure Event, the time or times for performance of the obligations of the delayed Party shall be extended for the period of Force Majeure Event, as determined by the mutual agreement of the Parties. Any Party claiming such excused delay as the result of a Force Majeure Event shall, within twenty (20) days after the beginning of any such Force Majeure Event, notify the other Party in writing of the cause or causes thereof, and request an extension for the period of the delay.

Section 22. Effect of Redevelopment Contract.

This Redevelopment Contract (including the Plan as incorporated by reference) constitutes the entire understanding by and between the Parties concerning the subject matter hereof, and supersedes and replaces all prior agreements. No other prior or contemporaneous representations, inducements, promises or agreements, oral or otherwise, between or among the Parties relating to the subject matter hereof and not embodied in this Redevelopment Contract shall be of any force and effect.

(The remainder of this page is intentionally left blank)

IN WITNESS WHEREOF, the Agency and Redeveloper have caused this Redevelopment Contract to be executed by their duly authorized representatives.

COMMUNITY DEVELOPMENT AGENCY OF
LEXINGTON, NEBRASKA

By: _____
Chairperson

ATTEST:

Secretary

R. PERRY CONSTRUCTION, INC.,
an Iowa corporation

By: _____
Roy Perry, President

Exhibit "A"
Project Site

Description:

LOT A, ADMINISTRATIVE REPLAT OF BLOCK 3, SOUTH LEXINGTON FIRST
SUBDIVISION (Parcel ID 240220067); and

BLOCK 2, SOUTH LEXINGTON FIRST SUBDIVISION (Parcel ID 240224134).

* As part of the Redevelopment Project, Redeveloper intends to subdivide or replat the Project Site. Subsequent to any such subdivision or replat, the above description shall be replaced with the legal description provided in the subdivision or replat of the Project Site, or relevant portion thereof, approved by the City.

Depiction:



Exhibit "A"

Redevelopment Project Conceptual Site Plans

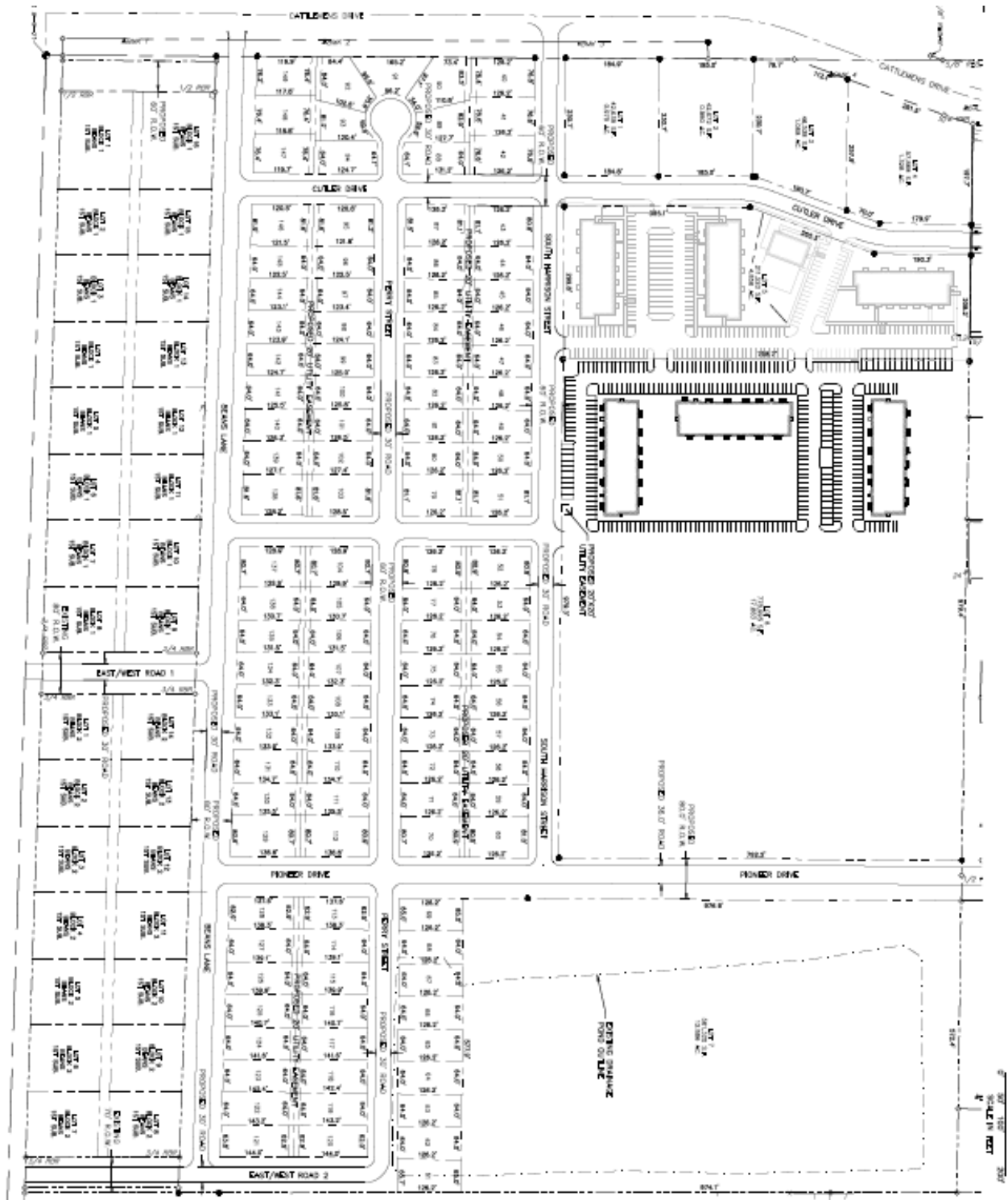


Exhibit "B"

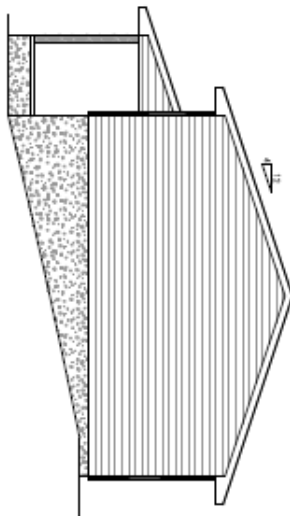
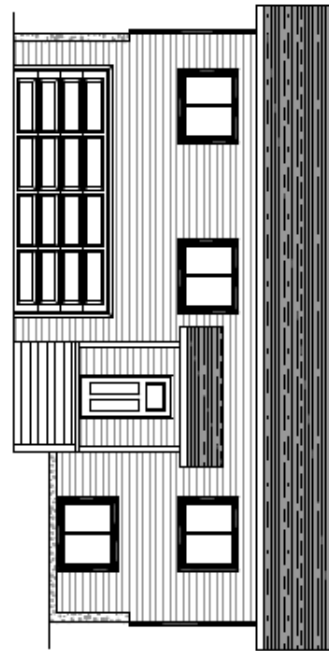
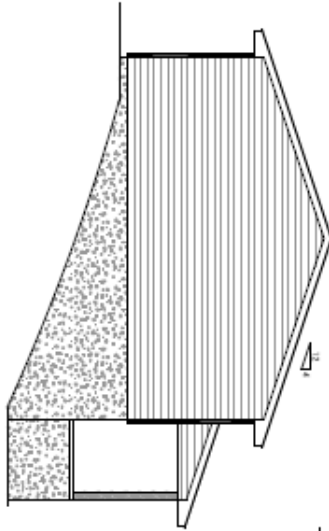
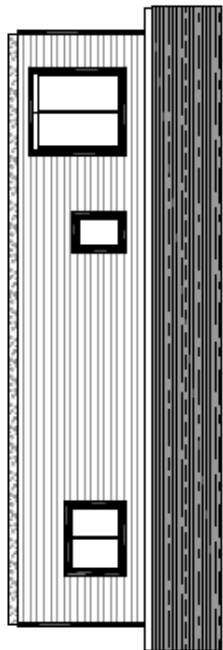
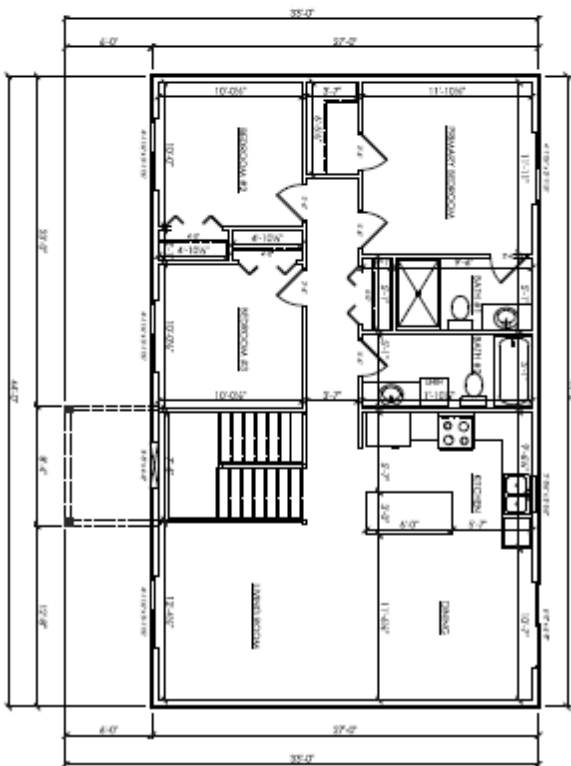
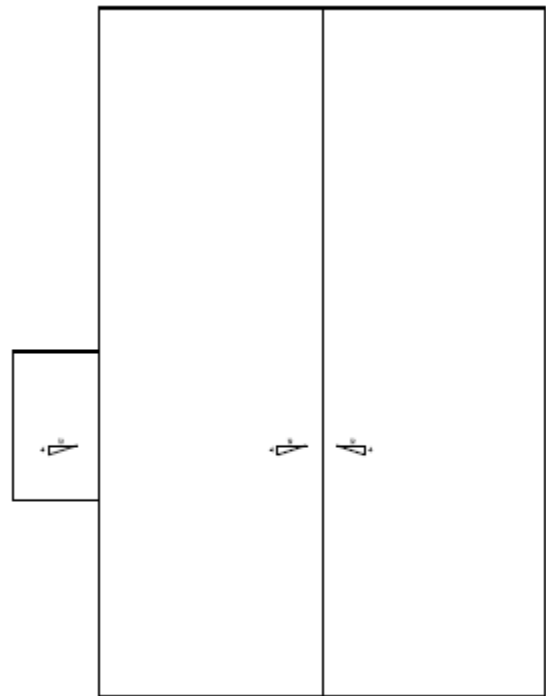
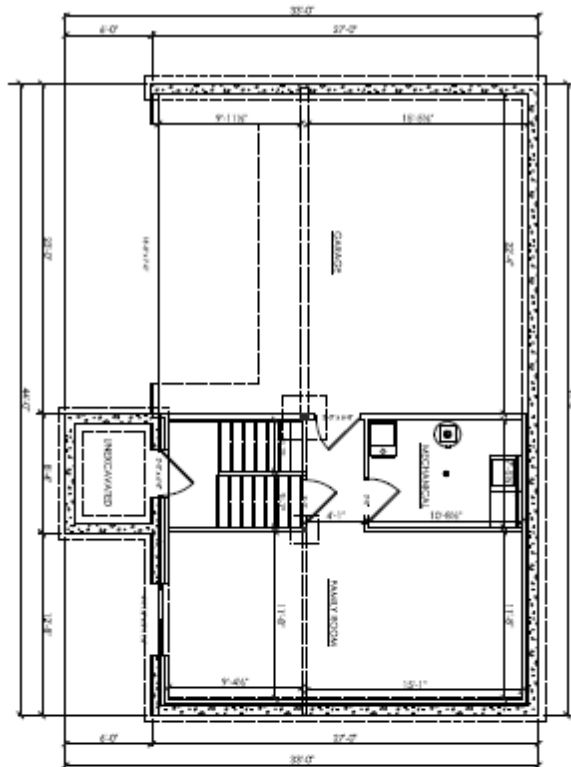


Exhibit "B"



* The above are preliminary plans and are subject to change.

Exhibit "C"
Redevelopment Project TIF Sources and Uses

Projected Sources and Assumptions:*

Base Value:	\$201,592
Post-Redevelopment Value**:	\$40,250,000
Tax Levy (2023):	1.647327
TIF Indebtedness:	\$9,799,039
Interest Rate:	2.00%***

* The above figures are based on assumed values and levy rates. Actual amounts and rates will vary from those assumptions, and it is understood that the actual TIF sources may vary materially from the projected amounts.

** While the cost to build the homes (and sales price) is estimated to be at or below ~\$300,000 per lot, it is anticipated the fair market value (and thus, the tax assessed valuation) will be higher than such amount. As detailed in the Redevelopment Plan, this is due to Redeveloper selling the homes at cost and deriving its profit from the Workforce Housing TIF, which acts as a reduction to the purchase price from the home's actual fair market value. As such, irrespective of the sales price of the homes, the fair market value – and thus the tax assessed valuation – of the single-family lots is anticipated to be \$325,000, based upon comparable housing stock within the City. The future valuation of the multi-family apartment complex is estimated to be \$4,500,000.

*** An interest rate of 2% accounts for the natural increases to property valuations over the course of the TIF period.

Projected Amortization:

	TIF			Treasurer's	Revenues	Debt Service Payments					
	Taxable	Tax	Tax	1% Collection	Available		Interest at		Loan	Capitalized	Interest at
DATE	Valuation	Levy	Revenues	Fee	For TIF Loan	Principal	0.00%	Total	Balance	Interest	0.00%
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
0									\$9,799,039		
0.5	\$ 4,004,841	1.647327	\$ 35,090	\$ 351	\$ 34,739	\$34,739	\$0	\$34,739	\$9,764,300	0	0
1	\$ 4,004,841	1.647327	\$ 32,986	\$ 330	\$ 32,656	\$32,656	\$0	\$32,656	\$9,731,644	0	0
1.5	\$ 8,009,682	1.647327	\$ 65,973	\$ 660	\$ 65,313	\$65,313	\$0	\$65,313	\$9,666,331	0	0
2	\$ 8,009,682	1.647327	\$ 65,973	\$ 660	\$ 65,313	\$65,313	\$0	\$65,313	\$9,601,018	0	0
2.5	\$ 12,014,523	1.647327	\$ 98,959	\$ 990	\$ 97,969	\$97,969	\$0	\$97,969	\$9,503,049	0	0
3	\$ 12,014,523	1.647327	\$ 98,959	\$ 990	\$ 97,969	\$97,969	\$0	\$97,969	\$9,405,080	0	0
3.5	\$ 16,019,364	1.647327	\$ 131,946	\$ 1,319	\$ 130,627	\$130,627	\$0	\$130,627	\$9,274,453	0	0
4	\$ 16,019,364	1.647327	\$ 131,946	\$ 1,319	\$ 130,627	\$130,627	\$0	\$130,627	\$9,143,826	0	0
4.5	\$ 20,024,205	1.647327	\$ 164,932	\$ 1,649	\$ 163,283	\$163,283	\$0	\$163,283	\$8,980,543	0	0
5	\$ 20,024,205	1.647327	\$ 164,932	\$ 1,649	\$ 163,283	\$163,283	\$0	\$163,283	\$8,817,260	0	0
5.5	\$ 24,029,046	1.647327	\$ 197,918	\$ 1,979	\$ 195,939	\$195,939	\$0	\$195,939	\$8,621,321	0	0
6	\$ 24,029,046	1.647327	\$ 197,918	\$ 1,979	\$ 195,939	\$195,939	\$0	\$195,939	\$8,425,382	0	0
6.5	\$ 28,033,887	1.647327	\$ 230,905	\$ 2,309	\$ 228,596	\$228,596	\$0	\$228,596	\$8,196,786	0	0
7	\$ 28,033,887	1.647327	\$ 230,905	\$ 2,309	\$ 228,596	\$228,596	\$0	\$228,596	\$7,968,190	0	0
7.5	\$ 32,038,728	1.647327	\$ 263,891	\$ 2,639	\$ 261,252	\$261,252	\$0	\$261,252	\$7,706,938	0	0
8	\$ 32,038,728	1.647327	\$ 263,891	\$ 2,639	\$ 261,252	\$261,252	\$0	\$261,252	\$7,445,686	0	0
8.5	\$ 36,043,569	1.647327	\$ 296,878	\$ 2,969	\$ 293,909	\$293,909	\$0	\$293,909	\$7,151,777	0	0
9	\$ 36,043,569	1.647327	\$ 296,878	\$ 2,969	\$ 293,909	\$293,909	\$0	\$293,909	\$6,857,868	0	0
9.5	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$6,531,303	0	0
10	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$6,204,738	0	0
10.5	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$5,878,173	0	0
11	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$5,551,608	0	0
11.5	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$5,225,043	0	0
12	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$4,898,478	0	0
12.5	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$4,571,913	0	0
13	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$4,245,348	0	0
13.5	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$3,918,783	0	0
14	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$3,592,218	0	0
14.5	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$3,265,653	0	0
15	\$ 40,048,410	1.647327	\$ 329,864	\$ 3,299	\$ 326,565	\$326,565	\$0	\$326,565	\$2,939,088	0	0
15.5	\$ 36,043,569	1.647327	\$ 296,878	\$ 2,969	\$ 293,909	\$293,909	\$0	\$293,909	\$2,645,179	0	0
16	\$ 36,043,569	1.647327	\$ 296,878	\$ 2,969	\$ 293,909	\$293,909	\$0	\$293,909	\$2,351,270	0	0
16.5	\$ 32,038,728	1.647327	\$ 263,891	\$ 2,639	\$ 261,252	\$261,252	\$0	\$261,252	\$2,090,018	0	0
17	\$ 32,038,728	1.647327	\$ 263,891	\$ 2,639	\$ 261,252	\$261,252	\$0	\$261,252	\$1,828,766	0	0
17.5	\$ 28,033,887	1.647327	\$ 230,905	\$ 2,309	\$ 228,596	\$228,596	\$0	\$228,596	\$1,600,170	0	0
18	\$ 28,033,887	1.647327	\$ 230,905	\$ 2,309	\$ 228,596	\$228,596	\$0	\$228,596	\$1,371,574	0	0
18.5	\$ 24,029,046	1.647327	\$ 197,918	\$ 1,979	\$ 195,939	\$195,939	\$0	\$195,939	\$1,175,635	0	0
19	\$ 24,029,046	1.647327	\$ 197,918	\$ 1,979	\$ 195,939	\$195,939	\$0	\$195,939	\$979,696	0	0
19.5	\$ 20,024,205	1.647327	\$ 164,932	\$ 1,649	\$ 163,283	\$163,283	\$0	\$163,283	\$816,413	0	0
20	\$ 20,024,205	1.647327	\$ 164,932	\$ 1,649	\$ 163,283	\$163,283	\$0	\$163,283	\$653,130	0	0
20.5	\$ 16,019,364	1.647327	\$ 131,946	\$ 1,319	\$ 130,627	\$130,627	\$0	\$130,627	\$522,503	0	0
21	\$ 16,019,364	1.647327	\$ 131,946	\$ 1,319	\$ 130,627	\$130,627	\$0	\$130,627	\$391,876	0	0
21.5	\$ 12,014,523	1.647327	\$ 98,959	\$ 990	\$ 97,969	\$97,969	\$0	\$97,969	\$293,907	0	0
22	\$ 12,014,523	1.647327	\$ 98,959	\$ 990	\$ 97,969	\$97,969	\$0	\$97,969	\$195,938	0	0
22.5	\$ 8,009,682	1.647327	\$ 65,973	\$ 660	\$ 65,313	\$65,313	\$0	\$65,313	\$130,625	0	0
23	\$ 8,009,682	1.647327	\$ 65,973	\$ 660	\$ 65,313	\$65,313	\$0	\$65,313	\$65,312	0	0
23.5	\$ 4,004,841	1.647327	\$ 32,986	\$ 330	\$ 32,656	\$32,656	\$0	\$32,656	\$32,656	0	0
24	\$ 4,004,841	1.647327	\$ 32,986	\$ 330	\$ 32,656	\$32,656	\$0	\$32,656	\$0	0	0
=====			-----	-----	-----	-----	-----	-----	=====	-----	
			\$9,898,024	\$98,985	\$9,799,039	\$9,799,039	\$0	\$9,799,039		\$0	
			=====	=====	=====	=====	=====	=====		=====	
					Original Loan Amount	\$9,799,039				(F9 = calculate)	
					Capitalized Interest	\$0			ASSUMPTIONS:		
					Loan Balance Remaining	\$0			1. Loan Amount:	\$9,799,039	
						-----			2. Interest Rate:	0.00%	

Projected TIF Uses:

Land Acquisition	\$490,352
Streets	\$5,752,189
Water Infrastructure	\$1,703,878
Sanitary Sewer	\$1,883,233
Other Site Development & Utilities	\$1,153,000
Building Cost**	\$36,000,000
Architectural and Engineering Fees	\$2,413,229
Legal Fees	\$20,000
TOTAL	\$49,415,881

* The above Uses are preliminary estimates based upon 2024 pricing and are subject to change.

** Subject to meeting the criteria of Workforce Housing TIF, as detailed under Section 3 of the Redevelopment Contract.

*** The above figures are only estimates of the Eligible Costs and such actual costs will be reflected in the cost certifications required under Section 2 of the Redevelopment Contract.

**** All Eligible Costs contemplated in the Plan and not otherwise specified herein shall be included as Eligible Costs for purposes of this Redevelopment Contract under this Exhibit "C".

Exhibit "D"
TIF Note

(See Attached)

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "'33 ACT") AND MAY NOT BE TRANSFERRED, ASSIGNED, SOLD OR HYPOTHECATED UNLESS A REGISTRATION STATEMENT UNDER THE '33 ACT SHALL BE IN EFFECT WITH RESPECT THERETO AND THERE SHALL HAVE BEEN COMPLIANCE WITH THE '33 ACT AND ALL APPLICABLE RULES AND REGULATIONS THEREUNDER, OR THERE SHALL HAVE BEEN DELIVERED TO THE CITY OF LEXINGTON, NEBRASKA, PRIOR TO TRANSFER, ASSIGNMENT, SALE OR HYPOTHECATION AN OPINION OF COUNSEL, SATISFACTORY TO THE CITY OF LEXINGTON, NEBRASKA, TO THE EFFECT THAT REGISTRATION UNDER THE '33 ACT IS NOT REQUIRED.

TAX INCREMENT FINANCING PROMISSORY NOTE
(The R. Perry Workforce Housing Redevelopment Project)

\$9,799,039.00 _____, 202__

FOR VALUE RECEIVED, the undersigned, Community Development Agency of Lexington, Nebraska (hereinafter known as "Agency"), promises to pay, via issuance of this Tax Increment Financing Promissory Note (this "Note"), _____ ("Holder"), and/or its assigns, the principal sum of Nine Million Seven Hundred Ninety-Nine Thousand Thirty-Nine & 00/100 Dollars (\$9,799,039.00), together with interest thereon at the rate of two percent (2.00%) per annum, in accordance with the terms of that certain Redevelopment Contract dated February 17, 2025 (the "Redevelopment Contract"), as between the Agency and Holder, until January 1 following the date that all excess ad valorem real estate taxes for the "Project Site" (as defined in the Redevelopment Contract) have been divided and collected in conformance with Section 18-2147 of the Nebraska Community Development Law, Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska (the "Act"), or until this Note is paid in full, whichever occurs first. Interest on this Note shall begin to accrue on the "Effective Date" (as defined in the Redevelopment Contract) of the initial "Phase" (as defined in the Redevelopment Contract) of the "Redevelopment Project" (as defined in the Redevelopment Contract). The principal balance and interest thereon shall be due and payable on this Note as and at such time as any excess ad valorem taxes generated in the Project Site are collected by the Agency and available for the retirement of this debt, pursuant to and in accordance with the Act. Notwithstanding the foregoing, the Agency shall not be obligated to make more than two payments on this Note, at least five months apart, during any single calendar year.

All terms of the Redevelopment Contract authorizing the issuance of this Note are hereby incorporated and adopted by this Note as if specifically set forth herein. To the extent the terms of this Note conflict with the Redevelopment Contract, the terms of the Redevelopment Contract shall control.

The Agency may prepay the principal amount outstanding in whole or in part, without penalty or the prior consent of the Holder.

In the event the monies collected and held in that special fund established under Section 18-2147 of the Act and pursuant to the Redevelopment Contract are insufficient to pay in full all

amounts due and owing after all excess ad valorem taxes generated by the Project Site have been collected by the Agency and paid, within a reasonable time after becoming available, towards the retirement of the amounts due hereunder, then the Holder shall waive any unpaid portion of the principal and interest due hereon. Upon maturity of this Note, any outstanding principal and interest on this Note shall be unconditionally forgiven and waived by Holder, without further obligation or liability of the Agency.

A PORTION OF THE PRINCIPAL AMOUNT OF THIS NOTE MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT OF THE AGENCY. THE HOLDER OR ANY TRANSFEREE OR ASSIGNEE OF SUCH HOLDER MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED BY THE RECORDS OF THE AGENCY.

Pursuant to the Redevelopment Contract and Sections 18-2124 and 18-2150 of the Act, the excess ad valorem real property taxes within the Project Site have been pledged for the payment of this Note, both principal and interest as the same fall due or become subject to mandatory redemption. This Note shall not constitute a general obligation of the Agency and the Agency shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This Note shall not constitute an obligation of the State of Nebraska, the Agency, or of the City of Lexington (except for such receipts as have been pledged pursuant to said Sections 18-2124 and 18-2150 of the Act), and the State of Nebraska, the Agency and/or the City of Lexington shall not be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged as described above in this paragraph). Neither the members of the Agency's governing body nor any person executing this Note shall be liable personally on this Note by reason of the issuance hereof.

This Note shall be governed by and construed in accordance with the laws of the State of Nebraska. All payments hereunder shall be payable in lawful money of the United States of America and shall be legal tender for public and private debts at the time of payment.

IN WITNESS WHEREOF, the Chairperson and Secretary of the Agency have caused this Note to be executed on behalf of the Agency, all as of the date first set forth above.

COMMUNITY DEVELOPMENT AGENCY OF
LEXINGTON, NEBRASKA

By: (Example – do not sign)
Chairperson

ATTEST:

(Example – do not sign)
Secretary

Exhibit "E"
Form of Redevelopment Contract Memorandum for Recording

(See Attached)

Upon recording, return to:
City of Lexington, Nebraska
Attention: City Manager
406 E 7th Street
Lexington, NE 68550

MEMORANDUM OF REDEVELOPMENT CONTRACT

This Memorandum of Redevelopment Contract ("Memorandum") is made this ____ day of _____, 20____, by and between the Community Development Agency of Lexington, Nebraska ("Agency"), and R. Perry Construction, Inc., an Iowa corporation ("Redeveloper").

1. **Redevelopment Contract.** Agency and Redeveloper have entered into that certain Redevelopment Contract dated as of February 17, 2025 ("Redevelopment Contract"), describing the public and private improvements being made by the Redeveloper in the "Project Site", consisting of the real property owned by Redeveloper and legally described as:

LOT A, ADMINISTRATIVE REPLAT OF BLOCK 3, SOUTH LEXINGTON
FIRST SUBDIVISION (Parcel ID 240220067); and

BLOCK 2, SOUTH LEXINGTON FIRST SUBDIVISION (Parcel ID
240224134).

Notwithstanding the above legal description, Redeveloper intends to replat the Project Site as part of the Redevelopment Project. The legal description(s) for the Project Site derived from any such replat approved by the City of Lexington, Nebraska, shall supersede the legal description provided above.

2. **Tax Increment Financing.** The Redevelopment Contract provides for the capture of the tax-increment financing ("TIF") revenues by the Agency of the improvements to be made by the Redeveloper for a period not to exceed fifteen (15) years after the effective date (as defined in the Nebraska Community Development Law) of each Phase of the Redevelopment Project. The TIF revenues so captured by the Agency shall be used to reimburse Redeveloper for construction of the Eligible Costs described in the Redevelopment Contract via debt service payments on a TIF Note issued by the Agency.

3. **Redevelopment Project Valuation.** The Redevelopment Contract establishes, for as long as the TIF Note is outstanding, that Redeveloper, its successors and assigns, including subsequent purchasers of land within the Project Site, shall not protest a real estate property valuation, as determined by the appropriate assessing and taxing officials of Dawson County, Nebraska, for purposes of local ad valorem real estate taxes, to an amount less than: (i) \$325,000 (inclusive of improvements) for each single-family residential lot within the Project Site (the “SF Minimum Valuation”); and (ii) \$4,500,000 (inclusive of improvements) for the lot(s) comprising the multi-family apartments within the Project Site (the “MF Minimum Valuation”). The foregoing is a covenant and restriction upon all real property within the Project Site and shall run with the land.

4. **Remaining Terms.** The rest and remaining terms of the Redevelopment Contract are hereby incorporated into this Memorandum as if they were set forth in full. All capitalized terms in this Memorandum that are not otherwise defined herein shall have the same meaning as set forth in the Redevelopment Contract. A full and correct copy of the Redevelopment Contract may be inspected at the Agency offices in Lexington, Nebraska.

5. **Termination of Memorandum.** Unless terminated sooner in accordance with the terms of the Redevelopment Contract, this Memorandum shall be deemed to automatically terminate and be released from the above-described real property upon the payoff or maturity of the TIF Note.

[Signature Pages Follow]

COMMUNITY DEVELOPMENT AGENCY
OF LEXINGTON, NEBRASKA

By: _____
Chairperson

ATTEST:

Secretary

STATE OF NEBRASKA)
) ss.
COUNTY OF DAWSON)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____ and _____, the Chairperson and Secretary, respectively, of the Community Development Agency of Lexington, Nebraska, on behalf of said agency.

(S E A L)

Notary Public

R. PERRY CONSTRUCTION, INC.,
an Iowa corporation

By: _____
Roy Perry, President

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by Roy Perry, the President of R. Perry Construction, Inc., an Iowa corporation, on behalf of the corporation.

(S E A L)

Notary Public